

AGENDA

**Meeting of the Board of Trustees
University of Kentucky
1:00 P.M.
April 3, 2001**

Invocation

Roll Call

Approval of Minutes - (Consent)

President's Report and Action Items

- PR 1 President's Report to the Trustees
 - A. Partnership in Research Progress Committee Report
- PR 2 Personnel Actions
- PR 3 Central Administration
 - A. University Research Professorships
 - B. Naming University Building – The Dorotha Smith Oatts Visitor Center
 - C. Naming University Building – Peter P. Bosomworth Health Sciences Research Building
 - D. Honorary Degree Recipients
- PR 4 Community College System (No items to report)
- PR 5 Lexington Campus
 - A. Lexington Community College Mission, Vision and Values Statement
- PR 6 Medical Center
 - A. Reappointment to Board of Directors of The Fund for Advancement of Education and Research in the University of Kentucky A.B. Chandler Medical Center (Consent)

Academic Affairs Committee

- 1. New Degree Program in Early Childhood Education (Consent)
- 2. Change in Name of an Educational Unit (Consent)
- 3. Change in Name of an Educational Unit (Consent)

Finance Committee

- 1. Acceptance of Interim Financial Report for the University of Kentucky for the Eight Months Ended February 28, 2001
- 2. Report of Leases
- 3. 2000-01 Budget Revisions
- 4. Anonymous Gift for Urology
- 5. Drs. Barbara and James Holsinger Gift and Pledge
- 6. James F. Glenn, M.D. Chair in Urology

7. Jerry G. and Patricia K. Rose Gift and Pledge
8. Medical Alumni Association Gift and Pledge
9. National City Bank Gift and Pledge
10. Vaughn & Melton Consulting Engineers, Inc. Pledge
11. Incentive Retirement Plan for the Department of Chemical and Materials Engineering
12. A Resolution of the Board of Trustees of the University of Kentucky Authorizing the Issuance of Approximately \$18,695,000 of University of Kentucky Consolidated Educational Buildings Refunding Revenue Bonds, Series N (Second Series), to be Dated the First Day of the Month in Which the Bonds are Sold

Minutes of the Meeting of the Board of Trustees of the University of Kentucky, Tuesday, April 3, 2001.

The Board of Trustees of the University of Kentucky met at 1:00 p.m. (Lexington time) on Tuesday, April 3, 2001 in the Board Room on the 18th floor of Patterson Office Tower.

A. Meeting Opened

Billy Joe Miles, Chairperson, called the meeting to order at 1:04 p.m., and the invocation was pronounced by Ms. Marian Sims.

B. Roll Call

The following members of the Board of Trustees answered the call of the roll: Governor Edward T. Breathitt, Mr. Paul W. Chellgren, Ms. Marianne Smith Edge, Mr. James Glenn III, Mr. John "Jack" Guthrie, Dr. Loys L. Mather, Dr. Robert P. Meriwether, Mr. Billy Joe Miles (Chairman), Dr. Elissa Plattner, Mr. Steven S. Reed, Dr. Daniel R. Reedy, Mr. C. Frank Shoop, Ms. Marian Sims, Ms. Alice Sparks, Dr. W. Grady Stumbo, Ms. JoEtta Y. Wickliffe, and Mr. Russell Williams. Absent from the meeting were Mr. Merwin Grayson, Mr. Billy B. Wilcoxson and Ms. Elaine Wilson. The University administration was represented by President Charles T. Wethington, Jr.; Chancellors James W. Holsinger and Elisabeth Zinser; Vice Presidents Fitzgerald Bramwell, Joseph T. Burch, Ben W. Carr, George DeBin and Eugene Williams; Mr. Larry Ivy, Director of Athletics, and Mr. Richard E. Plymale, General Counsel.

Members of the various news media were also in attendance. A quorum being present, the Chairperson declared the meeting officially open for the conduct of business at 1:07 p.m.

C. Consent Agenda

Mr. Miles stated that there were five items on the consent agenda:

Approval of Minutes

Reappointment to Board of Directors of The Fund for Advancement of Education and Research in the University of Kentucky A. B. Chandler Medical Center (PR 6A)

New Degree Program in Early Childhood Education (AACR 1)

Change in Name of an Educational Unit (AACR 2)

Change in Name of an Educational Unit (AACR 3)

Dr. Reedy noted one correction that needed to be made in the March 6, 2001 Minutes.

Ms. Sparks commented on the new degree program in Early Childhood Education at Lexington Community College and its importance to the Commonwealth of Kentucky. She thanked Dr. James Kerley and Dr. Retia Walker for their collaboration in this effort.

Mr. Shoop moved approval of the Consent Agenda. The motion, seconded by Ms. Sims, carried. (See PR 6A, AACR 1, AACR 2 and AACR 3 at the end of the Minutes.)

D. President's Report to the Board of Trustees (PR 1)

President Wethington called attention to the following items in PR 1:

1. The UK Department of Communication is leading the nation in securing outside grants over a ten-year period.
2. The University of Kentucky hosted 2,400 undergraduate researchers on campus at the largest conference the University has had on campus. It was a wonderful experience for the undergraduate students and their faculty mentors from across the country.

President Wethington asked the members to read the other items in the report at their leisure.

E. Partnership in Research Progress Committee Report (PR 1A)

President Wethington said that this report is a report from the Partnership in Research Progress Committee to the Board of Trustees and the President. The report will be given to Dr. Lee Todd for his consideration for use in the furtherance of the research program at the University of Kentucky. He asked Mr. Miles for his comments and to introduce Mr. John Hall.

Mr. Miles stated that upon receiving the mandate to achieve top-20 research status, the University looked for an outstanding group of people that could compare the University to what is going on at the other universities that are top-20. He expressed his appreciation and thanks to Mr. Hall for the work that he and the committee have done in bringing this report together. He asked Mr. Hall to introduce the committee and then make the report, following which he received a round of applause from the Board members.

Mr. Hall expressed his appreciation to Mr. Miles and President Wethington for the opportunity to address the Board. He acknowledged the members of the Committee who put numerous hours of work into this report; Dr. Fitzgerald B. Bramwell, Vice President for Research and Graduate Studies at the University of Kentucky; Barbara Ford, Vice President of Human Resources at Tech Republic in Louisville; Mr. E. Edward Glasscock, co-managing partner of Frost, Brown, and Todd; Mr. Henry Jackson, President, Jackson Plastic, Inc.; Mr. Billy Joe Miles, Chairman of the University of Kentucky Board of Trustees; Mr. Stephen S. Reed, esquire, Vice Chairman, UK Board of Trustees; Dr. Wimberly Royster, Vice President of the Kentucky Science and Technology Corporation; and Dr. Lee Todd, who is president-elect of the University of Kentucky and Senior Vice President of Lotus Development Corporation. He also acknowledged the advisory members; Dr. Gordon Davies, President of the Council on Postsecondary Education; Dr. Joseph Fink, Assistant Vice President for Research and Graduate Studies; and Dr. James Ramsey, State Budget Director. He added that while Dr. Wethington was not on the committee, he could not have been more cooperative. Dr. Wethington attended all of the meetings and gave the Committee access to any individual or any information they requested. Mr. Hall expressed his appreciation to Mr. Paul Chellgren for his help with transportation and printing services as well as the services of Ms. Margaret Thompson to write the final report and presentation.

Mr. Hall gave the following presentation.

Partnership in Research Progress Committee

Report and Recommendations

Presented by John R. Hall
Committee Chairman

April 3, 2001

Committee Members

- **Dr. Fitzgerald B. Bramwell**
 - Vice President, Research & Graduate Studies, UK
- **Ms. Barbara Ford**
 - Vice President, Human Resources, TechRepublic
- **Mr. C. Edward Glasscock**
 - Co-Managing Partner, Frost Brown Todd, LLC
- **Mr. Henry Jackson**
 - President, Jackson Plastics, Inc.
- **Mr. Billy Joe Miles**
 - Chairman, Board of Trustees, UK
- **Mr. Steven S. Reed, Esq.**
 - Vice Chairman, Board of Trustees, UK
- **Dr. Wimberly C. Royster**
 - Vice President, Kentucky Science & Technology Corporation
- **Dr. Lee T. Todd, Jr.**
 - Senior Vice President, Lotus Development Corporation and President-Elect, UK

Advisory Members

- Dr. Gordon K. Davies
 - President, Council on Postsecondary Education
- Dr. Joseph L. Fink III
 - Assistant Vice President, Research & Graduate Studies
- Dr. James R. Ramsey
 - State Budget Director

Special thanks:

- Dr. Charles Wethington, President, University of Kentucky
- Mr. Paul Chellgren, Chairman & CEO, Ashland Inc. & UK Trustee
- Margaret Thomson
 - Director, Shareholder & Employee Communications, Ashland Inc.

Background

- Need to further improve Kentucky economy and move toward a knowledge-based economy
- Recognition of UK's key role in building a stronger economy
- Desire to capitalize on and expand UK research capacity by increasing external funding and income from intellectual property
- Opportunity to benefit from improving state research and innovation climate

Committee Charge

- Appointed June 2000 to assist UK in:
 - Developing strategies to obtain more federal research dollars
 - Fostering collaborative research partnerships
 - Developing the economy through commercialization of University research

Work Plan

- Listen to constituents
- Exchange ideas
- Network with colleagues
- Review literature

Listen to Constituents

- Council on Postsecondary Education
- State Budget Office
- Lexington United
- Lexington Chamber of Commerce
- Louisville business leaders
- UK officials

Exchange Ideas

- Seminar with 150 participants
 - Role of the Research University in the New Economy
- Speakers
 - Dr. James Ramsey reviewed Kentucky's economy, characteristics of the New Economy, recent actions by state government to improve the climate for economic development:
 - Postsecondary reform, Research Challenge Trust Fund, Kentucky Innovation Act, Rural Innovation Fund

Exchange Ideas

- Seminar speakers
 - Dr. Lee Todd described his experience as a professor turned entrepreneur, the search for venture capital, and 10 lessons learned
 - Dr. Michael Crow detailed the new climate for innovation, the role of intellectual property in driving change, and the Columbia innovation model
 - Dr. Ed Cohen and Dr. Dan Wermeling presented a case study on the development of nasal inhalation therapy for delivering medication

Exchange Ideas

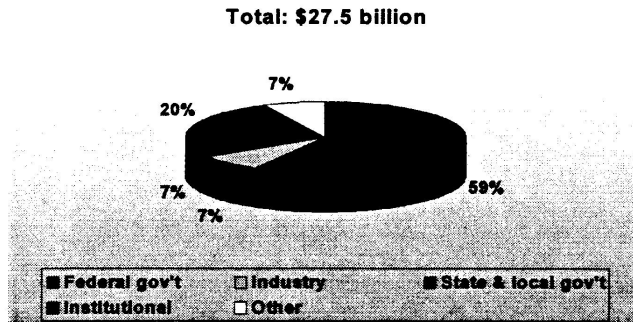
- Seminar speakers
 - Dr. James Gray challenged the audience to think about the intersection of ideas, the importance of place, and the new style of leadership required for the New Economy
 - Mr. Edward Glasscock led a stimulating panel discussion that explored our strengths, our opportunities to improve and how we might succeed

Work Plan

- Network with colleagues
 - University of Florida
 - University of Georgia
 - North Carolina State University
 - Purdue University
 - Texas A&M University
 - Virginia Polytechnic Institute & State University
 - University of Wisconsin
- Review literature

1999 R&D Expenditures

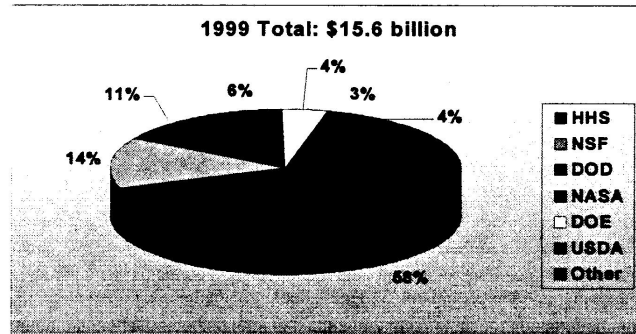
At All Universities by Source of Funds



Source: National Science Foundation

Federal Expenditures by Agency

At 100 Largest Research Universities



Source: National Science Foundation

1999 Rankings

All Research Universities

Rank	Institution	Total R&D expenditures
1	Johns Hopkins University	\$875 million
2	University of Michigan	509 million
3	University of Washington	483 million
4	UCLA	478 million
5	University of Wisconsin	463 million
49	University of Kentucky	174 million
50	Virginia Tech	169 million
56	University of Tenn. System	159 million

Source: National Science Foundation

1999 Rankings

Public Research Universities

Rank	Institution	Total R&D expenditures
1	University of Michigan	\$509 million
2	University of Washington	483 million
3	UCLA	478 million
4	University of Wisconsin	463 million
5	UC - San Diego	462 million
32	University of Kentucky	174 million
33	Virginia Tech	169 million
37	University of Tenn. System	159 million

Source: National Science Foundation

UK 1999 Rankings

- Among all research universities and colleges, UK ranks:
 - 49th in total R&D expenditures
 - 76th in federal R&D expenditures
 - 49th in state R&D expenditures
 - 34th in industry R&D expenditures
 - 12th in institutional R&D expenditures

Source: National Science Foundation

Licensing Income and Patents Issued

1998 Rank	Institution	Gross license income (in millions)	Patents issued
1	Univ. Calif. System	\$79.8	242
2	Columbia University	66.0	35
3	Stanford University	61.2	86
4	Florida State Univ.	46.6	15
5	Yale University	33.3	24
9	Univ. of Florida	19.1	51
38	University of Kentucky	2.4	18
56	Univ. of Tenn. System	1.3	34
60	Virginia Tech	1.1	18

Source: Association of University Technology Managers

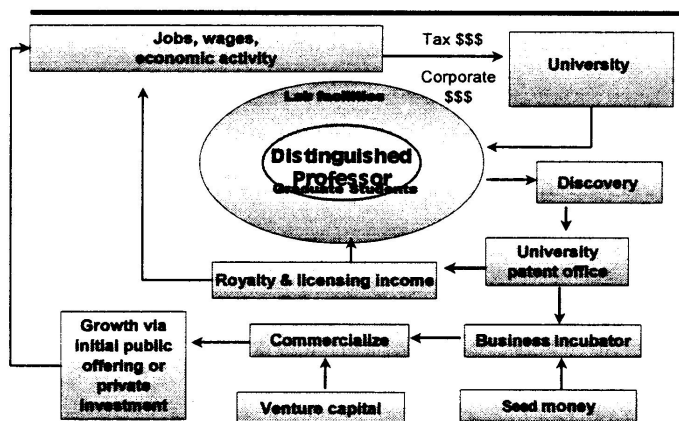
Income Distribution

University	License income distribution	Recovered IDC Allocation
Florida	25% PI, 10% Program, 10% Dept., 10% School, 45% Research Fdtn.	100% research
Georgia	25% PI, 10% Program, 10% Dept., 55% Research Fdtn.	22% research, 78% university
NC State	25% PI, 75% University	Not available
Purdue	33% PI, 33% Dept., 33% Research Fdtn.	Not available

Income Distribution

University	License income distribution	Recovered IDC Allocation
Texas A&M	42.5% PI, 42.5% College, 15% university	85% research; 15% university general fund
Virginia Tech	30% state; 13% capital fund for research space; 47% to College, Dept., PI; 10% research division	Not available
Wisconsin	20% PI, 70% Program, 10% research foundation	45.50% university general fund

Economic Development Process



University of Florida

- \$304 million in total R&D expenditures
- Well-funded, aggressive, successful program. Strong state expenditures (No. 4 in nation)
- Income distribution and indirect costs recovery policies direct substantial portion to research while still rewarding PI
- Maintains Washington office which led to \$15 million in additional grants in '00
- Private research park 12 miles from campus
- UF owns one building which houses biotechnology business incubator

University of Georgia

- \$237 million in total R&D expenditures, with no engineering or medical school
- Aggressive, growing program
- Key strength: Technology Transfer Office very proactive with business community to match research with backers
- No research park
- Business incubator downtown for dot-coms
- Industry research allowed on campus for a space allocation fee

North Carolina State

- \$271 million in total R&D expenditures
- Well-organized growing program
- Part of Duke-UNC-NC State research triangle
- Tremendous research park/incubator facilities on Centennial Campus
- State & local and institutional funding exceed federal funding

Purdue

- \$226 million in total R&D expenditures
- Research space limited, affecting faculty recruitment
- Benefits from 21st Century Fund, \$50 million state fund used to stimulate academic-industry and academic-academic linkages to fund research in technology-focused areas

Texas A&M

- \$402 million in total R&D expenditures
- Considered by community to be the No. 1 economic development asset in the area
- Well-funded, drawing on a \$14.5 million pool of venture capital
- \$25-30 million a year from statewide university fund financed by oil revenues
- Very well-organized processes

Virginia Tech

- \$169 million in total R&D expenditures
- Similar to UK in expenditures
- Virginia Tech Intellectual Properties, Inc. assists with raising funds
- Economic development officer is the doorway to research-business matches
- Provides venture capital for university-related start-up companies

University of Wisconsin

- \$463 million in total R&D expenditures in 1999
- Very well-organized, well-funded program
- Wisconsin Alumni Research Fund
 - Private foundation
 - Provides \$30 million annually to university
 - \$5 million a year to research dean for special projects
 - \$900,000/year in seed money

Factors in Success: Best Practices

- Strong entrepreneurial spirit
- Outstanding faculty
 - Some superstars
 - Retention fund against “raids”
- Excellent facilities and grad students
- Strong marketing /entrepreneurial development office
- Strong Washington presence
- Clear focus

Factors in Success: Best Practices

- Patent & licensing program
 - Faculty sharing
 - Income plowed back into research
- Adequate incubator facilities
- Access to seed and venture capital
- Consistent state government programs
- Strong technology transfer
- Strong linkages with academics

Recommendations

- Foster collaborative research partnerships
 - Create marketing/entrepreneurial development office
 - Consolidate and possibly co-locate all efforts of offices that support research
 - Emphasize close cooperation between development arm and research enterprise
 - Create an advisory board of research and venture capital alumni to advise on how best to utilize Coldstream Research Park

Recommendations

- Foster collaborative research partnerships
 - Investigate separate foundation to hold intellectual properties
 - Streamline processes for technology transfer
 - Establish a fund to attract and retain outstanding faculty
 - Monitor Business-Higher Education Forum and possibly adopt its best-practice recommendations
 - Focus research on areas of key strength

Recommendations

- Develop the economy through technology commercialization
 - Encourage state pension fund and University endowment fund to ultimately invest 2% of total capital to venture capital investments
 - Develop coordinated effort with other public and private entities to increase available venture capital

Recommendations

- Develop the economy through technology commercialization
 - Cooperate with University of Louisville, regional universities, business and industry, state government agencies to identify and emphasize appropriate research niches
 - Communicate to state government the need to continue an aggressive program of research support, particularly in regard to funding additional distinguished faculty

Recommendations

- Secure additional federal funding
 - Establish full-time Washington presence
 - Convene summit meeting of Kentucky Congressional delegation, University presidents and others to create strategy to maximize federal research dollars
 - Establish mechanisms to assure researchers are fully aware of all grant opportunities

Summary

- Goal to be Top 20 research university worthy, ambitious, challenging
- Reaching goal will require time and near doubling of current research funding
- Best strategy may be to:
 - Improve process of moving discoveries to market
 - Increase amount of external funds

Summary

- UK has strong research position
 - Research park
 - Business incubator
 - Research niches
 - Distinguished professors
- UK can succeed given:
 - Continued state and local government support
 - Increased emphasis on research
 - Innovative utilization of resources
 - Adopting recommendations

Mr. Hall concluded that the goal to be a top-20 research university is worthy, ambitious, and challenging. In order to achieve that status, the University will be required to double its current research funds. He noted that the University currently has a good foundation upon which to build, including \$174 million in current research, good research facilities, good business incubator in ASTeCC, research niches, and a lot of distinguished professors. He added that UK also needs continued support from the state and local government as well as an increased emphasis on research, better utilization of resources, and the adoption of the recommendations of this report to succeed in dramatically increasing the research program.

Mr. Hall received a round of applause from the members of the Board.

F. Personnel Actions (PR 2)

President Wethington recommended that approval be given to the appointments, actions and/or other staff changes which require Board action; and that the report relative to appointments and/or changes already approved by the administration be accepted. He noted that through the approval of PR 2, the Board would be acting upon the academic appointment of Dr. Lee T. Todd, Jr. as well as the retirement of Dr. Daniel R. Reedy after 34 years of service. Mr. Reed moved approval. The motion, seconded by Mr. Williams, carried. (See PR 2 at the end of the Minutes.)

Mr. Guthrie commented on his pleasure of knowing and working with Dr. Reedy for the past five years. He commended him on all of the work he has done for the University and the Board of Trustees, especially with the Presidential Search Committee.

Ms. Wickliffe commented on how much Dr. Reedy has meant to the Board of Trustees and to the Presidential Search Committee. She thanked him for all of his hard work over the years.

Ms. Plattner commented on Dr. Reedy's presence, authority and dignity as well as his sense of humor. She added that his sense of statesmanship would remain at the table of the Board of Trustees.

G. University Research Professorships (PR 3A)

President Wethington stated that PR 3A is a recommendation that the Board of Trustees approve the naming of Professors Chi-Sing Man, Department of Mathematics, Robert Perry, Department of Microbiology and Immunology, John R. Thelin, Department of Educational Policy Studies and Evaluation, and Thomas Widiger, Department of Psychology, as University Research Professors for 2001-2002. He added that these are one-year appointments with the purpose of enhancing and encouraging scholarly research productivity, providing an opportunity for concentrated research effort for selected faculty members, and recognizing research achievement by members of the faculty. President Wethington said he was pleased to recommend PR 3A for approval. Dr. Reedy moved approval. The motion, seconded by Mr. Shoop, passed. (See PR 3A at the end of the Minutes.)

President Wethington asked the four men to stand to be recognized. Professors Chi Sing Man, Robert Perry, John Thelin, and Thomas Widiger received a round of applause from the members of the Board.

H. Naming University Building – The Dorothea Smith Oatts Visitor Center (PR 3B)

President Wethington stated that PR 3B is a recommendation that the Board of Trustees approve the naming of the University of Kentucky-Lexington Fayette Urban County Government Arboretum Visitor Center as The Dorothea Smith Oatts Visitor Center. He added that Ms. Oatts is a graduate of the University of Kentucky and that in 1999 she pledged \$200,000 as a challenge match for construction of the visitor's center. To date, the University has received more than \$360,000 in matching gifts for the construction of this building. The ground-breaking ceremony is scheduled for April 10, 2001. President Wethington said he was pleased to recommend PR 3B for approval. On motion made by Ms. Sparks, seconded by Ms. Edge and carried, PR 3B was approved. (See PR 3B at the end of the Minutes.)

President Wethington asked Ms. Oatts to stand and be recognized, following which she received a round of applause.

I. Naming University Building – Peter P. Bosomworth Health Sciences Research Building (PR 3C)

President Wethington stated that PR 3C is a recommendation that the Board of Trustees approve the naming of the Health Sciences Research Building as the Peter P. Bosomworth Health Sciences Research Building. He noted that Dr. Bosomworth came to the UK Medical Center in 1962 as the first chair of the Department of Anesthesiology. He served from 1970 to 1982 as Vice President of the Medical Center and from 1982-1994 as Chancellor of the Medical Center. President Wethington added that the Chancellor of the Medical Center and the Committee on Naming University Buildings support this recommendation. He said he was pleased to recommend PR 3C for approval. Dr. Reedy moved approval. The motion, seconded by Ms. Sims, carried. (See PR 3C at the end of the Minutes.)

J. Honorary Degree Recipients (PR 3D)

President Wethington stated that PR 3D is a recommendation that approval be granted to awarding the honorary degree of Doctor of Science to Peter Palliser Bosomworth, the Doctor of Letters to Linda Challis Gill, and the Doctor of Humanities to Frank X Walker. He added that the Committee on Honorary Degrees, the Graduate Faculty and the University Senate expressed their approval of the recommendation. President Wethington said he was pleased to recommend PR 3D for approval. Ms. Edge moved approval. Mr. Williams seconded the motion, and it carried. (See PR 3D at the end of the Minutes.)

K. Lexington Community College Mission, Vision and Values Statement (PR 5A)

President Wethington stated that PR 5A is a recommendation that the Board of Trustees approve the Lexington Community College mission, vision and values statement. He added that LCC is a separately accredited institution from the university and that it is currently going through its self-study process, which requires an up-to-date mission, vision and values statement. President Wethington said he was pleased to recommend PR 5A for approval. On motion made by Ms. Sims, seconded by Mr. Shoop and carried, PR 5A was approved. (See PR 5A at the end of the Minutes.)

L. Acceptance of Interim Financial Report for the University of Kentucky for the Eight Months Ended February 28, 2001 (FCR 1)

Mr. Chellgren, Chairperson of the Finance Committee, stated that the Finance Committee met earlier in the day and had a relatively short agenda. He stated that FCR 1 is the traditional review and acceptance of the interim financial report through February 28, 2001. He noted that the University continues to be in very strong financial shape from both a revenue and expenditure standpoint. He added that at the end of February the endowment of the University had a value of \$434.6 million. Mr. Chellgren moved approval. Ms. Sparks seconded the motion, and it carried. (See FCR 1 at the end of the Minutes.)

M. Report of Leases (FCR 2)

Mr. Chellgren noted that FCR 2 is a report of two leases; a renewal in Frankfort and a new lease in Harlan County. He added that both are under \$30,000 and are very conventional. He moved approval of FCR 2. His motion, seconded by Mr. Reed, passed. (See FCR 2 at the end of the Minutes.)

N. 2000-01 Budget Revisions (FCR 3)

Mr. Chellgren stated that FCR 3 is a revision to the 2000-2001 academic year budget. He added that the most material item was an adjustment increase in income from the University Hospital, nearly \$30 million, and offsetting matched expenditures of about \$29.7 million. He noted that this increase is from additional patient services, additional recovery from Medicare, a change in the timing of Medicaid share payments, and an increase in the Intensity Operating Allowance payments from Medicare. He moved approval of FCR 3. Mr. Reed seconded the motion, and it carried. (See FCR 3 at the end of the Minutes.)

O. Consent Agenda (FCR 4-10)

Mr. Chellgren stated that the following items would be voted upon as a consent agenda:

- FCR 4 – a gift of \$12,000 and a pledge of \$58,000 from an anonymous donor to create the Bruce A. Lucas, M.D. Endowment for Urologic Research in the College of Medicine's Division of Urology;
- FCR 5 – a gift of \$15,000 and a pledge of \$50,000 from Drs. Barbara and James Holsinger to be added to the Holsinger Professorship in Anatomy, an endowed professorship in the College of Medicine;
- FCR 6 – a merger of the Professorship in Urology and the James F. Glenn, M.D. Endowed Professorship and Chair in Urology into a single initiative entitled the James F. Glenn, M.D. Endowed Chair in Urology;
- FCR 7 – a gift of \$22,997 and a pledge of \$27,003 from Jerry G. and Patricia K. Rose to establish and endow the CSX Transportation Graduate Fellowship Fund in the Department of Civil Engineering in the College of Engineering;
- FCR 8 – gifts of \$47,712 and a pledge of \$4,000 from the College of Medicine alumni to create a scholarship endowment for the College of Medicine;
- FCR 9 – a gift of \$20,000 and a pledge of \$80,000 from National City Bank of Lexington, Kentucky, for planning a new building at Lexington Community College;
- FCR 10 – a pledge of \$100,000 from Vaughn & Melton Consulting Engineers, Inc. to create and endow the Vaughn & Melton Consulting Engineers Graduate Fellowship in the Department of Civil Engineering in the College of Engineering.

Mr. Chellgren moved approval. The motion, seconded by Governor Breathitt, passed. (See FCR 4-10 at the end of the Minutes.)

P. Incentive Retirement Plan for the Department of Chemical and Materials Engineering (FCR 11)

Mr. Chellgren stated that FCR 11 is to create the authority to have a one-time Incentive Retirement Plan for the Department of Chemical and Materials Engineering in the College of Engineering. He noted that this would provide an additional financial incentive for faculty members in the department who meet certain requirements, such as the age of 65 and 15 years of service. He added that a maximum of two persons per year for the current academic year and for the next three academic years would be able to retire under this program. The department head, the dean of the College of Engineering, and the Chancellor of the Lexington Campus have recommended this Plan. Mr. Chellgren moved approval. The motion, seconded by Mr. Guthrie, passed. (See FCR 11 at the end of the Minutes.)

Q. A Resolution of the Board of Trustees of the University of Kentucky Authorizing the Issuance of Approximately \$18,695,000 of University of Kentucky Consolidated Educational Buildings Refunding Revenue Bonds, Series N (Second Series), to be Dated the First Day of the Month in Which the Bonds are Sold (FCR 12)

Mr. Chellgren stated that FCR 12 is a resolution to issue \$18.7 million of University of Kentucky Revenue Refunding Bonds, Series N. He noted that this action is to refinance bonds that have about an 11-year life remaining in attempts to provide a significant financial benefit to the State and/or University. He added that this refunding would go out to bid on May 1 and at the next Board meeting there would be another resolution to approve contingent upon receiving successful bids. Mr. Chellgren moved approval. The motion, seconded by Mr. Shoop, carried. (See FCR 12 at the end of the Minutes.)

R. Special Committee Report

Mr. Chellgren stated that the Finance Committee received a report from the special committee that was formed at the last Board meeting to review the student activity fees for the upcoming academic year. The recommendation of the special committee was to add \$1 per student, per semester to the student fees, which would help finance the Student Government Association. He added that the Finance Committee voted unanimously to recommend this resolution amending the anticipated student fee for the 2001-2002 academic year by the addition of \$1 per student, per semester. Mr. Chellgren moved approval. The motion, seconded by Mr. Shoop, carried.

Dr. Meriwether said that he had apologized to Mr. Glenn for having created the special committee at the last meeting of the Finance Committee. He added that he considers Mr. Glenn one of the most professional and finest SGA Presidents that the University has had. He stated his agreement with the committee's recommendation and reiterated that this is an example of why the Board of Trustees should not micromanage the University.

Mr. Glenn thanked the Board of Trustees for their work and dedication regarding the student fee issue. He added that the recommendations of the students that he consulted with were approved with the exception of one, which he is confident was done with the best interest of the students at heart.

S. Other Business

Dr. Stumbo said that he had received a number of phone calls and comments regarding the relationship between the Athletic Association Board of Directors and the UK Board of Trustees. He proposed that a special committee be established to determine the responsibility of the Board of Trustees and the expectations they have for the Athletic Association Board of Directors.

Mr. Miles asked if Dr. Stumbo was making a motion to appoint such a committee and added that 90% of his calls concerned athletics.

Dr. Stumbo stated that he is recommending that the Chairman appoint a special committee to begin engaging the Athletic Association Board of Directors in conversations.

President Wethington clarified that the Athletic Association Board of Directors calls for two members of the UK Board of Trustees to serve on it. The two current Board members serving on the committee in this capacity are Dr. Meriwether and Mr. Wilcoxson. Governor Breathitt also serves on the Athletic Association Board of Directors as an alumni member. He said that the Board should consider what the role of these three Board members is on the Athletic Board.

Mr. Shoop moved that Dr. Meriwether, Mr. Wilcoxson and Governor Breathitt be named as the said committee and give a report to the Board of Trustees in the coming months regarding the Athletic Association Board of Directors. Ms. Sparks seconded the motion.

Ms. Sparks inquired as to how often the Athletic Association Board meets. President Wethington replied that the Athletic Association Board has no set schedule of meetings, but that it meets approximately twice a semester and sometimes more often on call. The last meeting was about a month ago when the report of the internal investigation of the football program was released. He added that the Athletic Association Board of Directors would be meeting on Wednesday, April 4th to approve the Athletic Association budget, which will then become a part of the University of Kentucky budget for the Board of Trustees to approve.

Ms. Sparks inquired whether these meetings are open meetings. President Wethington stated that the meetings of the Athletic Association Board of Directors are announced and open to the public as are all meetings of the Board of Trustees and Board committees.

Mr. Guthrie asked that the motion be restated. Mr. Shoop stated that the motion is that Dr. Meriwether, Mr. Wilcoxson, and Governor Breathitt be appointed as a committee from the Board of Trustees to give the Board a report on the Athletic Association in the coming months as they see fit in the timeframe and that the Chairman be authorized to name the chair of that committee as he sees fit.

Mr. Williams said that what he heard Dr. Stumbo saying was that he is looking for ways that the Athletic Association Board and the Board of Trustees could work more closely and that he could receive the same information from reading the minutes as from a simple report by the Trustees who are serving on that Board.

Mr. Shoop asked to amend the motion and give the power to the committee members to make any suggestions along those lines and give a report back to the full Board on ways to bring the two Boards closer together.

Dr. Stumbo stated that he feels that the Trustees serving on the Athletic Association Board of Directors are the appropriate people to present a report on what is going on and what needs to be changed, if anything.

Mr. Guthrie asked to amend the motion to include the Chairman and the Vice Chairman of the Board of Trustees on the committee to review these issues and present a report.

Mr. Shoop agreed with the amendment proposed by Mr. Guthrie.

The Board voted on the motion that was made by Mr. Shoop, and it carried.

T. Health Insurance Issue

Mr. Williams stated that he had an issue to present to the Board; however, he wanted to state beforehand that what he is about to discuss is nobody's fault, and he is not attempting to lay blame anywhere. He said that in the last week or so, after the University revealed its health insurance options and rates, the University staff and faculty have risen up as a single voice of outreach unlike he has ever heard before. Yesterday, he requested that the staff of the University send him their stories on how the increases would impact their families. He stated that over 500 people responded with stories of how they will not have enough money to insure their children and of having to put their children on a state assistance program called KCHIP. He recalled a statement from one of his professors in college, "The budget is the clearest statement of policy for any agency, large or small; if you pay for it, you believe it." He added that although something may not be able to be done this year, it is quite obvious that in 2002-2003 we will have to come up with ways to have some relief for the employees. He stated that he is constantly hearing messages from staff about how they are going to have to leave their jobs at UK in order to get a job where family insurance is included. Without the 10,000 staff and faculty here, the future of the university is rather bleak. If we look at the amount of turnover and the lowered morale of the employees, there is an increased likelihood of poor service to our customers. Many staff members who are already working second jobs to make ends meet are going to have to work third jobs to make those ends meet now. Many employees are greatly concerned about how they are going to support their families in the coming months. He stated that he has made copies of emails that he has received so the Board members can see the very real impact on very real people that work at this institution when it comes to how they are going to manage their personal budgets for the next year given the increases in healthcare costs. He added that he also has a chart that will show in very real terms how much of a percent of increase we are talking about in real dollars as well as increases in the percentages that the employee has to contribute. He concluded by stating that although he does not have a solution, the only solution appears to exist is a huge infusion of cash into the insurance fund and that we have to take this issue very seriously.

President Wethington commented that Mr. Williams has identified a very serious issue for the University of Kentucky as everyone is dealing with the increased cost of healthcare. The University is projecting that the overall cost of health insurance will go up about 12.5%, which is the overall increase for this upcoming year. There has been a strong commitment over the years to try to provide single cost healthcare coverage for the employees, in other words to provide an allowance that would allow an individual to purchase healthcare insurance through, in this case, UK HMO, and we are continuing that as a strong priority. The Senate Council has recommended that to us again this year, and the Employee Benefits Committee has recommended that to us again this year. He added that the issue is a very serious matter and that he would be happy to send these comments on this issue to Mr. DeBin and those who are constantly working on healthcare insurance. He stated his agreement with Mr. Williams that it will be next year before there can be any major overhaul in the insurance coverage. What will need to be looked at is either an infusion of major new dollars into the program or cutting benefits considerably to bring the costs down. He thanked Mr. Williams for bringing this issue

to the Board's attention and assured him that the administration will work with the faculty and staff on the health insurance issue because it will only continue to increase in the future.

Dr. Mather added that he, too, has received numerous comments from faculty and staff with the same common theme as described by Mr. Williams. He commented that faculty members are concerned about the struggles of the University in competing with our benchmark institutions in salary packages as well as benefits packages. He added that this type of rate increase will particularly affect the younger families who are also the most vulnerable to leave the University for other institutions. He noted that several faculty members have commented that they can get cheaper insurance for their family via the Internet. He added that it is rather perplexing as to why the family coverage has gone up 38% whereas the single rate has only increased by 13%. The perception among many employees is that the family rate is subsidizing the single rate. He stated that he received correspondence from the Senate Council directing him to write to the Board members expressing the concern over rising healthcare costs and to express their hope and expectation that in the future the University administration will seek input from faculty and staff into the decision-making process insofar as it effects healthcare benefits.

Mr. Shoop commented that this increased cost of healthcare affects not just the University; the problem of healthcare costs is a nationwide problem. He added that people everywhere are facing the decisions of giving up things in order to have healthcare coverage.

Dr. Mather added that the employees understand that healthcare costs are rising and that it has to be paid for; however, it is the process the University used to arrive at this structure that is of concern.

Dr. Reedy stated that he has received some of the same complaints via his email and that while the University is not at fault for rising healthcare costs, we need to determine how we deal with it. He recommended that this information be sent to the Board's Human Resources Committee, which is chaired by Elaine Wilson, to determine whether something can be done about this in the future.

President Wethington said that there is no reason information ought not go to any particular place the Board would like for it to go, including this committee; however, if something is going to be looked at for a proposed change, the University has a group of people that spend virtually all of their time at it. They ought to be apprised of these concerns and have some opportunity to make whatever feelings known that they want to make about the issue. This is extremely complicated, as you well know, and complex. He clarified that the Board members are talking about next year rather than this year and said that he would be perfectly happy to have the administration work with that committee or anyone else in terms of how the matter is handled.

Ms. Sparks asked about the cost and magnitude of this issue.

President Wethington noted that roughly 9,000 of the employees are covered by single coverage and about 1,400 by family coverage. He added that if they were to start shifting cost to the 9,000 then 9,000 employees would be negatively impacted as opposed to the 1,400. He continued by stating that all things are possible, and this is a matter that needs to be looked at in great length for next year.

Mr. Williams added that although there are 9,000 with the single coverage, they do not know how many of them have the single coverage because they cannot afford the family policy.

President Wethington agreed.

Mr. Guthrie said that three years ago in his business all of the single costs were covered; however, single employees decided to add cost to their program in an effort to relieve those with family coverage. He noted that although it was much smaller numbers in his business, it was still an avenue that could be explored by the University.

President Wethington said that is something that should be considered for the future.

Mr. Williams commented that this increase does not impact him personally. He has the single coverage of UK HMO, and the University pays his entire premium. He added that he has talked to a lot of single people who are willing to pay a little bit for insurance in order to help offset the cost for the families.

Mr. Miles stated that at his company, the single insurance holders did not want to "carry" the others. He asked Dr. Stumbo about whether Humana is all over the state. President Wethington asked Mr. DeBin to comment on that.

Mr. DeBin said the University has a self-insurance health coverage plan. It is not a third party that is taking care of providing us with everything. The University has two administrators; therefore, we are self-insured.

President Wethington agreed with Mr. DeBin's response.

Mr. DeBin said that you could surf the web on insurance and get cheaper coverage. If you are 20, 25, or 30, even with family coverage, you can definitely get a good rate. The University has a group plan which is more because there are 2,000+ retirees and spouses in the plan.

President Wethington pointed out that if the retirees and spouses are taken out, the cost can be brought way down.

Mr. DeBin said that he is all for working with the Board today and working for a better solution because everyone shares the cost of healthcare. The Employee Benefits Committee, represented by Jack Supplee in the audience, said to keep it at no cost for the single employees, and the Faculty Senate did the same thing.

U. Comments about Athletics Department

Mr. Miles asked Mr. Ivy if he had any comments relating to the Athletics Department.

Mr. Ivy replied that although 90% of Mr. Miles' calls are on athletics, 100% of his calls are concerning athletics. He expressed his appreciation for the input that both the Athletic Association Board of Directors and the Board of Trustees have provided to the Athletics

Department. He stated that he looks forward to continued support from the Board and looks forward to working with the Trustees in the future.

V. Comments about the University's Self-Study

Ms. Sparks commented on the University's Self-Study. She noted that the Self-Study Committee is meeting bi-monthly and that all of the surveys have been sent out to faculty, staff and students. She added that they would have liked to have seen a better rate of return; however, there was a problem with the mail. She invited the other Trustees to join her at the SACS meeting in December in New Orleans. She stated that the official visit of SACS will take place in April 2002 and that final approval will be given in December 2002. She recognized the hard work that the committee has done over the past several months and commended them on how they have involved a majority of the campus community. She thanked Mr. Miles for appointing her to the committee as she continues to enjoy it.

Mr. Williams passed around a card that he received at a luncheon in the past week sponsored by the UK Women's Forum where they unveiled the report "2001 Report of the Senate Council Ad Hoc Committee on the Status of Women at the University." He noted that this is the tenth anniversary of the first report on the status of women at the university. He commented that the report is only available on the web, and he urged all members of the Board to review the report.

W. Meeting Adjourned

There being no further business to come before the Board, the Chairperson adjourned the meeting at 2:50 p.m.

Respectfully submitted,

Daniel R. Reedy
Secretary
Board of Trustees

(PR 2, 3A, 3B, 3C, 3D, 5A, and 6A; AACR 1, AACR 2, and AACR 3; FCR 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12 which follow are official parts of the Minutes of the meeting.)

Office of the President
April 3, 2001

1. Communication Program Leads the Nation in Securing Grants

The University of Kentucky Department of Communication has attracted more extramural funding than any other communication program in the nation, according to the National Communication Association. In a preliminary report, the association ranks the UK department first for securing \$25,048,075 in outside grants over a recent 10-year period. Pennsylvania State University, which ranks second, received \$4,359,696 during the same period. The Department of Communication is part of the College of Communications and Information Studies.

2. UK Hosts 2,400 Undergraduate Researchers at its Largest Conference

The University of Kentucky hosted more than 2,400 undergraduate students and their faculty mentors from across the country at the 2001 National Conference on Undergraduate Research (NCUR) in mid-March. The conference featured presentations on a broad variety of research projects conducted by the students, who represented more than 400 colleges and universities from nearly every state. NCUR is believed to be the largest conference ever held on UK's campus.

3. UK Launches 2001 United Way Fund-Raising Campaign

The University of Kentucky's annual campaign on behalf of the United Way of the Bluegrass got under way March 27 with a luncheon for volunteers at the Student Center Grand Ballroom. The campaign's goal for 2001 is \$450,000. Last year, UK employees raised \$434,000 for Central Kentucky charities. UK consistently ranks third among United Way's local workplace givers and first among Southeastern Conference colleges and universities.

4. CAER Attracts \$1.9 Million to Test Carbon as Supplemental Fuel

The U.S. Department of Energy is funding UK's Center for Applied Energy Research's (CAER) waste management project "Recovery of Fuel and Carbons." CAER researchers Tom Robl and Jack Groppo will receive \$1.958 million over the next three years to demonstrate processes for recovering unburned carbon from fly ash and to test its performance as a supplemental fuel. The concept testing will take place at the Coleman Generation Station in Hawesville, Kentucky.

5. UK Hospital Performs Liver Transplant on Youngest Patient

A UK Hospital surgical team has performed a liver transplant on a 9-year-old Central Kentucky girl, the youngest patient ever to receive a liver transplant at UK. This is the second pediatric liver transplant performed at UK.

6. Lexington Police Team Up with UK Hospital

Nurses with the Lexington Division of Police, through a collaborative effort with the University of Kentucky Hospital, are examining sexual assault victims at the hospital. The Sexual Assault Nurse Examiner Program was developed through the efforts of the Kentucky Department of Justice Cabinet, the Commonwealth Attorney's Office, the Fayette County Attorney's Office, the Bluegrass Rape Crisis Center, UK Hospital and the Division of Police.

7. UK Launches Program to Build Minority Reading Skills

A program developed by UK's Minority College Awareness Program is helping improve the reading skills of minority second- and third-graders in Fayette County. The program encourages the students to read by making them aware of reading materials in their environment, such as canned food labels and other frequently encountered items. The students also build math skills using this approach.

8. UK Law Students Win Regional Competition

For the first time in its history, the University of Kentucky College of Law had two teams advance to the regional finals of the National Student Trial Advocacy Competition. One team took home the college's first regional championship, while the other team finished third. Teams from five states argued the same medical malpractice case in a mock trial competition.

9. UK Student Wins Prestigious Truman Scholarship

James (Jay) Varellas, History, has received the prestigious Truman Scholarship, making him the fourth UK student to win the award in four years and the eighth since the program began in 1975. The \$30,000 scholarship covers tuition and living expenses for the last year of undergraduate study and two years of graduate study. The program targets juniors with a strong interest and promise in public affairs.

10. Fifty UK Students Use Spring Break for Humanitarian Service

Rather than take a short vacation, 50 UK students affiliated with the Newman Center spent the week of Spring Break volunteering for humanitarian service. Several performed construction work in Jamaica. Others built homes for Habitat for Humanity in Florida. Some served the poor in Washington, D.C., while another group traveled to a Navajo reservation in Arizona to perform home repairs and community outreach.

11. LCC Assessing Area's Higher Education Needs

As part of a United States Department of Education grant, Lexington Community College is conducting an assessment of area educational needs. During March, LCC mailed questionnaires to a random sample of 10,000 Central Kentucky residents to determine barriers to higher education and how Kentuckians could be better served. This month, an additional 2,000 questionnaires will be distributed to Central Kentucky businesses to identify training and workforce development needs. A report is due in October.

12. Significant Activities of Students

Said Abu-Salem, Nursing doctoral student, received a \$1,000 Kentucky Excellence Award for his presentation at the American Public Health Association annual meeting, and an \$800 Doris Hatchall Scholarship for doctoral study.

Nicholas Coleman, Biosystems and Agricultural Engineering graduate student, has been named a National Science Foundation Graduate Fellow. He is the fourth National Science Foundation Fellow from UK's Biosystems and Agricultural Engineering program.

James Hanlon, Gareth John and Laurel Smith, Geography, received awards for Best Student Paper at the Association of American Geographers annual national meeting. Their papers were entitled "Slums, Racial Segregation, and the Purification of Urban Space," "Expansionism, Nationalism and the Imperial Iconography of Western Landscape: George Catlin on the Upper Missouri" and "Imaging Community: Local Video and Global Connections," respectively.

The Lexington Community College Academic Team placed second in the Eastern Kentucky University Kentucky Collegiate Quick Recall League Academic Tournament. Rick Haves, Robert Murray, Barrett Webb, Dan Whittaker and Vindana Ariyawansa represented LCC.

Jennifer Kopf, Geography graduate student, presented the paper "Geography of Orientalism and Racism in German East Africa" at Mount Holyoke University in February.

Patty Ryan, Nursing doctoral student, received a \$30,000 Doctoral Scholarship in Cancer Nursing from the American Cancer Society.

Leslie Scott, Nursing doctoral student and instructor, wrote "Pediatric Management Problems," published in *Pediatric Nursing*.

Lexington Community College Dental Hygiene students captured first, second and third place in the Table Clinics category of the University of Kentucky College of Dentistry second annual College Research Day at the UK Chandler Medical Center. Christy Smith and Erin Boblitt placed first with their project entitled "Dental Unit Waterline Contamination." Kristin King and Emily Moore won second place with their "Differentiating Common Oral Lesions" table clinic. Third place went to Chrissy Oaks and Kristie Tolson for their project entitled "Hypothyroidism in Dentistry."

13. Significant Faculty and Staff Activities

Ann Amerson, Pharmacy Practice and Science, has been named a Fellow of the American Pharmaceutical Association.

Mary Arthur, Forestry, received a grant of \$110,000 from the Institute of Ecosystems Studies to research the effects of an introduced pest in northern hardwood forests.

Paola Bacchetta, Geography, has been elected co-chair of Sexualities and Space Specialty Group of the Association of American Geographers.

Kristi Boyatt-Lancianese, Lexington Community College, has been elected to serve a two-year term as vice president for professional development of the Southern Association of Collegiate Registrars and Admissions Officers.

Norma J. Christman, Nursing, authored the article "Developing and Using Preparatory Information for Women Having Radiation Therapy for Cervical or Uterine Cancer," published in *Oncology Nursing Forum*.

Belva Collins, Ann Griffen, Meada Hall and John Schuster, Special Education and Rehabilitation Counseling, have received the Exemplary Program Award for the Training Rural Educators in Kentucky-CR Project.

Glenn Collins, Agronomy, received a grant of \$270,000 from U.S. Tobacco Company to investigate cellular and molecular biology of dark tobacco using genetic engineering to modify and improve dark tobacco varieties.

Gail Summerskill Cummins, English, has received a \$121,000 grant from the Council on Postsecondary Education in conjunction with the Kentucky Virtual University to create an on-line writing center, The KYVU Write Place.

O. R. Dathorne, English, has published the book *Worlds Apart: Race in the Modern Period*.

Jeffrey Dembo, Oral and Maxillofacial Surgery, and Joe Anthony, Lexington Community College, have been appointed academic ombuds for 2001-2002. Dembo, who is serving his fourth consecutive appointment in this role, will handle issues on the Lexington campus, while Anthony will serve LCC.

Joe Fink, Research and Graduate Studies and Pharmacy, made two co-presentations at the 148th Annual Meeting of the American Pharmaceutical Association: "Legal and Regulatory Framework Regarding Access to Syringes and Needles from Pharmacists: A Need for Reconsideration in Light of HIV/AIDS" and "Can Drug Users Obtain Syringes Over the Counter? A Multi-Site Trial."

Thomas Foster, Pharmacy Practice and Science, has been voted president-elect of the Kentucky Board of Pharmacy. He will serve as president in 2002.

Judy Goldsmith and Christopher Lusena, Computer Science, co-wrote "Nonapproximability Results for Markov Decision Processes," which will appear in *Journal of Artificial Intelligence Research*. Lusena is a doctoral student.

Bob Gregory, Center for Robotics and Manufacturing Systems, has received notification that his article "Going Lean at Dana," originally printed in *Quality Digest*, has been reprinted in *The Quality Yearbook*, 2001 Edition.

Jan Gross, Nursing, co-wrote "Determining Stroke Rehabilitation Inpatients' Level of Nursing Care," published in *Clinical Nursing Research*.

Lynne A. Hall, Nursing, was honored as an Alumni Fellow for 2001 at Clemson University. She is a graduate of Clemson University College of Health, Education and Human Development.

Jimmi Hatton, Pharmacy Practice and Science, has been selected by the Society of Critical Care Medicine, Clinical Pharmacology Section to serve on its Ortho-Biotechnology Critical Care Fellowship Development and Awards Committee.

Gerald Janecek, Russian and Eastern Studies, has been named the editor of *Slavic & East European Journal*, the national journal of the American Association of Teachers of Slavic & East European Languages.

Ibrahim Jawahir, Mechanical Engineering and Center for Robotics and Manufacturing Systems, gave two presentations at the CIRP International Workshop in Paris, France, on "Friction and Flow Stress in Cutting & Forming."

Nancy Jones, Theatre, received a \$3,500 grant from the Kentucky Foundation for Women to produce a theatre production about the mythical Sumerian goddess Inanna.

A. D. Karathanasis, Agronomy, received \$150,000 from the Kentucky Natural Resources/Environmental Protection Cabinet to evaluate on-site wastewater treatment standards in Kentucky.

Fred Knapp, Entomology, was elected vice president of the American Mosquito Control Association.

Robert Kuhn, Pharmacy Practice and Science, has been chosen as the Doug Jones Visiting Scholar in Cystic Fibrosis at Dartmouth Medical Center. The award is presented annually to an outstanding health care professional with national recognition in cystic fibrosis research and education.

Samuel Matheny, Family Practice, has been elected as president of the Association of Departments of Family Medicine.

Michael Montross, Biosystems and Agricultural Engineering, received a \$200,000 grant from the U.S. Department of Agriculture to conduct research on aeration systems for on-farm grain drying.

Laura Nicol, Lexington Community College, was appointed to the judging panel for the Phi Theta Kappa Hallmark Awards for the state of Tennessee.

Sue Nokes, Biosystems and Agricultural Engineering, and Herb Strobel, Animal Sciences, received a \$195,000 grant from the U.S. Department of Agriculture to investigate simplified technologies for enzyme production with thermophilic anaerobic bacteria.

Barbara Nunley, Lynne Hall and Graham Rowles, Nursing, co-authored the article "Effects of the Quality of Dyadic Relationships on the Psychological Well-Being of Elderly Care Recipients," published in *Journal of Gerontological Nursing*. Nunley is a doctoral candidate.

Mary Piascik, Pharmaceutical Sciences, is chair-elect of the Council of Faculties for the American Association of Colleges of Pharmacy. She will take office at the association's annual meeting in Toronto in July.

Mike Potter, Entomology, was presented the leadership award from *Pest Control* magazine.

Mary Kay Rayens and Ellen Hahn, Nursing, published "Building Consensus Using the Policy Delphi Method" in *Policy, Politics, and Nursing Practice*.

John Rogers, Law, has been elected to the national Council on Foreign Relations.

Bill Silvia, Animal Sciences, was appointed to the U. S. Department of Agriculture's grant review panel for reproductive efficiency. Silvia also was appointed to the editorial board of *Reproductive Biology*, a new journal.

Bruce Webb, Entomology, received a grant of \$120,000 from the National Science Foundation to study polydnavirus genomes.

Zhi Chen, Electrical Engineering, received a \$374,879 Faculty Early Career Development Award from the National Science Foundation for his proposal "Fundamental Reliability Physics of MOS Devices Based on Deuterium Isotope Effects."

PR 2

Office of the President
April 3, 2001

Members, Board of Trustees:

PERSONNEL ACTIONS

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

Background: The attached recommended appointments and/or other staff changes require approval by the Board of Trustees in accordance with Part VIII-B of the Governing Regulations of the University. These recommendations are transmitted to the Board by the appropriate chancellor through the President and have the President's concurrence.

Under the Governing Regulations, the authority to make certain appointments and/or other staff changes is delegated to the President or other administrators who are required to report their actions to the Board. These items of report follow the recommendations requiring Board approval.

Action taken: Approved Disapproved Other _____

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CENTRAL ADMINISTRATION

I. BOARD ACTION

A. RETIREMENTS

Vice President for Fiscal Affairs

Hartz, Eleanor H., Staff Support Associate I, Employee Benefits, after 15 years and 2 months of consecutive service, under AR II-1.6-1 Section III.B, effective 2/28/01.
Reed, Eva, Food Service Supervisor Senior, Employee Benefits, after 23 years and 8 months of consecutive service, under AR II-1.6-1 Section III.B, effective 5/31/01.
Shurkey, Edward C., Painter III, Employee Benefits, after 13 years of consecutive service, under AR II-1.6-1 Section III.B, effective 2/28/01.

Vice President for Research and Graduate Studies

Dever, Jr., Garland R., Geologist V, Kentucky Geological Survey, after 38 years of consecutive service, under AR II-1.6-1 Section III.B, effective 6/30/01.

B. EARLY RETIREMENTS

Vice President for Fiscal Affairs

Green, Arthur B., Custodial Worker Supervisor I, Physical Plant Division, after 23 years and 9 months of consecutive service, under AR II-1.6-1 Section III.A.2, effective 3/30/01.
Smith, Jr., James, Custodial Worker II, Physical Plant Division, after 35 years and 5 months of consecutive service and 36 years and 6 months of total service, under AR II-1.6-1 Section III.A.2, effective 7/24/01.

Vice President for Research and Graduate Studies

Dedic, Richard P., Director, Research Assessment, after 24 years and 9 months of consecutive service and 25 years and 1.5 months of total service, under AR II-1.6-1 Section III.A.2, effective 5/31/01.

II. ADMINISTRATIVE ACTION

A. REAPPOINTMENTS

Vice President for Information Systems

Fritz, Nancy L., Librarian IV, Law Library, University Libraries, effective 7/1/01 through 6/30/02.

LEXINGTON CAMPUS

I. BOARD ACTION

A. ACADEMIC APPOINTMENTS

College of Agriculture

Tanaka, Keiko, Assistant Professor, Sociology, 4/23/01 through 6/30/02.

College of Engineering

Todd, Lee T. Jr., Professor (with tenure), Electrical Engineering, effective 7/1/01.

B. ADMINISTRATIVE APPOINTMENTS

College of Fine Arts

Clarke, W. Harry, Associate Professor* (with tenure), Music, and Director, Music, reappointed Director, Music, 7/1/01 through 6/30/03.

C. PROMOTIONS

College of Law

Matthew, Dayna Bowen, from Assistant Professor, Law, to Associate Professor (with tenure), Law, effective 7/1/01.

D. CHANGES

College of Engineering

Keane, Mark A., from Associate Professor (temporary), Chemical and Materials Engineering, to Associate Professor (without tenure), Chemical and Materials Engineering, 2/8/01 through 12/31/01.

E. RETIREMENTS

College of Arts and Sciences

Jones, Joseph, Professor (with tenure), Spanish and Italian, after 34 years of consecutive service, under Section III.B of AR II-1.6-1, effective 6/30/01.
Reedy, Daniel R., Professor (with tenure), Spanish and Italian, after 34 years of consecutive service, under Section III.B of AR II-1.6-1, effective 6/30/01.

*Special Title Series

College of Engineering

Distler, Raymond, Associate Professor (with tenure), Electrical Engineering, after 42 years and 11 months of consecutive service, under Section III.B of AR II-1.6-1, effective 12/31/00.

F. EARLY RETIREMENTS

College of Arts and Sciences

Jones, Margaret E.W., Professor (with tenure), Spanish and Italian, after 34 years of consecutive service, under Section III.A.2 of AR II-1.6-1, effective 6/30/01.

College of Education

McElroy, Jack E., Professor (with tenure), Curriculum and Instruction, after 32 years and 5 months of consecutive service, under Section III.A.2 of AR II-1.6-1, effective 6/30/01.

G. POST-RETIREMENT APPOINTMENTS

College of Agriculture

Frye, Wilbur, Professor (part-time), Agronomy, 1/1/01 through 5/30/01.
Marshall, Andrew Jr., Laborer (part-time), Forestry, 7/1/01 through 6/30/02.

H. PHASED RETIREMENT APPOINTMENTS

College of Social Work

Wiehe, Vernon, Professor (half-time), Social Work, 7/1/01 through 6/30/04.

II. ADMINISTRATIVE ACTION

A. ACADEMIC APPOINTMENTS

College of Arts and Sciences

Lovell, Mark A., Assistant Professor, Chemistry, 1/1/01 through 6/30/02.

Lexington Community College

Back, Stacie, Instructor (voluntary), Lexington Community College, 1/11/01 through 6/30/03.

Bailey, Vickie, Instructor (voluntary), Lexington Community College, 11/20/00 through 6/30/03.

Granville, Anthonetta, Instructor (voluntary), Lexington Community College,
11/20/00 through 6/30/03.

Whalen, Melissa, Instructor (voluntary), Lexington Community College, 1/11/01
through 6/30/03.

B. REAPPOINTMENTS

College of Engineering

Keen, Debby L., Lecturer, Computer Science, 7/1/01 through 6/30/02.

College of Fine Arts

Zory, Matthew Jr., Instructor (part-time), Music, 1/1/01 through 5/15/01.

C. LEAVES OF ABSENCE

College of Business and Economics

Kim, Yoonbai, Associate Professor (with tenure), Economics, Leave without pay,
7/1/01 through 12/31/01.

College of Education

Gaskins, Robert, Associate Professor (with tenure), Curriculum and Instruction,
Sabbatical leave with full salary, 1/1/02 through 6/03/02.

Remer, Rory, Professor (with tenure), Educational and Counseling Psychology,
Sabbatical leave with full salary, 7/1/01 through 12/31/01.

Wright, Lynda Brown, Associate Professor (with tenure), Educational and Counseling
Psychology, Sabbatical leave with full salary, 7/1/01 through 12/31/01.

College of Engineering

Waskowski, Greg, Professor (with tenure), Computer Science, Sabbatical leave with
full salary, 1/1/02 through 6/30/02.

College of Human Environmental Sciences

Routt, Mary Lou, Associate Professor* (with tenure), Family Studies, Sabbatical
leave with half salary, 8/16/01 through 5/15/02.

Lexington Community College

Molloy, Lynn, Associate Professor (with tenure), Lexington Community College,
Leave without pay, 7/1/01 through 6/30/02.

*Special Title Series

MEDICAL CENTER

I. BOARD ACTION

A. ACADEMIC APPOINTMENTS

College of Medicine

Faulconer, Harold T., Associate Professor (voluntary), Surgery, 4/4/01 through 6/30/03.

Zwicker, Robert D., Professor* (without tenure), Radiation Medicine, joint appointment as Professor* (without tenure), College of Allied Health Professions, Department of Health Services, 4/1/01 through 3/31/02.

B. JOINT APPOINTMENTS

College of Medicine

Abell, Troy D., Professor (with tenure), Family Practice, University of Louisville, joint appointment as Professor (without tenure), Kentucky School of Public Health, effective 4/4/01.

Looney, Stephen W., Professor (with tenure), Family Practice, University of Louisville, joint appointment as Professor (without tenure), Kentucky School of Public Health, effective 4/4/01.

Morse, John H., Professor (with tenure), Family Practice, University of Louisville, joint appointment as Professor (without tenure), Kentucky School of Public Health, effective 4/4/01.

Veltkamp, Lane J., Professor* (with tenure), Psychiatry, joint appointment as Professor* (without tenure), College of Social Work, effective 4/1/01.

Welsh, Richard J., Professor* (with tenure), Psychiatry, joint appointment as Professor* (without tenure), College of Social Work, effective 4/1/01.

C. REAPPOINTMENTS

College of Medicine

Bing, Guoying, Associate Professor (without tenure), Anatomy & Neurobiology, 7/1/01 through 6/30/02.

Getchell, Marilyn L., Research Professor, Anatomy & Neurobiology, 7/1/01 through 6/30/02.

Maguire, Grace F., Associate Professor (part time), Pediatrics, 7/1/01 through 6/30/02.

*Special Title Series

Witzke, Donald B., Associate Research Professor, Pathology and Laboratory Medicine, 7/1/01 through 6/30/02.

Wolf, Betty I., Clinical Associate Professor, Pediatrics, 7/1/01 through 6/30/02.

Young, Thomas L., Clinical Associate Professor, Pediatrics, 7/1/01 through 6/30/02.

D. TENURE

College of Medicine

Elder, William G., Associate Professor* (without tenure), Family Practice, to Associate Professor* (with tenure), Family Practice, effective 7/1/01.

Rush, Craig R., Associate Professor (without tenure), Behavioral Science, joint appointments as Associate Professor (without tenure), Psychiatry and College of Arts and Sciences, Department of Psychology, to Associate Professor (with tenure), Behavioral Science, joint appointments as Associate Professor (without tenure), Psychiatry and College of Arts and Sciences, Department of Psychology, effective 7/1/01.

E. PROMOTIONS

College of Medicine

Campbell, Berry A., Associate Professor* (with tenure), Obstetrics and Gynecology, to Professor* (with tenure), Obstetrics and Gynecology, effective 7/1/01.

Collins, Rebecca L., Assistant Professor*, Pediatrics, to Associate Professor* (with tenure), Pediatrics, effective 7/1/01.

Goulson, Daniel T., Clinical Assistant Professor, Anesthesiology, to Clinical Associate Professor, Anesthesiology, 7/1/01 through 6/30/02.

Miller, Ralph E., Clinical Associate Professor, Internal Medicine, to Clinical Professor, Internal Medicine, 7/1/01 through 6/30/02.

Satin, Jonathan, Assistant Professor, Physiology, to Associate Professor (with tenure), Physiology, effective 7/1/01.

Xie, Gong Y., Clinical Assistant Professor, Internal Medicine, to Clinical Associate Professor, Internal Medicine, 7/1/01 through 6/30/02.

F. CHANGES

University Hospital

Powell, Helen E., Nurse Clinical II, OR Services, from retirement after 11 years, 11 month of consecutive service and 15 years of total service, under AR II-1.6-1, Section III.B, effective 12/29/00, to retirement after 12 years of consecutive service and 15 years of total service, under AR II-1.6-1, Section III.B, effective 1/15/01.

Stefaniak, Karen, from Director, Patient Care Continuum to Associate Hospital Director for Patient Care, Hospital Administration, effective 4/4/01.

*Special Title Series

G. RETIREMENTS

College of Medicine

Talwalkar, Ramesh, Research Associate, Internal Medicine, after 27 years, 6 months of consecutive service, under AR II-1.6-1, Section III.B, effective 3/15/01.

H. EARLY RETIREMENTS

Chancellor's Office

Stava, Lee B., Supervisor, Medical Center Physical Plant, after 33 years of consecutive service, under AR II-1.6-1, Section III.A.2, effective 12/21/00.

College of Medicine

Arnold, Jeanette L., Data Entry Operator, Radiation Medicine, after 14 years, 8 months of consecutive service and 15 years, 1 month of total service, under AR II-1.6-1, Section III.A.2, effective 4/20/01.

I. POST-RETIREMENT APPOINTMENTS

College of Medicine

Goodman, Norman L., Professor (part time), Pathology and Laboratory Medicine, 7/1/01 through 6/30/02.

II. ADMINISTRATIVE ACTION

A. ACADEMIC APPOINTMENTS

College of Allied Health Professions

Bradley, Victoria M., Instructor (voluntary), Health Services, 4/4/01 through 6/30/03.

Miller, Janie A., Instructor (voluntary), Health Services, 4/4/01 through 6/30/03.

Rogers, Jerry, Instructor (voluntary), Health Services, 4/4/01 through 6/30/03.

College of Dentistry

Senters, Sherry, Assistant Professor (voluntary), Oral Health Science, 4/4/01 through 6/30/03.

College of Medicine

Besson, Stephen A., Assistant Professor (voluntary), Internal Medicine, 4/4/01 through 6/30/03.

Boyer, Stephen, Assistant Professor (voluntary), Internal Medicine, 4/4/01 through 6/30/03.
Courtade, Daniel, Assistant Professor (voluntary), Internal Medicine, 4/4/01 through 6/30/03.
Egan, Peter T., Assistant Professor (voluntary), Internal Medicine, 4/4/01 through 6/30/03.
Grover, Richard W., Assistant Professor (voluntary), Internal Medicine, 4/4/01 through 6/30/03.
Hardebeck, Charles, Assistant Professor (voluntary), Internal Medicine, 4/4/01 through 6/30/03.
Holmes, John C., Assistant Professor (voluntary), Internal Medicine, 4/4/01 through 6/30/03.
Kennedy, D. L., Assistant Professor (voluntary), Internal Medicine, 4/4/01 through 6/30/03.
Patil, Sanjay, Assistant Professor (voluntary), Internal Medicine, 4/4/01 through 6/30/03.
Rahman, Rafiqu, Assistant Professor (voluntary), Internal Medicine, 4/4/01 through 6/30/03.
Ruschman, Carrol L., Assistant Professor (voluntary), Internal Medicine, 4/4/01 through 6/30/03.
Schmidt, James, Assistant Professor (voluntary), Internal Medicine, 4/4/01 through 6/30/03.
Schutzman, Jerome, Assistant Professor (voluntary), Internal Medicine, 4/4/01 through 6/30/03.

College of Pharmacy

Adams, Ronald C., Assistant Professor (voluntary), 4/4/01 through 6/30/03.
Palmer, Andy, Assistant Professor (voluntary), 4/4/01 through 6/30/03.
Pate, William P., Assistant Professor (voluntary), 4/4/01 through 6/30/03.
Peak, Vincent J., Assistant Professor (voluntary), 4/4/01 through 6/30/03.

B. ADMINISTRATIVE APPOINTMENTS

Chancellor's Office

Martin, William, Physical Plant Manager I, Medical Center Physical Plant, effective 3/1/01.

College of Pharmacy

New, Kimberly, Clinical Research Information Manager, effective 3/3/01.

C. JOINT APPOINTMENTS

College of Medicine

Asmis, Reto H., Assistant Professor, Internal Medicine, joint appointment as Assistant Professor, Physiology, 4/4/01 through 6/30/01.

Silvers, Michael J., Assistant Professor, Family Practice, University of Louisville, joint appointment as Assistant Professor, Kentucky School of Public Health, 4/4/01 through 6/30/01.

D. JOINT REAPPOINTMENTS

College of Medicine

Silvers, Michael J., Assistant Professor, Family Practice, University of Louisville, joint appointment as Assistant Professor, Kentucky School of Public Health, 7/1/01 through 6/30/02.

E. REAPPOINTMENTS

College of Medicine

Aksenov, Michael Y., Assistant Research Professor, Anatomy & Neurobiology, 7/1/01 through 6/30/02.

Anstead, Michael I., Assistant Professor*, Pediatrics, joint appointment as Assistant Professor*, Internal Medicine, 7/1/01 through 6/30/02.

Apparsundaram, Subramaniam, Assistant Professor, Anatomy & Neurobiology, 7/1/01 through 6/30/02.

Barnhill, John, Clinical Assistant Professor, Psychiatry, 7/1/01 through 6/30/02.

Birge, Barbara A., Instructor (part time), Physiology, 7/1/01 through 6/30/02.

Bruce-Keller, Annadora J., Assistant Professor, Anatomy & Neurobiology, 7/1/01 through 6/30/02.

Brueckner, Jennifer K., Assistant Professor*, Anatomy & Neurobiology, 7/1/01 through 6/30/02.

Combs, Greta L., Clinical Assistant Professor, Family Practice, 7/1/01 through 6/30/02.

Corales, Enedino R., Clinical Assistant Professor, Psychiatry, 7/1/01 through 6/30/02.

Diamond, Scott E., Assistant Professor, Physiology, 7/1/01 through 6/30/02.

Geissler, Richard H., Clinical Instructor, Pathology and Laboratory Medicine, 7/1/01 through 6/30/02.

Gevedon, Teresa G., Clinical Assistant Professor, Psychiatry, 7/1/01 through 6/30/02.

Gong, Ming C., Assistant Professor, Physiology, 7/1/01 through 6/30/02.

Gould, Douglas J., Assistant Professor*, Anatomy & Neurobiology, 7/1/01 through 6/30/02.

Joseph, Jane E., Assistant Professor, Anatomy & Neurobiology, 7/1/01 through 6/30/02.

- Katz, Debra A., Assistant Professor*, Psychiatry, joint appointment as Assistant Professor*, Neurology, 7/1/01 through 6/30/02.
- Keller, Jeffrey N., Assistant Professor, Anatomy & Neurobiology, 7/1/01 through 6/30/02.
- Kregor, Janice M., Clinical Assistant Professor, Pediatrics, 7/1/01 through 6/30/02.
- Lele, Subodh M., Assistant Professor*, Pathology and Laboratory Medicine, 7/1/01 through 6/30/02.
- Li, Lei, Assistant Professor, Physiology, joint appointment as Assistant Professor, Ophthalmology, 7/1/01 through 6/30/02.
- Lower, Fritz E., Clinical Assistant Professor, Pathology and Laboratory Medicine, 7/1/01 through 6/30/02.
- Mason, Karen J., Assistant Professor*, Pediatrics, 7/1/01 through 6/30/02.
- Mullen, Vincent J., Assistant Professor*, Psychiatry, 7/1/01 through 6/30/02.
- Nikolova-Karakashian, Mariana, Assistant Professor, Physiology, 7/1/01 through 6/30/02.
- Pollack, Susan H., Assistant Research Professor, Pediatrics, joint appointment as Assistant Research Professor, Preventive Medicine and Environmental Health, 7/1/01 through 6/30/02.
- Pulliam, Joseph F., Assistant Professor, Pathology and Laboratory Medicine, 7/1/01 through 6/30/02.
- Rolf, Cristin M., Clinical Assistant Professor, Pathology and Laboratory Medicine, 7/1/01 through 6/30/02.
- Scheurich, Neil E., Assistant Professor*, Psychiatry, 7/1/01 through 6/30/02.
- Shashidhar, Harohalli R., Clinical Assistant Professor, Pediatrics, 7/1/01 through 6/30/02.
- Simon, Robert E., Clinical Assistant Professor, Psychiatry, 7/1/01 through 6/30/02.
- Snow, Diane M., Assistant Professor, Anatomy & Neurobiology, 7/1/01 through 6/30/02.
- Srivatsan, Malathi, Assistant Research Professor, Physiology, 7/1/01 through 6/30/02.
- Steltenkamp, Carol L., Clinical Assistant Professor, Pediatrics, 7/1/01 through 6/30/02.
- Swope, Marian, Clinical Assistant Professor, Psychiatry, 7/1/01 through 6/30/02.
- Thomas, Janice M., Clinical Assistant Professor, Psychiatry, 7/1/01 through 6/30/02.
- Underwood, William L., Assistant Professor (part time), Pediatrics, joint appointment as Assistant Professor (part time), Family Practice, 7/1/01 through 6/30/02.
- Woodward, Thomas A., Clinical Assistant Professor, joint appointment as Clinical Assistant Professor, Pediatrics, 7/1/01 through 6/30/02.
- Xu, Fadi, Assistant Research Professor, Physiology, 7/1/01 through 6/30/02.

The Graduate School

- Kiningham, Kinsley K., Assistant Research Professor, Graduate Center for Toxicology, 7/1/01 through 6/30/02.
- Lehmle, Hans-Joachim, Assistant Research Professor, Graduate Center for Toxicology, 7/1/01 through 6/30/02.

Miller, Richard T., Assistant Professor, Graduate Center for Toxicology, 7/1/01 through 6/30/02.

Orren, David K., Assistant Professor, Graduate Center for Toxicology, 7/1/01 through 6/30/02.

F. CHANGES

College of Allied Health Professions

Johnson, Holly from Instructor (voluntary), Health Services, to Instructor (voluntary), Rehabilitation Sciences, 11/1/00 through 6/30/03.

College of Medicine

Castro, Frank from Assistant Professor (voluntary), Surgery, to Assistant Professor (part time), Surgery, 4/4/01 through 6/30/01.

Combs, Greta L. from Assistant Professor*, Family Practice, to Clinical Assistant Professor, Family Practice, 6/1/01 through 6/30/01.

Holt, Richard T. from Assistant Professor (voluntary), Surgery, to Assistant Professor (part time), Surgery, 4/4/01 through 6/30/01.

F. LEAVES OF ABSENCE

College of Medicine

Birge, Barbara A., Instructor (part time), Physiology, miscellaneous leave without pay, 7/1/01 through 6/30/02.

Moore, Angela R., Clinical Assistant Professor, Diagnostic Radiology, miscellaneous leave without pay, 3/6/01 through 5/6/01.

Park-Sarge, Ok-Kyong, Associate Professor (with tenure), Physiology, joint appointment as Assistant Professor (without tenure), Graduate School, Graduate Center for Toxicology, sabbatical leave at full salary, 7/1/01 through 12/31/01.

*Special Title Series

PR 3A

Office of the President
April 3, 2001

Members, Board of Trustees:

UNIVERSITY RESEARCH PROFESSORSHIPS

Recommendation: that the Board of Trustees approve the naming of Professors Chi-Sing Man, Department of Mathematics, Robert Perry, Department of Microbiology and Immunology, John R. Thelin, Department of Educational Policy Studies and Evaluation, and Thomas Widiger, Department of Psychology, as University Research Professors for 2001-2002.

Background: In April 1976, the University Senate recommended to the President the establishment of one-year Research Professorships and that priority be given to the goal of establishing permanent Research Professorships as funds became available. At its meeting in May 1976, the University of Kentucky Research Foundation voted to support one-year Research Professorships to be activated in the fall of 1977. The Board of Trustees named the first Research Professors at its meeting on March 8, 1977.

The purpose of the University Research Professorships is to enhance and encourage scholarly research productivity, provide an opportunity for concentrated research effort for selected faculty members, recognize outstanding research achievement by members of its faculty, emphasize its research function, and to publicize its research accomplishments in order that the research function of the University be appropriately recognized and understood.

Action taken: Approved Disapproved Other _____

PR 3B

Office of the President
April 3, 2001

Members, Board of Trustees:

THE DOROTHA SMITH OATTS VISITOR CENTER

Recommendation: that the Board of Trustees approve the naming of the University of Kentucky-Lexington Fayette Urban County Government Arboretum Visitor Center as The Dorotha Smith Oatts Visitor Center.

Background: Mrs. Oatts graduated from the University of Kentucky with a degree in Home Economics in 1946 and a master's degree in Education in 1950. She is a retired supervisor of home economics education for the Kentucky Department of Education and a dedicated community volunteer. In 1999, Mrs. Oatts pledged \$200,000 as a challenge match for construction of a visitor's center at the University of Kentucky-Lexington Fayette Urban County Government Arboretum. The challenge was met and exceeded with \$360,000 in challenge gifts. The \$560,000, including Mrs. Oatts' challenge, will be used to construct the initial phase of the visitor center. Construction on the 3,000 square foot building will begin this spring with an estimated completion date of December 2001. The initial building will contain space for meetings and classes, a small gift sales area, offices, restrooms and storage. Future building phases will include several conference and meeting rooms, a plant resource center, additional office space and kitchen facilities. Lexington architect Larry Bender, of Pearson/Bender Associates, is designing the building. A groundbreaking ceremony will be held on April 10, 2001.

This naming opportunity, as proposed by the Arboretum Director and Vice Chancellor for Administration, has been approved and is recommended by the Committee on Naming University Buildings and the Chancellor of the Lexington Campus.

Action taken: Approved Disapproved Other _____

PR 3C

Office of the President
April 3, 2001

Members, Board of Trustees:

PETER P. BOSOMWORTH HEALTH SCIENCES RESEARCH BUILDING

Recommendation: that the Board of Trustees approve the naming of the Health Sciences Research Center Building the Peter P. Bosomworth Health Sciences Research Building.

Background: Dr. Bosomworth came to the UK Chandler Medical Center in 1962 as the first chair of the department of anesthesiology. He served from 1970 to 1982 as Vice President and from 1982 to 1994 as Chancellor of the Medical Center. Since his retirement as Chancellor in 1994, he has served in a post-retirement position in Continuing Education and in Telemedicine.

Many buildings were constructed during Dr. Bosomworth's tenure as Chancellor. Among them are the Sanders Brown Center on Aging, the Warren Wright University Medical Plaza and the Lucille Parker Markey Cancer Center. Of special significance to him was the dedication of the Health Sciences Research Building in 1994.

Dr. Bosomworth's long service and many contributions to the University warrant this notable tribute. The Chancellor of the UK Chandler Medical Center and the Committee on Naming University Buildings support this recommendation.

Action taken: Approved Disapproved Other _____

PR 3D

Office of the President
April 3, 2001

Members, Board of Trustees:

HONORARY DEGREE RECIPIENTS

Recommendation: that approval be granted to awarding the honorary degree of Doctor of Science to Peter Palliser Bosomworth, the Doctor of Letters to Linda Challis Gill, and the Doctor of Humanities to Frank X Walker.

Background: The Committee on Honorary Degrees has recommended to the Graduate Faculty and the University Senate that honorary degrees be awarded to Peter Palliser Bosomworth, Linda Challis Gill, and Frank X Walker. These three bodies have expressed their approval of the recommendation.

Biographical sketches of the three recipients are attached.

Action taken: Approved Disapproved Other _____

PETER PALLISER BOSOMWORTH

Peter P. Bosomworth began his tenure at the University of Kentucky in 1962 as a Professor and retired in 1994 as Chancellor of the Medical Center. He was the first Chair of the Department of Anesthesiology when the College of Medicine was established, and in 1967 became Acting Associate Dean for Clinical Affairs. The following year he became Acting Hospital Administrator and in 1970 was appointed Vice President for the Medical Center, a position that in 1982 changed to Chancellor.

A native of Akron, Ohio, Dr. Bosomworth received a bachelor's degree from Kent State University in 1951, followed by an M.D. degree from the University of Cincinnati in 1955 and a master's degree in medical sciences from Ohio State University in 1958. He interned at Cincinnati General Hospital and was a resident at Ohio State University. He also served in the U.S. Navy from 1958-1960.

While at the University of Cincinnati, Dr. Bosomworth met and married Georgia "Jody" Simester, a nursing student. They have four children and seven grandchildren. They have lived in Lexington since 1962, and have opened their home to a host of international students and others who have lived with the Bosomworths from three months to five years. Dr. Bosomworth has been active in the Lexington Rotary Club, Chamber of Commerce, Urban League, Blue Grass Trust for Historic Preservation, Boy Scouts of America, and the Lexington Sister Cities Program.

Dr. Bosomworth's many honors and awards include the Outstanding Medical Service Award from the Kentucky Medical Association, the Daniel Drake M.D. Award from the University of Cincinnati, and the Kentucky Medical Association Education Achievement Award. He is a Fellow in the Royal Society of Medicine and has the longest tenure of any top Medical Center administrator at a single academic institution in the country. He has 36 publications to his credit, with 23 other related abstracts and publications.

Dr. Bosomworth's leadership on behalf of the University of Kentucky Medical Center has been characterized as visionary. He led the way for an organization that began with the Colleges of Medicine and Nursing, with 35 faculty and 70 students, to today's structure with five colleges, several research and graduate centers, 600 faculty and 4,000 students. Under his guidance, the Medical Center became well established at the forefront of health science education in the U.S., with major contributions in the areas of primary care, rural medicine, aging, cancer, cardiovascular diseases, pediatric care, neurosciences, trauma care, drugs and alcohol, drug development and more recently a focus on women's health.

For his distinguished record of educational contributions, practice of medicine, and service to the people of the Commonwealth of Kentucky and to the University, Dr. Peter P. Bosomworth is recommended as the recipient of the honorary Doctor of Science degree.

LINDA CHALLIS GILL

Linda Challis Gill, formerly a resident of Ft. Thomas and Louisville, and University of Kentucky alumna, has time and again proven herself to be a philanthropist who understands not only the needs of the people of the Commonwealth of Kentucky, but also someone who understands and supports innovation in higher education.

A former teacher, Ms. Gill served as president of a Palo-Alto Parent-Teacher Association and was involved in coaching and student counseling. She spent 18 years as a docent and volunteer at the Stanford Medical School. She is also a board member for the University of Houston School of Music.

Ms. Gill, along with her husband Jack, have supported the creation of the Gill Heart Institute, a medical facility that will enhance heart research and patient care in Kentucky for generations to come. Even though Ms. Gill has spent her adult life away from her home state, she has kept the critical health care needs of Kentucky citizens in her heart and mind. Knowing that far too many Kentuckians suffer from heart disease, Ms. Gill chose to focus on the development of a comprehensive cardiovascular sciences program at UK through the Gill Family Foundation.

The 1997 gift not only provided funding to build a new heart institute, but also established an endowed chair in preventive cardiology, five endowed professorships, and endowed research and special programs. The new facility provides laboratories, clinics, classrooms, and office space, and brings together in one location many components of heart research and care. In a state that ranks the fifth worst in the nation in coronary disease, the mission of the Gill Heart Institute is to provide the highest level of excellence in patient care, research, education and prevention. In addition to providing and enhancing health care services across the state, the Institute will allow UK to move aggressively toward recognition as one of the top academic heart centers in the nation.

Currently a resident of Houston, Texas, Linda Gill has taken her philanthropy along another path at UK. Acting upon her interest in the interplay of technology, medicine and communication, she has made a major gift to support science and engineering faculty and their students in the areas of biomedical science and engineering and communications.

In recognition of her far-reaching contributions to the University of Kentucky and to the people of the Commonwealth of Kentucky, Ms. Gill is recommended as the recipient of the honorary Doctor of Letters degree.

FRANK X WALKER

A native of Danville, Kentucky and a University of Kentucky graduate, Frank X Walker has been the catalyst for many cultural and arts initiatives in the Lexington area. His name is linked with the Roots and Heritage Festival, the Bluegrass Black Arts Consortium, the Living Arts and Science Center, the Robert H. Williams Cultural Center, Message Theater, and the Affrilachian Poets. He has also served as the program coordinator for the Martin Luther King Jr. Cultural Center at the University of Kentucky and currently works at the Kentucky Governor's School for the Arts.

Both an activist and an artist, Frank X Walker was the oldest son in a family of seven children and the first to leave home to attend college. While at UK, he was one of the founding members of Phi Beta Sigma fraternity and was an editor and cartoonist for the *Communicator*, an African-American student newspaper. He credits Professor Gurney Norman with giving him the direction he needed to settle on a major in English and his subsequent bachelor's degree in 1996. The class with Gurney Norman eventually led to Walker's first book, *Affrilachia*, a collection of poetry published by Old Cove Press, run by Norman and his wife Nyoka Hawkins.

The poetry group that grew out of Walker's affiliation with the Martin Luther King Jr. Cultural Center at UK, called Affrilachian Poets, now includes workshops and touring programs as well as readings across the state. Affrilachian poets write with themes concerning family, place, social justice, and identity. Another product from the Martin Luther King Jr. Cultural Center was a play called "Post Time." Based on a theme of college stereotypes, eventually "Post Time" played at colleges across Kentucky. More recently, Walker's play titled "Affrilachia" premiered at the University of Kentucky Theatre last fall.

In addition to his work in Lexington, Walker has served as artist-in-residence for the Alabama State Arts Council and as director of the NIA Institute in Birmingham, Atlanta, and Lexington. He is currently the director of the Kentucky Governor's School for the Arts in Louisville. His murals can be seen at several locations in Lexington and he has exhibited, performed, and been a guest lecturer at campuses across the country. He is considered one of Kentucky's leading black poets.

In recognition of his accomplishments as an activist and artist and his civic contributions to the people of Lexington and the Commonwealth of Kentucky, Frank X Walker is recommended as the recipient of the honorary Doctor of Humanities degree.

PR 5A

Office of the President
April 3, 2001

Members, Board of Trustees:

LEXINGTON COMMUNITY COLLEGE MISSION, VISION AND VALUES STATEMENT

Recommendation: that the Board of Trustees approve the Lexington Community College mission, vision and values statement:

Mission... The University of Kentucky Lexington Community College provides open access to quality education for our diverse and growing community. As an independently accredited community college, the University of Kentucky Lexington Community College offers: associate degree programs focused on career-oriented technical curricula and transferable prebaccalaureate curricula, programs and services supporting academic success, lifelong learning opportunities, economic and workforce development, an inclusive, student-centered environment, and a commitment to community service.

Vision... The University of Kentucky Lexington Community College will become one of the top twenty community colleges in the United States.

Values... We, at Lexington Community College, value the intellectual, professional, and personal growth of students, faculty, and staff; excellence in teaching, advising, and supporting students; student success through individualized attention; a climate of mutual respect and collaboration; an interactive and adaptive relationship with the community; open access to quality educational opportunities; lifelong learning; cultural diversity and human dignity; the continuous improvement of our programs and administrative processes; health, wellness, and safety within the College and community environments; innovation and efficiency in the use of resources; and personal and institutional accountability.

Background: A statement of mission, vision and values is required by the Southern Association of Colleges and Schools for accreditation purposes. This statement has the approval of the Advisory Board of Lexington Community College, the support of the President of Lexington Community College and the Chancellor of the Lexington Campus.

Action taken: Approved Disapproved Other _____

PR 6A

Office of the President
April 3, 2001

Members, Board of Trustees:

REAPPOINTMENT TO BOARD OF DIRECTORS OF THE FUND FOR ADVANCEMENT
OF EDUCATION AND RESEARCH
IN THE UNIVERSITY OF KENTUCKY MEDICAL CENTER

Recommendation: that approval be given to the reappointment of the following as a member to the Board of Directors of The FUND for Advancement of Education and Research in the University of Kentucky Medical Center for a two-year term beginning July 1, 2001 and extending through June 30, 2003.

Reappointment

Alan Bloomfield

Background: The Articles of Incorporation of The FUND for Advancement of Education and Research in the University of Kentucky Medical Center require two-year term Board of Director appointments by the Board of Trustees of the University of Kentucky.

Action taken: Approved Disapproved Other _____

AACR 1

Office of the President
April 3, 2001

Members, Board of Trustees:

NEW DEGREE PROGRAM IN EARLY CHILDHOOD EDUCATION

Recommendation: that the Board of Trustees approve the proposed Associate degree program in Early Childhood Education at Lexington Community College.

Background: The primary goal of this program is to prepare students for employment as professionals in a number of settings. The Early Childhood Development Act (HB706) enacted during the 2000 Session of the Kentucky Legislature mandates "a seamless system" to upgrade the professional development of persons who are employed or provide training in a child care or early childhood setting doing so through scholarships, merit awards and monetary incentives.

The curriculum contains interdisciplinary early childhood education course work and a general education component. Upon completion of the program, students will have over 300 contact hours with children and will have completed a professional portfolio of cumulative learning experiences.

The proposed program is supported by the Chancellor of the Lexington Campus and has been approved by the University Senate. Approval by the Board of Trustees is required prior to submission to the Council on Postsecondary Education for consideration and approval.

Action taken:



Approved

Disapproved

Other _____

AACR 2

Office of the President
April 3, 2001

Members, Board of Trustees:

CHANGE IN NAME OF AN EDUCATIONAL UNIT

Recommendation: that the Board of Trustees approve the change in the name of the Department of Electrical Engineering to the Department of Electrical and Computer Engineering.

Background: The change, it is believed, will clarify the scope and enhance the stature of the department. Electrical engineering and computer engineering are closely aligned in modern engineering research and education.

The proposed change has been approved by the faculty in the Department and the College of Engineering. It is supported by the Chancellor of the Lexington Campus. And, it has been reviewed and recommended by the University's Senate's Committee on Academic Organization and Structure, the Senate Council and approved by the University Senate.

Action taken:



Approved

Disapproved

Other _____

AACR 3

Office of the President
April 3, 2001

Members, Board of Trustees:

CHANGE IN NAME OF AN EDUCATIONAL UNIT

Recommendation: that the Board of Trustees approve the change in the name of the Department of Germanic Literature and Languages to the Department of German Studies.

Background: The change reflects better the broader focus of the Department, which encompasses language, literature, culture, business and other aspects of German speaking countries and communities.

The proposed change has been endorsed by the Faculty of the Department and the College of Arts and Sciences. It is supported by the Chancellor of the Lexington Campus. And, it has been reviewed and recommended by the University's Senate's Committee on Academic Organization and Structure, the Senate Council and approved by the University Senate.

Action taken: Approved Disapproved Other _____

FCR 1

Office of the President
April 3, 2001

Members, Board of Trustees:

ACCEPTANCE OF INTERIM FINANCIAL REPORT FOR THE
UNIVERSITY OF KENTUCKY FOR THE EIGHT MONTHS ENDED
FEBRUARY 28, 2001

Recommendation: that the Board of Trustees accept the University of Kentucky consolidated financial report for the eight months ended February 28, 2001.

Background: The consolidated financial report includes the financial activities of the University of Kentucky and its affiliated corporations, consisting of the University of Kentucky Research Foundation, The Fund for Advancement of Education and Research in the University of Kentucky Medical Center, University of Kentucky Athletic Association, University of Kentucky Mining Engineering Foundation, University of Kentucky Business Partnership Foundation, University of Kentucky Humanities Foundation, University of Kentucky Equine Research Foundation, University of Kentucky Center on Aging Foundation, and Health Care Collection Service.

As of February 28, 2001, the University had realized income of \$886,188,000 representing 74% of the 2000-01 estimate of \$1,200,019,000. Expenditures and commitments total \$777,013,000 or 65% of the approved budget of \$1,200,019,000.

Action taken: Approved Disapproved Other _____

**CONSOLIDATED BALANCE SHEET
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FEBRUARY 28, 2001**

with comparative totals for February 29, 2000
(in thousands)

	2000-01					1999-00	
	Current Unrestricted Funds	Current Restricted Funds	Loan Funds	Endowment Funds	Plant Funds	Totals	Totals
ASSETS							
Cash and cash equivalents	\$ 143,120	12,457	\$ 3,264	\$ 1,032	\$ 156,042	\$ 315,915	\$ 275,990
Notes, loans, and A/R (less bad debt allowances of \$ 9,584)	152,797	\$ 20,404	23,494	1,327	3,138	201,160	173,553
Investments	31,846	128,596		452,083	45,655	658,180	548,621
Property, plant, and equipment					1,409,801	1,409,801	1,330,246
Inventories and other	14,321	51			100	14,472	14,631
Total Assets	\$ 342,084	\$ 161,508	\$ 26,758	\$ 454,442	\$ 1,614,736	\$ 2,599,528	\$ 2,343,041
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 28,589	\$ 2,027	\$ 222		\$ 802	\$ 31,640	\$ 32,413
Employee withholdings and deposits		29,770				29,770	26,076
Other liabilities	6,112	3,622		\$ 6,365	1,829	17,928	18,036
Liability for self insurance	53,056					53,056	52,946
Deferred income	15,474	20,135				35,609	21,509
Bonds payable					222,406	222,406	196,376
Capitalized lease obligation					43,438	43,438	30,877
Total Liabilities	103,231	55,554	222	6,365	268,475	433,847	378,233
Interfund Balances	(52,544)	60,459		13,443	(21,358)		
Net deferred revenues and appropriated fund balances	120,191	(4,795)				115,396	93,445
Fund Balances							
Current unrestricted							
Working capital	167,211					167,211	159,336
Future operating purposes	3,457					3,457	4,910
Other	538					538	2,901
Current restricted							
Loan		50,290	26,536			50,290	50,136
True endowments				344,294		344,294	258,324
Term endowments				5,612		5,612	5,523
Quasi endowments				84,728		84,728	78,393
Plant							
Retirement of indebtedness					35,522	35,522	30,026
Renewal and replacement					47,823	47,823	7,674
Allocated for designated projects					192,914	192,914	217,557
Net investment in plant					1,091,360	1,091,360	1,030,214
Total Fund Balances	171,206	50,290	26,536	434,634	1,367,619	2,050,285	1,871,363
Total Liabilities and Fund Balances	\$ 342,084	\$ 161,508	\$ 26,758	\$ 454,442	\$ 1,614,736	\$ 2,599,528	\$ 2,343,041

**CONSOLIDATED STATEMENT OF CURRENT FUNDS REVENUES AND APPROPRIATED FUND BALANCES
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE EIGHT MONTHS ENDED FEBRUARY 28, 2001**

with comparative totals for February 29, 2000
(in thousands)

	2000-01				1999-00	
	Original Budget	Revised Budget	Realized To Date	%	Realized To Date	%
General Fund						
(1) State appropriations	\$ 307,830	\$ 307,830	\$ 230,648	75	\$ 217,643	75
(2) Student fees	125,910	125,745	117,915	94	112,658	98
(3) Federal appropriations	15,553	15,553	9,933	64	11,402	73
(4) County appropriations	7,674	8,270	5,252	64	4,818	63
(5) Endowment income	875	875	465	53	455	50
(6) Investment income	11,901	11,900	10,075	85	8,747	97
Gifts and grants						
(7) Affiliated corporations	14,348	14,348	6,971	49	7,457	51
(8) Other	55,519	58,146	33,161	57	33,430	56
(9) Sales and services	62,486	61,507	35,688	58	35,882	62
(10) Fund balance	19,478	21,292	21,292	100	28,303	100
(11) Total General Fund	621,574	625,466	471,399	75	460,795	77
(12) Auxiliary Enterprises	33,549	33,549	24,959	74	24,016	73
(13) Restricted Funds	72,561	72,835	46,026	63	35,188	52
(14) Affiliated Corporations	173,359	173,352	122,315	71	109,117	68
Hospital						
(15) Revenues	294,817	294,817	221,489	75	193,487	70
(16) Fund balance						
Total Revenues and						
(17) Appropriated Fund Balances	<u>\$ 1,195,860</u>	<u>\$ 1,200,019</u>	<u>\$ 886,188</u>	74	<u>\$ 822,603</u>	72

**CONSOLIDATED STATEMENT OF CURRENT FUNDS EXPENDITURE SUMMARY BY PROGRAM - ALL FUNDS
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE EIGHT MONTHS ENDED FEBRUARY 28, 2001**

with comparative totals for February 29, 2000
(in thousands)

	2000-01				1999-00	
	Original Budget	Revised Budget	Expended/ Encumbered To Date	%	Expended/ Encumbered To Date	%
(1) Instruction	\$ 257,926	\$ 251,364	\$ 163,174	65	\$ 155,784	66
(2) Research	159,906	158,344	99,200	63	84,806	56
(3) Public service	155,726	153,447	103,734	68	100,451	68
(4) Academic support	72,221	73,674	46,055	63	46,421	65
(5) Student services	22,859	26,292	15,920	61	13,066	55
(6) Institutional support	48,670	54,279	32,402	60	31,968	59
(7) Student financial aid	50,234	51,048	46,428	91	40,294	88
(8) Operation and maintenance	42,637	45,890	29,726	65	26,102	62
(9) Mandatory transfers (debt service)	18,879	18,879	18,390	97	16,572	100
(10) Hospital	295,588	295,588	170,424	58	170,856	62
(11) Auxiliary enterprises	71,214	71,214	51,560	72	51,034	74
(12) Total Expenditure by Program	<u>\$ 1,195,860</u>	<u>\$ 1,200,019</u>	<u>\$ 777,013</u>	65	<u>\$ 737,354</u>	65

**EXPENDITURE SUMMARY BY CATEGORY OF EXPENDITURE
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE EIGHT MONTHS ENDED FEBRUARY 28, 2001**

with comparative totals for February 29, 2000
(in thousands)

	2000-01				1999-00	
	Original Budget	Revised Budget	Expended/ Encumbered To Date	%	Expended/ Encumbered To Date	%
(13) Personnel costs	\$ 673,523	\$ 670,703	\$ 444,079	66	\$ 427,560	67
(14) Operating expenses	456,099	462,382	277,528	60	243,208	60
(15) Mandatory transfers (debt service)	29,936	29,936	18,390	61	20,254	73
(16) Capital outlay	36,302	36,998	37,015	100	46,332	72
(17) Total Expenditure by Category	<u>\$ 1,195,860</u>	<u>\$ 1,200,019</u>	<u>\$ 777,013</u>	65	<u>\$ 737,354</u>	65

**CONSOLIDATED SUMMARY OF NET DEFERRED REVENUES AND APPROPRIATED FUND BALANCES
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE EIGHT MONTHS ENDED FEBRUARY 28, 2001**

with comparative totals for February 29, 2000

(in thousands)

	<u>2000-01</u>	<u>1999-00</u>
(1) Realized Revenues	\$ 864,896	\$ 794,300
Appropriated Fund Balances		
(2) Current Unrestricted Fund	\$ 21,292	28,303
(3) University Hospital	<u> </u>	<u> </u>
(4) Total Appropriated Fund Balances	<u>21,292</u>	<u>28,303</u>
(5) Total Revenues and Appropriated Fund Balances	886,188	822,603
(6) Expenditures/Encumbrances	777,013	737,354
(7) Less: Reserve for Encumbrances	<u>(8,398)</u>	<u>(8,496)</u>
(8) Total Expenditures	<u>768,615</u>	<u>728,858</u>
(9) Excess/(Deficit) Restricted Receipts Over Transfers to Revenues	<u>(2,177)</u>	<u>(300)</u>
(10) Net Deferred Revenues and Appropriated Fund Balances	<u>\$ 115,396</u>	<u>\$ 93,445</u>

FCR 2

Office of the President
April 3, 2001

Members, Board of Trustees:

REPORT OF LEASES

Recommendation: that the Board accept the President's Report of the following lease agreements in accordance with Board Policy:

A renewal lease between the University of Kentucky (Agronomy Department) and Wilbert Perkins, Route 1, Frankfort, Kentucky, for land located on Route 1, Frankfort, Kentucky, effective May 2, 2001 through September 30, 2001, for the use of 4.3 acres of land for crop experimentation, at an annual cost of \$4,500.00, be accepted and made a matter of record.

A new lease between the University of Kentucky (Kentucky Homeplace) and the Harlan County Public Library District Board of Trustees, 107 North Third Street, Harlan, Kentucky, for space located at 313 East Central Street, Harlan, Kentucky, effective April 1, 2001 through June 30, 2002, for the use of 2,300 square feet of office space, at an annual rate of \$6,000.00, be accepted and made a matter of record.

Background: FCR 5, dated October 5, 1985, authorized the President or his designated representative to enter into leases and easements not exceeding \$30,000 in value and required that all leases entered into under this authority be reported to the Board.

Action taken: Approved Disapproved Other _____

FCR 3

Office of the President
April 3, 2001

Members, Board of Trustees:

2000-01 Budget Revisions Central Administration

Recommendation: that the following revisions to the 2000-01 budget be authorized and approved.

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
A. GENERAL FUND			
1. Income Estimates			
Student Fees			
General			
Regular-Lexington			
Community College	\$ 9,071,200	\$ 9,374,300	\$ 303,100
Summer Session-Lexington			
Community College	662,500	718,000	55,000
Self-Supporting			
Other Fees	2,060,000	2,062,000	2,000
Gifts and Grants			
The Fund for Advancement			
Of Education and Research in			
The Medical Center	6,717,900	6,762,400	44,500
Other Gifts and Grants	54,394,500	54,345,600	(48,900)
Sales and Services			
Departmental Sales			
and Services	50,567,400	50,600,200	32,800
University Hospital	294,817,000	324,543,000	<u>29,726,000</u>
			\$30,115,000
2. Expenditures			
Central Administration			
Fiscal Affairs			
Human Resource Services	3,515,300	3,519,300	4,000
Lexington Campus			
Lexington Community			
College			
General Instruction	9,622,400	9,982,900	360,600
Medical Center			
College of Medicine			
Family Practice	1,897,500	1,921,300	23,800
Pathology and Laboratory			
Medicine	3,639,200	3,595,300	(43,900)
Administration and Support			
Student Services			
University Health			
Service	3,669,400	3,713,900	44,500
University Hospital	293,270,000	322,996,000	<u>29,726,000</u>
			\$30,115,000

FCR 4

Office of the President
April 3, 2001

Members, Board of Trustees:

ANONYMOUS GIFT FOR UROLOGY

Recommendation: that the Board of Trustees accept a gift of \$12,000 and a pledge of \$58,000 from an anonymous donor to create the Bruce A. Lucas, M.D. Endowment for Urologic Research in the College of Medicine's Division of Urology.

Background: A grateful patient who wishes to remain anonymous is making the gift to the urology program as a way of recognizing the work of Dr. Lucas and other physician caregivers in the College of Medicine's Division of Urology. The donor anticipates matching funds from the state's Research Challenge Trust Fund. The pledge will be paid in annual \$14,500 installments from 2002 through 2005.

Action taken: Approved Disapproved Other _____

FCR 5

Office of the President
April 3, 2001

Members, Board of Trustees:

DRS. BARBARA AND JAMES HOLSINGER GIFT AND PLEDGE

Recommendation: that the Board of Trustees accept a gift of \$15,000 and a pledge of \$50,000 from Drs. Barbara and James Holsinger, Lexington, Kentucky to be added to the Holsinger Professorship in Anatomy, an endowed professorship in the College of Medicine.

Background: Drs. Barbara and James Holsinger made a gift and pledge in 1998 to establish the Holsinger Professorship in Anatomy. Dr. James Holsinger is an alumnus of the University of Kentucky and Chancellor for the Medical Center and Professor of Medicine, Surgery and Anatomy in the College of Medicine. Dr. Barbara Holsinger is the Director of Continuing Education at Asbury Theological Seminary. The Board of Trustees accepted the Holsinger's first gift and pledge on December 8, 1998, and it was matched by the state's Research Challenge Trust Fund. This gift and pledge of \$65,000 also qualifies for matching funds from the Research Challenge Trust Fund. The \$15,000 gift was made in March, 2001, and the \$50,000 pledge will be paid at \$10,000 a year for five years beginning in 2002.

Action taken: Approved Disapproved Other _____

FCR 6

Office of the President
April 3, 2001

Members, Board of Trustees:

JAMES F. GLENN, M.D. CHAIR IN UROLOGY

Recommendation: that the Board of Trustees approve merging the Professorship in Urology and the James F. Glenn, M.D. Endowed Professorship and Chair in Urology into a single initiative entitled the James F. Glenn, M.D. Endowed Chair in Urology.

Background: The Board of Trustees accepted in September, 2000, a gift and pledge from James F. Glenn, M.D. to establish the James F. Glenn, M.D. Endowed Professorship and Chair in Urology to enable the Division of Urology to qualify for matching funds from the state's Research Challenge Trust Fund. Prior to establishing the professorship, a Professorship in Urology had been created by the Board of Trustees in April 1992.

By this action, the Board, at the request of the College of Medicine's Division of Urology, is merging the two previously-established initiatives into one entitled the James F. Glenn, M.D. Chair in Urology to enable the department to bring the initiative to the minimum \$1 million required for an endowed chair upon receipt of Dr. Glenn's pledge payment in FY 2001-02. Doing so will help the college honor Dr. Glenn, a retired faculty member who has brought distinction to the UK College of Medicine, with the more prestigious endowed chair.

Action taken: Approved Disapproved Other _____

FCR 7

Office of the President
April 3, 2001

Members, Board of Trustees:

JERRY G. AND PATRICIA K. ROSE GIFT AND PLEDGE

Recommendation: that the Board of Trustees accept a gift of \$22,997 and a pledge of \$27,003 from Jerry G. and Patricia K. Rose of Lexington, Kentucky, to establish and endow the CSX Transportation Graduate Fellowship Fund in the Department of Civil Engineering in the College of Engineering.

Background: The donors' father and father-in law, the late Edgar Rose, was a career Louisville and Nashville Railroad Company (now CSX) employee at the Ravenna, Kentucky Yard. It is in his memory and in memory and honor of hundreds of relatives, friends and acquaintances who were employed and are still employed in the railroad industry in the area that this fellowship program is dedicated. Dr. Jerry Rose received his bachelor's and master's degrees in civil engineering from UK in 1966 and 1967, respectively. He received his Ph.D. from Texas A&M in 1971 and is now a professor in the UK Department of Civil Engineering with an academic focus on railroad engineering. Mrs. Rose is a graduate of Eastern Kentucky University. Dr. and Mrs. Rose are UK Fellows and longstanding supporters of the College of Engineering. The gift and pledge are eligible for matching funds from the state's Research Challenge Trust Fund. The pledge will be paid in four annual payments beginning in 2002.

Action taken:

Approved

Disapproved

Other _____

FCR 8

Office of the President
April 3, 2001

Members, Board of Trustees:

MEDICAL ALUMNI ASSOCIATION GIFT AND PLEDGE

Recommendation: that the Board of Trustees accept gifts of \$47,712 and a pledge of \$4,000 from the College of Medicine alumni to create a scholarship endowment for the College of Medicine.

Background: Medical alumni are making the gifts to provide additional scholarships for medical students. At the suggestion of the Medical Alumni Association Board of Director's Executive Committee, the college solicited gifts for a scholarship endowment from alumni as part of its annual giving program. Medical alumni donors anticipate matching funds from the state's Research Challenge Trust Fund. The pledge will be paid in annual \$1,000 installments from 2002 through 2005.

Action taken: Approved Disapproved Other _____

FCR 9

Office of the President
April 3, 2001

Members, Board of Trustees:

NATIONAL CITY BANK GIFT AND PLEDGE

Recommendation: that the Board of Trustees accept a gift of \$20,000 and a pledge of \$80,000 from National City Bank of Lexington, Kentucky, for planning a new building at Lexington Community College.

Background: National City Bank has been a generous supporter of Lexington Community College for many years. This gift will assist in the planning of a new building to serve the growing student population at Lexington Community College. National City Bank has demonstrated great interest in the community college because it provides thousands of students with an access to education. The pledge will be paid in annual \$20,000 payments from 2002 through 2005.

Action taken: Approved Disapproved Other _____

FCR 10

Office of the President
April 3, 2001

Members, Board of Trustees:

VAUGHN & MELTON CONSULTING ENGINEERS, INC. PLEDGE

Recommendation: that the Board of Trustees accept a pledge of \$100,000 from Vaughn & Melton Consulting Engineers, Inc., of Middlesboro, Kentucky, to create and endow the Vaughn & Melton Consulting Engineers Graduate Fellowship in the Department of Civil Engineering in the College of Engineering.

Background: Vaughn & Melton Consulting Engineers, Inc. was established in 1967 by College of Engineering civil engineering alumni Robert W. Vaughn and Lewis N. Melton, both 1963 graduates. The firm, now managed by a Board of Directors as part of Vaughn & Melton, Inc., has grown to over 200 employees. The corporation has offices in Kentucky, Tennessee, North Carolina and West Virginia. Engineering services provided include industrial, transportation, infrastructure and environmental, architectural and building services, surveying and mapping, land acquisition and right-of-way, and management and operations (including the Cumberland Gap Tunnel Authority). Mr. Vaughn and Mr. Melton are longstanding supporters of the University and the college. The pledge will be paid in five annual installments of \$20,000 beginning in 2001. The pledge is eligible for matching funds from the state's Research Challenge Trust Fund.

Action taken: Approved Disapproved Other _____

FCR 11

Office of the President
April 3, 2001

Members, Board of Trustees:

INCENTIVE RETIREMENT PLAN FOR THE DEPARTMENT OF CHEMICAL AND MATERIALS ENGINEERING

Recommendation: that a one-time Incentive Retirement Plan be offered to regular full-time tenured faculty in the Department of Chemical and Materials Engineering in the College of Engineering who have at least 15 years of service as the result of a regular full-time appointment at the University of Kentucky and who are 65 years of age on or before June 30, 2001. The provisions of the plan are: (1) the number of retirements under the plan are limited to two per fiscal year for fiscal years 2000-01, 2001-02, 2002-03 and 2003-04; (2) the retirement incentive will be equal to the faculty member's nine-month academic year's salary based on the rate of pay at the time the request is made; payment of the retirement incentive will be made in 12 monthly installments, beginning in the fiscal year after the effective date of retirement; (3) retirements under the provisions of this plan may start as early as July 1, 2001 but no later than July 1, 2004; eligible faculty members must make an irrevocable written election through the Dean of the College of Engineering for retirement under this plan by no later than June 1, 2001 for retirements starting on July 1, 2001, and no later than January 1 for retirements occurring during subsequent fiscal years; the earliest date a written election will be accepted for any fiscal year is May 15, 2001; in the case of multiple requests for retirement in a particular fiscal year, the first two requests received in the Dean's Office shall be honored, and (4) faculty members who elect to retire pursuant to this plan must remain in a full-time employment status until the date of retirement; faculty members who for any reason fail to remain in such status until the date of retirement shall not be eligible for any payment under this plan even though they may have submitted a written election.

Background: The Department of Chemical and Materials Engineering is a priority unit within the University's Strategic Plan and its participation within the Research Challenge Trust Fund initiatives. This Incentive Retirement plan will facilitate recruitment of faculty to accomplish the goals of a cohesive materials synthesis initiative, collaboration with colleagues in chemistry and physics, and enhancement of the Department's endeavors at the Materials Research Science and Engineering Center and the Center for Aluminum Technology.

Action taken: Approved Disapproved Other _____

FCR 12

Office of the President
April 3, 2001

Members, Board of Trustees:

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY AUTHORIZING THE ISSUANCE OF APPROXIMATELY \$18,695,000 OF UNIVERSITY OF KENTUCKY CONSOLIDATED EDUCATIONAL BUILDINGS REFUNDING REVENUE BONDS, SERIES N (SECOND SERIES), TO BE DATED THE FIRST DAY OF THE MONTH IN WHICH THE BONDS ARE SOLD

Recommendation: that the Board of Trustees approve a Resolution authorizing the issuance of approximately \$18,695,000 of University of Kentucky Consolidated Educational Buildings Refunding Revenue Bonds, Series N (Second Series), to be dated the first day of the month in which the Series N (Second Series) Bonds are sold.

The Resolution authorizes the issuance of approximately \$18,695,000 of Series N (Second Series) Bonds for the purpose of refinancing the outstanding University of Kentucky Consolidated Educational Buildings Revenue Bonds, Series N, which were originally issued to finance (i) a new Medical Research Building and (ii) Cooling Plant repair and replacement constituting the Series N Project upon the campus of the University in Fayette County in the Commonwealth of Kentucky, which project is a part of the University of Kentucky Consolidated Educational Buildings Project of the University (the "Series N Project").

The Resolution also approves the offering for sale of the Series N (Second Series) Bonds upon the advice of the Financial Advisor, J.J.B. Hilliard, W.L. Lyons, Inc., on May 1, 2001, or on such other date as may be determined by the Treasurer of the University, upon the advice of said Financial Advisor and the acceptance of the bid for the sale of the Series N (Second Series) Bonds by the Board. The exact principal amount of Series N (Second Series) Bonds to be sold will be determined on the date of sale as the amount required to refund the Series N Bonds.

Background: The University presently has outstanding twelve series of University of Kentucky Consolidated Educational Buildings Project Revenue Bonds, Series E, J, L (Second Series); F (Second Series); G, H, I (Third Series); K (Second Series); L; M; M (Second Series); N; O; P; Q and R (the "Outstanding Bonds") all secured by a pledge of the Revenues (registration fees) and by a statutory mortgage lien against all of the buildings of the Project. The Series N (Second Series) Bonds are issued for the purpose of (a) refinancing the Series N Project identified above and (b) paying the cost of issuance of the Series N (Second Series) Bonds. The Bond Resolution approves the appointment of Bank One, Kentucky, NA, Lexington, Kentucky, as Trustee, Bond Registrar, Transfer Agent, Payee Bank and Depository Bank, with respect to these Bonds, provides for the execution, to the extent required by the Basic Resolution, of the appropriate parity certification establishing that the "coverage" of projected income of the Project over debt service requirements will meet the 1.25 test necessary to establish that the Series N (Second Series) Bonds will rank on a parity with the Outstanding Bonds.

Action Taken: Approved Disapproved Other _____

RESOLUTION AUTHORIZING THE ISSUANCE

OF

APPROXIMATELY
\$18,695,000

OF

UNIVERSITY OF KENTUCKY
CONSOLIDATED EDUCATIONAL BUILDINGS REFUNDING REVENUE BONDS,
SERIES N (SECOND SERIES)
(TO BE DATED THE FIRST DAY OF THE MONTH IN WHICH THE BONDS ARE SOLD),

OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY

I N D E X

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RESOLUTION

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY AUTHORIZING THE ISSUANCE OF APPROXIMATELY \$18,695,000 OF UNIVERSITY OF KENTUCKY CONSOLIDATED EDUCATIONAL BUILDINGS REFUNDING REVENUE BONDS, SERIES N (SECOND SERIES), TO BE DATED THE FIRST DAY OF THE MONTH IN WHICH THE BONDS ARE SOLD.

WHEREAS, the Board of Trustees of the University of Kentucky, by Resolution entitled:

"A RESOLUTION OF THE BOARD OF TRUSTEES OF UNIVERSITY OF KENTUCKY, A STATE SUPPORTED INSTITUTION OF HIGHER LEARNING OF THE COMMONWEALTH OF KENTUCKY, CREATING AND ESTABLISHING A CONSOLIDATED EDUCATIONAL BUILDINGS PROJECT OF SAID UNIVERSITY OF KENTUCKY; CREATING AND ESTABLISHING AN ISSUE OF CONSOLIDATED EDUCATIONAL BUILDINGS REVENUE BONDS OF THE BOARD OF TRUSTEES OF SAID UNIVERSITY OF KENTUCKY; PROVIDING FOR THE ISSUANCE OF SUCH BONDS FROM TIME TO TIME; AND PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SAID BONDS FROM REVENUES IN SUCH MANNER AS NOT TO CONSTITUTE INDEBTEDNESS OF THE BOARD, THE UNIVERSITY, OR THE COMMONWEALTH."

heretofore adopted on September 20, 1960 (the "Basic Resolution" or "Resolution"), has created and established an issue of University of Kentucky Consolidated Educational Buildings Revenue Bonds of the Board of Trustees of the University of Kentucky (the "Bonds"); and

WHEREAS, the Basic Resolution authorizes the issuance by said Board of said Bonds in one or more Series pursuant to a new resolution authorizing each such Series; and

WHEREAS, the Board has previously authorized, sold, issued, and has outstanding prior issues of Bonds designated "University of Kentucky Consolidated Educational Buildings Revenue Bonds, Series E, J, L (Second Series); F (Second Series); G, H, I (Third Series); K (Second Series); L; M; M (Second Series); N; O; P; Q and R" (all such other Series of Bonds heretofore issued having been retired or defeased); and has determined that the Board is in compliance with the conditions set forth in Section 7.10 of the Basic Resolution relative to the issuance of the Series N (Second Series) Bonds (authorized herein) on a basis of parity and equality as to security and source of payment with such outstanding Bonds of Series E, J, L (Second Series); F (Second Series); G, H, I (Third Series); K (Second Series); L; M; M (Second Series); N; O; P; Q and R; and

WHEREAS, the Board has determined that it is in the best interests of the Board to authorize at this time an additional series of Bonds to be designated "University of Kentucky Consolidated Educational Buildings Refunding Revenue Bonds, Series N (Second Series)," ranking on a parity with said outstanding Series of Bonds;

NOW, THEREFORE, the Board of Trustees of the University of Kentucky hereby resolves as follows:

ARTICLE I DEFINITIONS AND AUTHORITY

Section 1.1. Series N (Second Series) Resolution. This Resolution (the "Series N (Second Series) Resolution") is adopted in accordance with Article II, Section 2.03, of the Basic Resolution.

Section 1.2. Definitions

A. All terms which are defined in Article I of the Basic Resolution shall have the same meanings, respectively, in this Series N (Second Series) Resolution as such terms are given in said Article of the Basic Resolution.

B. In this Series N (Second Series) Resolution, unless the context shall indicate otherwise, the following terms shall have the following respective meanings:

"Agent Member" means a member of, or participant in, the Securities Depository.

"Basic Resolution" or "Resolution" means the original Resolution adopted on September 20, 1960, creating and establishing the Consolidated Educational Buildings Project and creating, establishing, and authorizing the issuance of Consolidated Educational Buildings Revenue Bonds of the Board of Trustees of the University of Kentucky.

"Board" means the Board of Trustees of the University of Kentucky, and shall include the Executive Committee of the Board acting pursuant to authorization of and/or with ratification by said Board of Trustees.

"Bond Register" means the books and records maintained by the Bond Registrar as to the registered ownership and transfers of ownership of the Series N (Second Series) Bonds, from time to time.

"Bond Registrar," "Registrar," "Payee Bank" or "Transfer Agent" means Bank One, Kentucky, NA, Lexington, Kentucky, which shall constitute the Bond Registrar, Transfer Agent and Payee Bank, with respect to the Series N (Second Series) Bonds authorized herein, which Bank shall have the duties and responsibilities of (a) issuing semiannual checks in payment of interest requirements to the Series N (Second Series) Bonds, (b) payment of the principal as same matures upon surrender of the Series N (Second Series) Bonds, (c) authenticating, issuing, and delivering the Series N (Second Series) Bonds to the Original Purchasers of same in accordance with the sale of the Series N (Second Series) Bonds, at the direction of the Board, (d) maintaining the Bond Register, (e) handling exchanges, cancellations, reissuance, redemption, and all appurtenant duties of a Bond Registrar and Transfer Agent with respect to the Series N (Second Series) Bonds, as hereinafter set out, and (f) serving as depository of all funds in connection with the Series N (Second Series) Bonds and Outstanding Bonds.

"Book-Entry Form" means, with respect to the Series N (Second Series) Bonds, a form or system, as applicable, under which (i) the ownership of beneficial interests in the Series N

(Second Series) Bonds and bond service charges may be transferred only through a book entry, and (ii) physical Series N (Second Series) Bond certificates in fully registered form are registered only in the name of a Securities Depository or its nominee as owner, with the physical Series N (Second Series) Bond certificates in the custody of a Securities Depository.

"Code" means the Internal Revenue Code of 1986, as amended.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement dated as of the first day of the month in which the Series N (Second Series) Bonds are sold, between the University and the Trustee.

"Debt Service Reserve" means the portion of the Bond Fund in excess of the aggregate principal, interest, and Bond Fund Charges of Outstanding Bonds for the ensuing year, which excess portion shall constitute the "Debt Service Reserve" created and provided for in Section 405(3) of the Basic Resolution.

"Escrow Agreement" means the Escrow Trust Agreement dated the first date of the month in which the Series N (Second Series) Bonds are sold, as hereinafter provided, between the Board and the Escrow Trustee.

"Escrow Fund" means the Escrow Trust Fund created by the Escrow Agreement.

"Escrow Trustee" means Bank One, Kentucky, NA.

"Finance Cabinet" means the Finance and Administration Cabinet of the Commonwealth of Kentucky or its successor by whatever name designated.

"Financial Advisor" means J.J.B. Hilliard, W.L. Lyons, Inc., Hilliard Lyons Center, 501 South Fourth Avenue, Louisville, Kentucky 40202.

"Interest Payment Date" means May 1, and November 1 of each year, commencing November 1, 2001.

"Memorandum of Instructions" means the Memorandum of Instructions Regarding Rebate delivered to the Board and the Trustee at the time of the issuance and delivery of the Series N (Second Series) Bonds as the same may be amended or supplemented in accordance with its terms.

"Original Purchasers" or "Purchasers" means the original purchasers of the Series N (Second Series) Bonds at the public sale, including all members of the approved purchasing syndicate or group.

"Outstanding Bonds" means all bonds outstanding against and payable from the revenues of the Project, including (a) the Bonds of Series E, J, L (Second Series); F (Second Series); G, H, I (Third Series); K (Second Series); L; M; M (Second Series); N; O; P; Q and R; plus (b) the Series N (Second Series) Bonds, and (c) any and all future Bonds ranking on a parity therewith.

"Prior Bonds" means all the outstanding University of Kentucky Consolidated Educational Buildings Revenue Bonds, Series N.

"Project" means the University of Kentucky Consolidated Educational Buildings Project, consisting of all educational buildings and necessary appurtenances on the campus of the University of Kentucky in Lexington, Kentucky, and all such buildings hereafter erected on such campus and elsewhere in Fayette County, Kentucky.

"Record Date" means with respect to any interest payment date, the close of business on April 15 or October 15, as the case may be, next preceding such Interest Payment Date, whether or not such April 15 or October 15 is a business day.

"Required Current Debt Service Reserve Accumulation" means the amount required at any given time to have been accumulated toward the goal of the "Required Debt Service Reserve," based on Outstanding Bonds, including the additional amounts required to have been deposited in each year to date (and scheduled to continue for a period of four years) in such Reserve as a result of the issuance of one or more additional Series of Bonds, until the total Required Debt Service Reserve is accumulated.

"Required Debt Service Reserve" means the amount required to be accumulated and maintained in the Debt Service Reserve portion of the Bond Fund, which required amount is an amount equal to 100% of the maximum Aggregate Principal, Interest, and Bond Fund Charges falling due on Outstanding Bonds in any twelve month period.

"Secretary" means the Secretary of the Finance and Administration Cabinet of the Commonwealth of Kentucky, and each and every officer of the Commonwealth who may hereafter be authorized to exercise powers and authority similar to those vested by law in said Secretary; and each and every Deputy Secretary or other similar officer authorized by law to exercise the powers and authority presently vested by law in the Secretary.

"Securities Depository" means any securities depository that is a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act, operating and maintaining, with its participants or otherwise, a Book-Entry System to record ownership of beneficial interests in bonds and bond service charges, and to effect transfers of bonds in Book-Entry Form, and means, initially, The Depository Trust Company (a limited purpose trust company), New York, New York.

"Securities Depository Nominee" means any nominee of a Securities Depository and initially means Cede & Co., New York, New York, as nominee of The Depository Trust Company.

"Series N (Second Series) Bonds" or "These Bonds" means the Bonds authorized by Article II of this Series N (Second Series) Resolution.

"Series N Project" means the (i) a new Medical Research Building and (ii) Cooling Plant repair and replacement, which Project is located in Fayette County, Kentucky.

"Series N (Second Series) Resolution" or "This Resolution" means this Resolution authorizing the Series N (Second Series) Bonds.

"Trustee" or "Trustee-Registrar" means Bank One, Kentucky, NA, Lexington, Kentucky, as more fully defined under "Bond Registrar."

"University" means the University of Kentucky, a body corporate, as an educational institution and agency and a political subdivision of the Commonwealth of Kentucky.

Section 1.3. Statutory Authority. This Series N (Second Series) Resolution is adopted pursuant to the provisions of Section 162.340, et seq., and 58.010 through 58.140 of the Kentucky Revised Statutes (the "Enabling Acts") and the Basic Resolution.

(End of Article I)

**ARTICLE II
AUTHORIZATION OF SERIES N (SECOND SERIES) BONDS**

Section 2.1. Series N (Second Series) Bonds Authorized. Pursuant to the provisions of the Basic Resolution, there is hereby authorized to be issued by the Board of Trustees of the University of Kentucky, in its corporate capacity, a Series of Bonds in the aggregate principal amount of approximately EIGHTEEN MILLION SIX HUNDRED NINETY-FIVE THOUSAND DOLLARS (\$18,695,000). Such Bonds shall be designated "University of Kentucky Consolidated Educational Buildings Refunding Revenue Bonds, Series N (Second Series)." Said Series N (Second Series) Bonds are hereby declared to have been authorized under the Basic Resolution and in conformity with the provisions of Section 7.10 of the Basic Resolution. The exact principal amount of the Series N (Second Series) Bonds to be issued may be increased or decreased by up to \$1,870,000. The exact principal amount shall be established at the time of sale of the Series N (Second Series) Bonds as the amount required to refund the Prior Bonds, which amount shall be conclusively established by the acceptance of the best bid for the Series N (Second Series) Bonds in such amount.

Section 2.2. Purpose of Issue. Said Series N (Second Series) Bonds are being issued for the purpose of (a) paying the costs of refinancing a portion of the Prior Bonds which were originally issued to finance (i) a new Medical Research Building and (ii) Cooling Plant repair and replacement, constituting the Series N Project, upon property of the University in Fayette County, Kentucky, which Series N Project is a part of the Consolidated Educational Buildings Project of said University and (b) paying the costs of issuance of the Series N (Second Series) Bonds.

Section 2.3. Date and Maturities of Bonds. Except as set out in Section 2.5 hereof, the Series N (Second Series) Bonds shall be dated the first day of the month in which the Series N (Second Series) Bonds are sold, and bear interest payable on each Interest Payment Date (May 1 and November 1 of each year), commencing November 1, 2001. The Series N (Second Series) Bonds shall be numbered consecutively from R-1 upward, or in such other manner as shall be determined by the Trustee-Registrar, and shall be scheduled to become due and payable on May 1 of the respective years and in the principal amounts (subject to such adjustment to maturity amounts as may be approved by the Chairman of the Board upon acceptance of the bid for the Series N (Second Series) Bonds in order to provide for an appropriate balance of principal and interest after any adjustment as provided in Section 2.1 hereof), as follows:

Maturity Date	Principal Amount
<u>May 1</u> 2002	\$1,360,000
2003	1,415,000
2004	1,470,000
2005	1,530,000
2006	1,595,000
2007	1,670,000
2008	1,750,000
2009	1,835,000
2010	1,925,000
2011	2,020,000
2012	2,125,000

Section 2.4. Series N (Second Series) Bonds to be Issued as Fully Registered Bonds. The Series N (Second Series) Bonds shall be issued only in fully registered form, without coupons, in the denomination of \$5,000 or any authorized multiple thereof within a single maturity.

Section 2.5. Interest Payment Dates. Each Series N (Second Series) Bond shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date on which such Series N (Second Series) Bond is authenticated by the Registrar, unless such Series N (Second Series) Bond is authenticated on an Interest Payment Date to which interest has been paid, in which event it shall bear interest from such date, or if such Series N (Second Series) Bond is authenticated prior to the first Interest Payment Date, such Series N (Second Series) Bonds shall bear interest from their dated date. Interest on the Series N (Second Series) Bonds shall be payable commencing November 1, 2001, and on each November 1 and May 1 thereafter to maturity or earlier redemption.

Section 2.6. Registered Owners. The Person in whose name any Bond is registered on the Bond Register at the Record Date with respect to an Interest Payment Date shall be entitled to receive the interest payable on such Interest Payment Date (unless such Bond shall have been called for redemption on a redemption date which is prior to such Interest Payment Date) notwithstanding the cancellation of such Bond upon any registration of transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date, except in the event of default.

Section 2.7. Payment of Interest and Principal of Bonds. The principal of (redemption price, if redeemed prior to maturity) and interest on the Series N (Second Series) Bonds shall be payable in lawful money of the United States of America as same respectively become due. The principal of each Series N (Second Series) Bond is payable up on surrender of same at the main office of the Payee Bank and Bond Registrar. Interest on the Series N (Second Series) Bonds shall be paid by check mailed by the Payee Bank on or before each Interest Payment Date to the owners of the Bonds shown on the Bond Register as of the end of business on the Record Date, at the respective addresses appearing on the Bond Register.

So long as any of the Series N (Second Series) Bonds remain outstanding, the Registrar shall keep at its principal office a Bond Register showing and recording a register of the owners of the Series N (Second Series) Bonds and shall provide for the registration and transfer of such Bonds in accordance with the terms of this Resolution, subject to such reasonable regulations as the Registrar may prescribe.

Section 2.8. Execution of Bonds; Authentication by Trustee-Registrar; Transferability; Temporary Bond. The Series N (Second Series) Bonds shall be executed on behalf of the Board with the reproduced facsimile signature of the Chairman of the Board, and the facsimile of the Corporate Seal of the Board shall be imprinted thereon and attested by the reproduced facsimile signature of the Secretary of the Board; and said officials, by the execution of appropriate certifications, shall adopt as and for their own proper signatures, their respective facsimile signatures on such Bonds; provided the Authentication Certificate of Trustee on each printed Bond must be executed by the manual signature of the Trustee (not necessarily the same authorized officer of the Trustee on each Bond) on each Bond before such Bond shall be valid, as set out in Section 2.13 below.

Pending the preparation of definitive Bonds, the Series N (Second Series) Bonds may be delivered in the form of one or more temporary Bonds, which may be printed, lithographed, typewritten, mimeographed or otherwise reproduced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, in registered form, and with such appropriate insertion, omissions, substitutions and other appropriate and necessary variations as the Board may determine, as evidenced by the execution of such temporary Bonds.

Until exchanged for Series N (Second Series) Bonds in definitive form, such temporary Bonds shall be entitled to the benefit and security of this Resolution. The Board shall, without unreasonable delay, cause to have prepared, executed and delivered printed Bonds to the Original Purchasers and/or their designees, and thereupon, upon the presentation and surrender of the temporary Bonds, such printed Bonds shall be delivered to the Original Purchasers and/or their designees in exchange therefor. Such exchange shall be made without the making of any charge therefor to any owner of the Series N (Second Series) Bonds.

Arrangements shall be made for the printing of sufficient Bond Certificates to enable the Trustee-Registrar to maintain an adequate reserve supply of such Bond Certificates as same are sold, exchanged, and/or otherwise surrendered in the future. Notwithstanding anything contained herein, the Trustee-Registrar shall have the right to order the preparation or printing of additional Bond Certificates which, in the sole discretion of the Trustee-Registrar, shall be necessary to maintain adequate reserves of such Bond Certificates to properly effect the continuing transfers of ownership of Bond Certificates. No further action regarding the authorization of additional Bond Certificates shall be required by the Board, and the expenses incidental thereto shall be borne by the Board as additional annual requirements of the Series N (Second Series) Bonds, the same as interest thereon.

If the University determines not to issue the Series N (Second Series) Bonds in Book-Entry Form, at least five business days prior to the payment of the purchase price for the Bonds (the "Closing Date") each of the Original Purchasers shall furnish to the Registrar the name, address, social security number or taxpayer identification number of each party to whom the Bonds shall have been resold and in whose name the respective Bonds are to be registered, and the principal amounts and maturities thereof. The Trustee-Registrar shall then issue and deliver to each respective Purchaser on the Closing Date fully registered printed Bond Certificates for each registered owner so designated, in substantially the same for as that set out in Section 2.15 hereof.

Subject to the provisions hereof for Series N (Second Series) Bonds issued in Book-Entry Form, Series N (Second Series) Bonds shall be exchangeable and transferable upon the presentation and surrender thereof at the office of the Trustee-Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner and/or his authorized representative, for a Bond or Bonds of the same maturity and interest rate and in the denomination of \$5,000 and/or a multiple thereof within a single maturity, in an aggregate principal amount or amounts equal to the unpaid principal amount of the Bond and/or Bonds presented for exchange. The Trustee-Registrar shall be and is hereby authorized to (authenticate and) deliver the exchange Bond in accordance with the provisions of this Section. Each exchange Bond delivered in accordance with this Section shall constitute an original contractual obligation of the Board and shall be entitled to the benefit and security of this Resolution to the same extent as the Bond or Bonds in lieu of which such exchange Bond is delivered.

In the event of non-payment of interest or of one or more principal maturities on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment or for such maturity or maturities ("Special Record Date") will be established by the Trustee-Registrar if and when funds for the payment of such interest shall have received from the Board. Notice of the Special Record Date and of the Special Payment Date of the past due interest shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each owner of the Bonds, as shown on the Bond Register, of such maturity or maturities appearing on the books of the Trustee-Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

Section 2.9. Provisions as to Prior Redemption.

(a) Redemption Prior to Maturity. The Series N (Second Series) Bonds shall not be subject to optional redemption prior to maturity. The Series N (Second Series) Bonds may be subject to mandatory sinking fund redemption if the purchaser of the Series N (Second Series) Bonds designates term bonds in its bid for the Series N (Second Series) Bonds.

(b) Redemption of Less Than All of a Single Bond. In the event that a Bond subject to redemption is in a denomination larger than \$5,000, a portion of such Bond may be redeemed, but only in a principal amount equal to \$5,000 or any integral multiple thereof, if the Bond is one of the maturities or amounts or part of the maturities or amounts called for redemption. Upon surrender of any Bond for redemption in part, the Trustee-Registrar shall (authenticate and) deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

(c) Notice of Redemption. The Trustee-Registrar shall give notice of any redemption by sending at least one such notice by United States mail, first class, postage prepaid, not less than 30 and not more than 60 days prior to the date fixed for redemption to the registered owner of each Series N (Second Series) Bond to be redeemed in whole or in part, at the address shown on the Bond Register as of the date of mailing of such notice. The Trustee-Registrar may furnish one other form of such notice more than 60 days prior to the date fixed for redemption, provided at least one such notice shall be sent not less than 30 nor more than 60 days prior to such date. Such notice shall state the redemption date, the Redemption Price, the accrued interest payable on the redemption date, the place at which the Bonds are to be surrendered for payment, and, if less than all of the Bonds outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Bondowner receives such notice.

Prior to each redemption date, the Trustee-Registrar shall make provision, to the extent funds are then available therefor, for the payment of the Redemption Price of the Bonds to be redeemed on such date by setting aside and holding in trust an amount sufficient to pay such Redemption Price. Upon presentation and surrender of any such Bond at the main corporate trust office of the Trustee-Registrar on or after the date fixed for redemption, the Trustee-Registrar shall pay the Redemption Price on such Bond (including accrued interest) from the funds set aside for such purpose.

All of said Bonds as to which the Board reserves and exercises the right of redemption and as to which notice as aforesaid shall have been given, and for the retirement of which, upon the terms aforesaid, funds are duly provided, will cease to bear interest on the redemption date.

The required notice shall be deemed to have been given upon the Board furnishing Notice of Redemption to the Trustee-Registrar and upon the Trustee-Registrar acknowledging that it has instructions to send such notice and that it will do so at the proper time, even if the time for furnishing such notice has not yet arrived.

Section 2.10. Transferability. Title to any Series N (Second Series) Bond shall be transferable only upon the presentation and surrender of same at the main office of the Trustee-Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative, such transfer to be made on such books and endorsed on the Bond by the Registrar.

Section 2.11. Designation of Trustee, Bond Registrar, Transfer Agent, and Payee Bank. For the purpose of securing the payment of both the principal of and interest on all of the Series N (Second Series) Bonds, and to secure for the benefit of all the owners thereof the faithful performance of the covenants and provisions contained in the Resolution in the manner and to the extent permitted and provided in this Series N (Second Series) Resolution and in Section 162.340, et seq., and 58.010 through 58.140 of the Kentucky Revised Statutes, Bank One, Kentucky, NA, in the City of Lexington, Kentucky, successor to First Security National Bank & Trust Company, is hereby designated as Trustee, Bond Registrar, Transfer Agent, and Payee Bank under the Basic Resolution and this Series N (Second Series) Resolution for the owners of all of said Series N (Second Series) Bonds, with the powers and duties set forth in the Basic Resolution and in this Series N (Second Series) Resolution and with no liability in connection with any action or omission to act under the Basic Resolution or under this Series N (Second Series) Resolution except for its own negligence or willful breach of trust. Execution of the Authentication Certificate of the Trustee-Registrar on the respective Series N (Second Series) Bonds, shall conclusively establish the acceptance by the Trustee-Registrar of the trusts and provisions with respect thereto as set forth in this Resolution. Acceptance of the duties of Trustee-Registrar shall also be evidenced by the execution of the appropriate form of Acceptance immediately following the end of this Series N (Second Series) Resolution.

Section 2.12. Security for Series N (Second Series) Bonds; Statutory Mortgage Lien; Revenue Pledge. For the protection of the holders and owners of the Bonds secured by the Basic Resolution and this Resolution, a statutory mortgage lien upon the Project and properties connected therewith and belonging thereto, on a parity with Outstanding Bonds, is granted and created by and pursuant to Sections 162.350 and 162.200 of the Kentucky Revised Statutes, which said statutory mortgage lien is hereby recognized and declared to be valid and binding as provided by law, and shall take effect immediately upon the delivery of any and all of the Series N (Second Series) Bonds, ranking on a parity with the Outstanding Bonds.

All of the Series N (Second Series) Bonds are payable only from the Gross Revenues derived from the operation of the Project, ranking on a parity with the Outstanding Bonds, and the Series N (Second Series) Bonds shall not and do not constitute an indebtedness of the University or of its Board of Trustees or of the University or of its Board of Trustees or of the

Commonwealth of Kentucky within the meaning of any provisions or limitations of the Constitution of the Commonwealth of Kentucky.

Section 2.13. Authentication of Bonds. No Series N (Second Series) Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Resolution unless and until such Bond has been duly authenticated by the Trustee-Registrar by the execution of the Authentication Certificate of Trustee-Registrar appearing on such Bond. Such Certificate appearing on any Bond shall be deemed to have been duly executed by the Trustee-Registrar if manually signed by an authorized officer of the Trustee-Registrar.

It shall not be required that the same officer of the Trustee-Registrar sign such Certificate on all of the Series N (Second Series) Bonds.

Section 2.14. Securities Depository; Ownership of Bonds. Except as provided in paragraph (c) below, the Series N (Second Series) Bonds shall be registered in the name of the Securities Depository or the Securities Depository Nominee, and ownership thereof shall be maintained in Book-Entry Form by the Securities Depository for the account of the Agent Members of the Securities Depository. Initially, the Series N (Second Series) Bonds shall be registered in the name of Cede & Co., as the nominee of The Depository Trust Company. Except as provided in paragraph (c) below, the Series N (Second Series) Bonds may be transferred, in whole but not in part, only to the Securities Depository or the Securities Depository Nominee, or to a successor Securities Depository selected or approved by the Board or to a nominee of such successor Securities Depository. As to any Series N (Second Series) Bond, the person in whose name such Series N (Second Series) Bond shall be registered shall be the absolute owner thereof for all purposes, and payment of or on account of the principal of and premium, if any, and interest on any such Series N (Second Series) Bond shall be made only to or upon the order of the registered owner thereof or his legal representative.

(a) Neither the Board nor the Trustee shall have any responsibility or obligation with respect to:

(i) the accuracy of the records of the Securities Depository or any Agent Member with respect to any beneficial ownership interest in the Series N (Second Series) Bonds;

(ii) the delivery to any Agent Member, any beneficial owner of the Series N (Second Series) Bonds or any other person, other than the Securities Depository, of any notice with respect to the Series N (Second Series) Bonds or the Bond Resolution: or

(iii) the payment to any Agent Member, any beneficial owner of the Series N (Second Series) Bonds or any other person, other than the Securities Depository, of any amount with respect to the principal of, premium, if any, or interest on the Series N (Second Series) Bonds.

So long as any Series N (Second Series) Bonds are registered in Book-Entry Form, the Board and the Trustee may treat the Securities Depository as, and deem the Securities Depository to be, the absolute owner of such Series N (Second Series) Bonds for all purposes whatsoever, including without limitation:

- (A) the payment of principal of, premium, if any, and interest on the Series N (Second Series) Bonds;
- (B) giving notices of redemption and other matters with respect to the Series N (Second Series) Bonds;
- (C) registering transfers with respect to the Series N (Second Series) Bonds;
- (D) the selection of Series N (Second Series) Bonds for redemption;
- (E) for purposes of obtaining consents under the Bond Resolution; and
- (F) notwithstanding the definition of the terms "bondholder" or "holder" or "owner" in the Bond Resolution as referencing the registered owners of the Series N (Second Series) Bonds, the Trustee shall be entitled to rely upon written instructions from a majority of the beneficial owners of the Series N (Second Series) Bonds with reference to consent, if any, required from the owners of the Series N (Second Series) Bonds pursuant to the terms of the Bond Resolution.

(b) If at any time the Securities Depository notifies the Board that it is unwilling or unable to continue as Securities Depository with respect to the Series N (Second Series) Bonds, or if at any time the Securities Depository shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor Securities Depository is not appointed by the Board within 90 days after the Board receives notice or becomes aware of such condition, as the case may be, then this Section shall no longer be applicable, and the Board shall execute and the Trustee shall authenticate and deliver certificates representing the Series N (Second Series) Bonds to the owners of the Series N (Second Series) Bonds as otherwise provided in this Article II.

(c) Payment of the principal of, premium, if any, and interest on any Series N (Second Series) Bonds not registered in Book-Entry Form shall be made as provided in Section 2.7 hereof.

(d) The principal of, premium, if any, and interest on the Series N (Second Series) Bonds registered in Book-Entry Form in the name of the Securities Depository or the Securities Depository Nominee shall be payable by wire transfer from the Trustee to the Securities Depository or the Securities Depository Nominee, as the case may be.

Section 2.15. Form of Bonds. The aforesaid authorized issue of Series N (Second Series) Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
UNIVERSITY OF KENTUCKY
CONSOLIDATED EDUCATIONAL BUILDINGS REFUNDING REVENUE BOND
SERIES N (SECOND SERIES)

NUMBER R-_____ PRINCIPAL AMOUNT \$_____

DATE OF ORIGINAL ISSUE MATURITY DATE INTEREST RATE CUSIP
 May 1, _____ _____%

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The Board of Trustees of the University of Kentucky (the "Board"), a body corporate, as an educational institution and agency and a political subdivision of the Commonwealth of Kentucky, for value received, hereby promises to pay to the Registered Owner, identified above, or his or its registered assigns, solely from the special fund hereinafter identified, upon presentation and surrender of this Bond, the Principal Amount set out above on the Maturity Date specified above and to pay interest on said sum at the per annum Interest Rate specified above, from the interest payment date to which interest has been paid next preceding the date on which this Bond is authenticated, unless this Bond is authenticated on an interest payment date to which interest has been paid, in which event this Bond shall bear interest from such date, or if this Bond is authenticated prior to the first interest payment date, this Bond shall bear interest from the date of original issue set out above, commencing November 1, 2001, and semiannually thereafter on November 1 and May 1 of each year until payment of the Principal Amount, except as the provisions hereinafter set forth with regard to redemption prior to maturity may be and become applicable. The principal of and redemption price, if any, on this Bond are payable in lawful money of the United States of America at the main office of Bank One, Kentucky, NA, Lexington, Kentucky (the "Trustee," "Bond Registrar," and "Payee Bank"). All interest on this Bond shall be payable by check or draft mailed by the Trustee-Registrar to the registered owner hereof at the address shown on the registration books kept by the Trustee.

This Bond is one of a duly authorized issue of \$_____ principal amount of Bonds (said Bonds being hereinafter sometimes collectively referred to as "the Bonds," "these Bonds" or "the Series N (Second Series) Bonds"), issued in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including Sections 162.340 to 162.380, and 58.010 through 58.140 of the Kentucky Revised Statutes, now in full force and effect, and under and pursuant to the Resolution adopted by the Board on September 20, 1960 (the "Basic Resolution"), and the Resolution adopted on April 3, 2001, authorizing the Series N (Second Series) Bonds (the "Series N (Second Series) Resolution"), issuable as fully registered Bonds in the denominations of \$5,000 and any authorized multiple thereof within the same maturity, for the purpose of financing (a) refinancing the Prior Bonds (as defined in the Series N (Second Series) Resolution) which were issued to finance the costs (to the extent not otherwise provided) of establishing and erecting certain educational buildings and necessary appurtenances (the "Series N Project"), upon the property of the University in Fayette County, Kentucky, which Series N

Project buildings and appurtenant facilities will, when erected and acquired, become part of the Consolidated Educational Buildings Project of said University (the "Project") and (b) the costs of issuance of the Series N (Second Series) Bonds. Copies of the Basic Resolution and the Series N (Second Series) Resolution are on file at the office of the Trustee.

As provided in the Series N (Second Series) Resolution, these Series N (Second Series) Bonds, together with the outstanding Bonds of Series E, J, L (Second Series); F (Second Series); G, H, I (Third Series); K (Second Series); L; M; M (Second Series); N; O; P; Q and R, and any additional Parity Bonds which may hereafter be issued and outstanding under the terms of the Basic Resolution and subsequent Series Resolutions (hereinafter all references to said outstanding Bonds and any additional Parity Bonds shall be collectively referred to as "Outstanding Bonds"), are and will be available from and constitute a first charge and lien up on the Revenues (as defined in the Basic Resolution) to be derived by the University from the operation of its Consolidated Educational Buildings Project. The fee imposed upon and collected from all students enrolled in the University at the Lexington Campus as an incident to registration at the beginning of each semester of the regular academic year and each summer session, including fees imposed for part-time students, night school and extension courses, is designated as the source of Revenues of the Project. Such fees are known as the Student Registration Fees, and the Board has covenanted on behalf of the University that such fees will be fixed (and, if necessary, revised and increased from time to time) at such rates as may be required to pay the interest on and principal of the Bonds as they respectively mature, to provide reserves therefor, and to pay the operating costs of the Project to the extent that such costs are not otherwise provided. All collections of the Student Registration Fees are to be set aside, as received, into the Consolidated Educational Buildings Project Revenue Fund (the "Revenue Fund") and are made subject to a first pledge, lien, and charge for the security and source of payment of Outstanding Bonds.

The Basic Resolution provides for the creation of a special account designated "Consolidated Educational Buildings Project Bond and Interest Sinking Fund" (the "Bond Fund") and for the deposit from the Revenue Fund to the credit of the Bond Fund of a fixed amount of the gross Revenues of the Project sufficient to pay interest on Outstanding Bonds as the same become due, to pay or retire the principal of Outstanding Bonds at or prior to the maturity thereof, and to provide a reserve for such purpose, which Bond Fund is pledged to and charged with the payment of said principal and interest.

The aggregate principal amount of Bonds which may be issued under the Basic Resolution is not limited except as provided in such Basic Resolution, and all Bonds issued and to be issued under the Basic Resolution are and will be equally secured by the pledges and covenants made therein, except as otherwise expressly provided or permitted the Basic Resolution.

As further security for these Series N (Second Series) Bonds, a statutory mortgage lien, which is hereby recognized as valid and binding on the Project and properties connected therewith and belonging thereto, on a parity with Outstanding Bonds, is created and granted to and in favor of the owner(s) of these Series N (Second Series) Bonds, pursuant to Sections 162.350 and 162.200 of the Kentucky Revised Statutes, which said statutory mortgage lien shall take effect immediately upon the delivery of any and all of the Series N (Second Series) Bonds, and the Project shall remain subject to such statutory mortgage lien until the payment in full of

the principal of and interest on Outstanding Bonds, including the Series N (Second Series) Bonds.

Outstanding Bonds are payable only from the gross Revenues derived from the operation of the Project, a sufficient amount of which revenues will be annually set aside into the Bond Fund, and this Bond does not constitute an indebtedness of the University of Kentucky, its Board, or the Commonwealth of Kentucky within the meaning of any provisions or limitations of the Constitution of the Commonwealth of Kentucky.

This Bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing at the main office of the Trustee-Registrar, but only in the manner, subject to the limitations provided in the Series N (Second Series) Resolution, and up on surrender and cancellation of this Bond, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative. Upon such transfer being effected, a new fully registered Bond or Bonds of the same series and the same maturity of authorized denomination, for the same aggregate principal amount, and the same interest rate, will be issued to the transferee in exchange therefor.

The Board and the Trustee-Registrar may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and redemption price, if any, hereon, and interest due hereon, and for all other purposes, and neither the Board or the Trustee-Registrar shall be affected by any notice to the contrary.

The owner of this Bond shall have no right to enforce the provisions of the Basic Resolution or the Series N (Second Series) Resolution, to institute action to enforce the covenants therein, to take any action with respect to any default under such resolutions, or to institute, appear in, or defend any suit or other proceedings with respect thereto, except as provided in such Resolutions. The Basic Resolution provides for fixing, charging, and collection fees for the services of the Project, which fees will be sufficient to pay the principal of and interest on Outstanding Bonds as the same become due, to provide a reserve for such purpose, and also to pay the cost of operation and maintenance of the Project to the extent that same are not otherwise provided.

Reference is made to such Basic Resolution and Series N (Second Series) Resolution (a) pursuant to which Bank One, Kentucky, NA, in the City of Lexington, Kentucky has been designated as Trustee and Bond Registrar, Payee Bank, and Transfer Agent for the owners of the Series N (Second Series) Bonds, (b) for the provisions, among others, with respect to the custody and application of the proceeds of the Series N (Second Series) Bonds, (c) the rights, duties, and obligations of the Board and of the Trustee, and (d) the rights of the owners of these Series N (Second Series) Bonds; and by the acceptance of this Bond, the registered owner hereof assents to all of the provisions of said resolutions.

The Series N (Second Series) Bonds are not subject to optional redemption prior to maturity.

[Insert mandatory sinking fund redemption provisions, if any.]

In the event that a Bond subject to redemption is in a denomination larger than \$5,000, a portion of such Bond may be redeemed, but only in a principal amount equal to \$5,000 or an

integral multiple thereof. Upon surrender of any Bond for redemption in part, the Trustee-Registrar, in accordance with the Series N (Second Series) Resolution, shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the bond so surrendered.

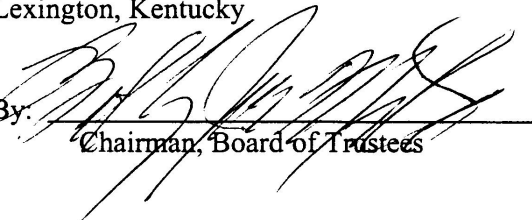
The Trustee-Registrar shall give notice of any redemption by sending such notice by United States mail, first class, postage prepaid, not less than 30 and not more than 60 days prior to the date fixed for redemption, to the registered owner of this Bond at the address shown on the Bond Register as of the date of mailing of such notice.

This Bond is exempt from taxation (except inheritance taxes) by the Commonwealth of Kentucky and all of its political subdivisions.

It is hereby certified, recited, and declared that all acts, conditions, and things required to exist, to happen, and to be performed precedent to and in the issuance of this Bond, do exist, have happened, and have been performed in due time, form, and manner as required by law, and that the amount of this Bond, together with all other obligations of the Board and of said University of Kentucky, does not violate any provision or exceed any limit prescribed by the Constitution or Statutes of Kentucky; that the Project will be continuously operated, and that a sufficient portion of the gross Revenues therefrom has been pledged to and will be set aside into the Bond Fund (created in the Basic Resolution) for the payment of the principal of and interest on this Bond and Outstanding Bonds which by their terms and the terms of the Basic Resolution, the Series N (Second Series) Resolution, and all previous Series N Series Resolutions, are payable from the Bond Fund as and when the same will respectively become due.

IN TESTIMONY WHEREOF, the Board of Trustees of the University of Kentucky has caused this Bond to be executed on its behalf by the reproduced facsimile signature of its Chairman, and the facsimile of its corporate seal to be imprinted hereon, and attested by the reproduced facsimile signature of its Secretary, dated as of the Date of Original Issue set forth above; provided, however, that this Bond shall not be valid or obligatory for any purpose or be entitled to any security or benefit under the Series N (Second Series) Resolution pursuant to which it was authorized until the Authentication Certificate of Trustee-Registrar printed hereon shall have been executed by the manual signature of a duly authorized representative of the Trustee-Registrar.

UNIVERSITY OF KENTUCKY
Lexington, Kentucky

By: 
Chairman, Board of Trustees

Attest: 
Secretary, Board of Trustees

(Facsimile Seal of Board of Trustees)

(FORM OF AUTHENTICATION CERTIFICATE OF TRUSTEE-REGISTRAR)

THE AUTHENTICATION DATE OF THIS BOND IS: _____

AUTHENTICATION CERTIFICATE OF TRUSTEE-REGISTRAR

This is to certify that this Bond is one of the Bonds referred to in the within Bond and in the Series N (Second Series) Resolution authorizing same. Printed on the reverse hereof is the complete text of the opinion of Bond Counsel, Peck, Shaffer & Williams LLP, Covington, Kentucky, a signed original of which is one file with the undersigned, delivered and dated as of the date of the original delivery and payment for the Bonds.

BANK ONE, KENTUCKY, NA, Lexington, Kentucky
Trustee and Bond Registrar

By: _____
Authorized Signer

(FORM OF ASSIGNMENT)

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfer unto the within Series N (Second Series) Bond and hereby irrevocably constitutes and appoints attorney to transfer the within Series N (Second Series) Bond on the books kept for registration and transfer of said Series N (Second Series) Bond, with full power of substitution in the premises.

Dated: _____

(Signature must correspond with name of Registered Owner as it appears on the front of this Bond in every particular, without alteration, enlargement or any change whatsoever.)

Social Security Number or other identifying number: _____

Signature Guaranteed By:

Notice: Signatures must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

(End of Article II)

ARTICLE III
PUBLIC SALE OF SERIES N (SECOND SERIES) BONDS;
COMPLIANCE WITH PARITY REQUIREMENTS;
DISPOSITION OF PROCEEDS OF SERIES N (SECOND SERIES) BONDS

Section 3.1. Advertisement of Series N (Second Series) Bonds for Sale. The Series N (Second Series) Bonds shall be offered publicly for sale upon the basis of sealed, competitive bids at such time as the Board (or the Executive Committee of the Board) shall designate by duly adopted Motion or Resolution.

The Treasurer of the Board is hereby authorized and directed to cause an appropriate form or forms of a Notice of Sale of Bonds to be published in *The Lexington Herald Leader*, a legal newspaper published in the City of Lexington, Kentucky, which will afford local notice of the sale, *The Courier Journal*, a legal newspaper published in the City of Louisville, Kentucky, which will afford statewide notice of the sale, and, to the extent required by law, in *The Bond Buyer*, a financial journal published in the City of New York, New York, which is a publication having general circulation among bond buyers; and said newspapers and financial journal are hereby declared to be qualified to publish such notice for the Board within the meaning and provisions of KRS Chapter 424. Such notice shall be published in said newspapers and financial journal at least once not less than seven nor more than twenty-one days prior to the scheduled date of sale of the Series N (Second Series) Bonds.

The forms of Notice of Bond Sale, Official Terms and Conditions of Sale of Bonds, Bid Form and Official Statement, shall be in such form as approved by Bond Counsel, by the Financial Advisors, by the General Counsel of the University and by the Treasurer of the University.

Bidders shall be advised that J.J.B. Hilliard, W.L. Lyons, Inc., Louisville, Kentucky, has been employed as Financial Advisor in connection with the issuance of these Series N (Second Series) Bonds, that their fee for services rendered with respect to the sale of the Series N (Second Series) Bonds is contingent upon the issuance and delivery of the Series N (Second Series) Bonds, and that they may submit a bid for the purchase of the Series N (Second Series) Bonds at the time of the advertised public sale of the Series N (Second Series) Bonds, either individually or as the member of a syndicate organized to submit a bid for the purchase of the Series N (Second Series) Bonds.

Upon the date and at the respective hour set forth for the opening and consideration of purchase bids, as provided in the instruments hereinabove approved, the sealed bids theretofore received by the Treasurer and the Finance Committee of the Board shall be publicly opened and publicly read by the Treasurer and later delivered to the Board and again publicly read by the presiding officer of the Board. If there shall be one or more bids which conform in all respects to the prescribed terms and conditions, such bids shall be compared, and the Board agrees that if a bid is accepted, it will accept the best of such bids, as measured in terms of the lowest interest cost to the Board, as calculated in the manner prescribed in the Official Terms and Conditions of Sale of Bonds. Upon opening the bids, such calculations shall be performed as are necessary to determine the exact amount of Series N (Second Series) Bonds that are required to be issued in order to refinance and defease the Prior Bonds and the final principal amount and maturities of the Series N (Second Series) Bonds shall thereupon be established, as prescribed in the Official Terms and Conditions of Sale of Bonds.

Bids will be received for the purchase of such Bonds no later than May 1, 2001 at 10:00 A.M., local time, or at such other date and hour as shall be fixed or otherwise determined by the Treasurer of the University.

Acceptance or the successful bid for the purchase of the Series N (Second Series) Bonds will be considered at the May 1, 2001 meeting of the Board of Trustees, upon the advice of the Board's Financial Advisor, J.J.B. Hilliard, W.L. Lyons, Inc.

Section 3.2. Compliance with Parity Requirements of Basic Resolution In accordance with the requirements of Section 7.10 of the Basic Resolution, it is hereby certified, covenanted, and declared:

(a) That at the present time, and at the time of issuance of the Series N (Second Series) Bonds, there is and will be no deficiency in amounts required by the Basic Resolution or any Series N (Second Series) resolution to be paid into the Bond Fund;

(b) That prior to the issuance of the Series N (Second Series) Bonds, there will have been procured and filed with the Trustee a statement by the Treasurer of the Board to the effect that the average of the annual revenues from the Project for the two fiscal years immediately preceding the issuance of the Series N (Second Series) Bonds, was equal to not less than 1.25 times the maximum Aggregate Principal, Interest and Bond Fund Charges in any succeeding twelve month period ending May 1 on the Outstanding Bonds and on the Series N (Second Series) Bonds proposed to be issued. For the purposes of such computation, such certification of the Treasurer shall make an adjustment in the amount of the annual Revenues to reflect any increases or decreases in the pledged Revenues (the student registration fees) which at that time shall have been determined by the Board and made effective for future services of the Project.

Accordingly, based on the foregoing compliance with the requirements of the Basic Resolution, it is hereby found and declared that the Series N (Second Series) Bonds shall rank and be payable on a parity with the Outstanding Bonds on a first lien basis from the gross revenues of the Project and further secured by a first statutory mortgage lien on the Project buildings.

Section 3.3. Disposition of Proceeds of Series N (Second Series) Bonds. Immediately upon the issuance, sale, and delivery of the Series N (Second Series) Bonds, the entire amount received from the Original Purchasers of the Series N (Second Series) Bonds shall be deposited in the Treasury of the Commonwealth for immediate credit and/or transfer as follows:

(a) To the Bond Fund, all amounts received as collected accrued interest for the period from the dated date of the Series N (Second Series) Bonds, to the date of delivery, for application to the payment of interest next becoming due on the Series N (Second Series) Bonds.

(b) To the Escrow Fund, the amount required by the Escrow Agreement.

(c) To the "University of Kentucky Consolidated Educational Buildings Series N (Second Series) Bonds Cost of Issuance Account," hereby created and to be

maintained on deposit with the Trustee, such appropriate amount as shall be directed by the Treasurer of the Board, to be held and disbursed upon written authorization of the Board or its designee. The Trustee shall apply funds in such account for the purpose of meeting issuance expenses, rating agency fees, and other necessary costs (to the extent not payable by the Financial Advisor) of preparing, issuing, advertising, and selling the Bonds. After payment in full of such issuance expenses, based upon the certification of the Board, through its Treasurer, all amounts remaining in such Account shall be transferred to and deposited in the Bond Fund and applied toward the payment of interest requirements falling due on the Bonds on the next Interest Payment Date.

(d) The balance of the proceeds of the Series N (Second Series) Bonds, if any, shall be deposited in the Bond Fund.

(End of Article III)

ARTICLE IV
COMPLIANCE WITH FEDERAL ARBITRAGE REQUIREMENTS;
THE REVENUE FUND; DEBT SERVICE RESERVE FUND

Section 4.1. Compliance with Requirements of Internal Revenue Code. In order to assure purchasers of the Series N (Second Series) Bonds that interest thereon will continue to be exempt from all Federal and Kentucky income taxation (subject to certain exceptions set out below), the Board covenants to and with the owners of Series N (Second Series) Bonds that (1) the Board will take all actions necessary to comply with the provisions of the Code, (2) the Board will take no actions which will violate any of the provisions of the Code, or would cause the Series N (Second Series) Bonds to become "private activity bonds" within the meaning of the Code, and (3) none of the proceeds of the Series N (Second Series) Bonds will be used for any purpose which would cause the interest on the Series N (Second Series) Bonds to become subject to Federal income taxation.

Neither the University nor the Trustee shall take any action at any time which will cause the interest on the Bonds to become subject to Federal income taxation, and, without limiting the foregoing, it is covenanted for the benefit of the owners of such Bonds that no use of the proceeds of the Series N (Second Series) Bonds will be made at any time which, if such use had been reasonably expected on the date of issue of such bonds, would have caused them to be "arbitrage bonds." This covenant shall impose an obligation to comply with the requirements of Section 148 of the Code, and the applicable regulations thereunder. The word "proceeds" as used herein shall have the meaning which it has under such section of the Code and such regulations and shall include all moneys on deposit in all Funds provided for herein and all Funds established in connection with the Project and the Bonds. Without limiting the generality of the foregoing, in no event shall moneys be deposited in any accounts created hereunder or invested pursuant to the provisions hereof if such deposit or investment shall cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code.

The Board certifies that on the basis of the facts, expectations, and circumstances (including covenants of the Board) in existence on the date of adoption of this Series N (Second Series) Resolution it is not expected that the proceeds of the Series N (Second Series) Bonds will be used in a manner that will cause such obligations to be "arbitrage bonds." The Chairman and the Treasurer of the Board are hereby jointly and severally designated and charged by the Board and the University with the responsibility for issuing the Series N (Second Series) Bonds and are hereby designated as the officers of the Board and the University to execute (by either of them) the ("no arbitrage") certification required by Section 1.103-13(a)(2)(ii) and any other provisions of the Treasury Regulations, and such certification shall set forth such facts, expectations and circumstances, which may be in brief and summary terms, and shall state that to the best of his knowledge and belief that are no other facts, expectations, or circumstances that would materially change such expectation that the proceeds of the issue of Bonds herein authorized will not be used in a manner that would cause same to be "arbitrage bonds." If, under any valid provisions of law hereafter enacted, the interest paid by the Board on the Bonds should be excludable from the gross income of a recipient thereof for Federal income tax purposes without regard to compliance with the provisions of Section 148 of the Code, then the University shall not be required to comply with such provisions of the Code.

Without limiting the generality of the foregoing, the Board agrees that there shall be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Series N (Second Series) Bonds from time to time. This covenant shall survive payment in full or defeasance of the Series N (Second Series) Bonds. The Board specifically covenants to pay or cause to be paid to the United States, the Rebate Amount, at the times and in the amounts described in the Memorandum of Instructions. The Trustee, by execution of its Acceptance attached hereto, agrees to comply with all instructions of the Board given in accordance with the Memorandum of Instructions.

The Board reserves the right to amend the Resolution authorizing these Series N (Second Series) Bonds without obtaining the consent of the owners of the Bonds (i) to whatever extent shall, in the opinion of Bond Counsel, be deemed necessary to assure that interest on the Series N (Second Series) Bonds shall be exempt from Federal income taxation, and (ii) to whatever extent shall be permissible (without jeopardizing such tax exemption or the security of the owners of the Series N (Second Series) Bonds) to eliminate or reduce any restrictions concerning the Project, the investment of the proceeds of the Series N (Second Series) Bonds, or the application of such proceedings or of the revenues of the Project. The purchasers of the Series N (Second Series) Bonds are deemed to have relied fully upon these covenants and undertakings on the part of the Board as part of the consideration for the purchase of the Series N (Second Series) Bonds. To the extent that the Board obtains an opinion of nationally recognized bond counsel to the effect that non-compliance with any of the covenants contained in this Resolution or referred to in this Resolution would not subject interest on the Series N (Second Series) Bonds to Federal income taxes or Kentucky income taxes, the Board shall not be required to comply with such covenants or requirements.

This Resolution is adopted in contemplation that Bond Counsel will render an opinion as to exemption of principal of the Bonds from Kentucky ad valorem taxation and as to exemption of interest on the Series N (Second Series) Bonds from Federal and Kentucky income taxation, based on the assumption by bond Counsel that the Board complies with covenants made by the Board with respect to compliance with the provisions of the Code and based on the assumption of compliance by the Board with requirements as to any required rebate (and reports with reference thereto) to the United States of America of certain investment earnings on the proceeds of the Series N (Second Series) Bonds. The Board has been advised that, based on the foregoing assumption of compliance, Bond Counsel is of the opinion that the Series N (Second Series) Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code.

Section 4.2. The Revenue Fund; Transfer to the Bond Fund and the Debt Service Reserve Fund to Provide for the Additional Requirements of the Series N (Second Series) Bonds.

(1) From and after the issuance and delivery of the Series N (Second Series) Bonds, the Treasurer, conforming to the provisions of Section 4.05(2) of the Basic Resolution, shall transfer from the Revenue Fund and deposit to the credit of the Bond Fund from time to time such sums as are required to pay (a) interest falling due on each November 1 with respect to the Series N (Second Series) Bonds, and (b) interest and principal, if any, falling due on each May 1 with respect to the Series N (Second Series) Bonds; and such transfers and deposits into the Bond Fund shall be in addition to the transfers and deposits required to be made from time to time for payment of the interest on and principal of the Outstanding Bonds.

(2) Conforming to the requirements of Section 4.05(2) of the Basic Resolution, if, whenever, and so long as the amount on deposit in the Debt Service Reserve (as part of the Bond Fund) shall be less than the Required Current Debt Service Reserve Accumulation or the Required Debt Service Reserve (as defined herein), with respect to Outstanding Bonds for any future year ending May 1, the Treasurer shall transfer from the first available funds in the Revenue Fund and deposit in the Bond Fund, whatever additional amounts over and above all deposits otherwise required to be made into the Bond Fund, as set out in the foregoing paragraph (1) of this Section, shall be required in order to restore and maintain the Required Current Debt Service Reserve Accumulation or the Required Debt Service Reserve in the Debt Service Reserve portion of the Bond Fund.

(3) It is further determined by the Board that in calculating the amount of the required annual payments to be made by the Board into the Bond Fund to meet the principal and interest requirements of All (Outstanding) Bonds, the Board shall (whenever and so long as the Required Current Debt Service Reserve Accumulation or the Required Debt Service Reserve has been accumulated and is being maintained), take credit for the investment income derived from the investment of funds in the Bond Fund, including funds in the Debt Service Reserve; provided, further, however, that the Board, in compliance with the arbitrage requirements of the Internal Revenue Code of 1986, as amended, represents that amounts on deposit in the Bond Fund will be used within thirteen (13) months from the date of deposit for the payment of principal of and interest on the Outstanding Bonds; and the Bond Fund will annually be depleted through such application, for current debt service requirements on the Outstanding Bonds, except for an amount equal to not more than the greater of (a) one-twelfth (1/12) of the debt service requirements of the Outstanding Bonds for the then ensuing year, or (b) one year's earnings on the Bond Fund.

Section 4.3. Adjustments in the Debt Service Reserve. It is hereby determined that it is necessary (a) in order to comply with the parity requirements of the Basic Resolution, and (b) for the marketability of the Series N (Second Series) Bonds, that the Debt Service Reserve shall continue to be maintained and, when necessary, accumulated and/or restored, in an amount equal to the "Maximum Aggregate Principal, Interest and Bond Fund Charges" (as defined in the Basic Resolution) with respect to all Outstanding Bonds for any future year ending May 1 (the "Required Debt Service Reserve").

The Debt Service Reserve shall not (except where the amount on deposit therein shall exceed the Required Debt Service Reserve) be used for any purpose except to make the payments required to be made from the Bond Fund when there are insufficient funds available in the Bond Fund for such purposes.

(End of Article IV)

ARTICLE V
MISCELLANEOUS CONCLUDING PROVISIONS

Section 5.1. All Provisions of Basic Resolution and Various Series Resolutions Are Hereby Readopted, Ratified and Confirmed. The Board hereby readopts, ratifies and confirms all previous Resolutions relating to the Project, including the Basic Resolution adopted on September 20, 1960, and each of the various Series Resolutions relating to the Outstanding Bonds.

Section 5.2. Ratification of Previous Appointment of Trustee to Serve as Registrar, Transfer Agent and Payee Bank. Bank One, Kentucky, NA, Lexington, Kentucky, successor to First Security National Bank & Trust Company, the Trustee in all previous Series Resolutions, which was designated in all Series Resolutions beginning with the Series J Resolution, to serve also as Bond Registrar, Transfer Agent and Payee Bank with respect to the Bonds authorized by such Resolutions, is also designated to serve in all capacities referred to above with respect to the Series N (Second Series) Bonds.

Its duties as Registrar, Transfer Agent and Payee Bank with respect to the Series N (Second Series) Bonds shall be the same as its duties in such capacities with respect to the applicable Outstanding Bonds.

The Trustee Bank shall indicate its acceptance of its respective duties and capacities by signing its Acceptance at the conclusion of this Resolution.

Section 5.3. Replacement by Board of Registrar, Transfer Agent, Payee Bank and Depository Bank. The Board shall have the right at any time to replace the Registrar, Transfer Agent, Payee Bank, and/or Depository Bank by observing the same procedure as that required by the Basic Resolution and/or the respective Series Resolutions for replacement of the Trustee.

Section 5.4. Compliance With SEC Rule 15c2-12. The Board of Trustees hereby agrees, to comply with the provisions of Rule 15c2-12, as amended and interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934. In order to comply with the Rule, the Continuing Disclosure Agreement is hereby authorized and approved, substantially in the form presented or described to the Board, with such modifications and additions as may be approved by the officer of the University executing the same. The Chairman and the Secretary of the Board and the Treasurer and the Controller of the University are each separately authorized to execute and deliver the Continuing Disclosure Agreement.

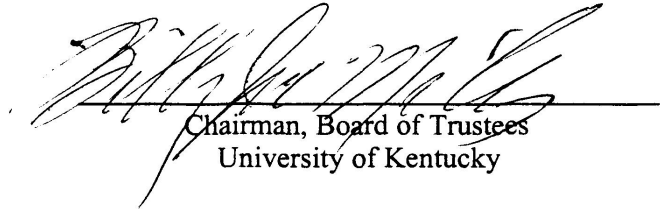
Section 5.5. Resolution Contractual With Bondowners. The Basic Resolution and this Series N (Second Series) Resolution shall, from and after the issuance and delivery of the Series N (Second Series) Bonds, constitute a contract between the Board of the University and the owners of the Series N (Second Series) Bonds as shall be outstanding hereunder.

Section 5.6. Provisions in Conflict are Repealed. All resolutions or parts thereof in conflict with the provisions of this Series N (Second Series) Resolution are hereby rescinded to the extent of such conflict.

Section 5.7. Copy to be Filed with Trustee. A certified copy of this Series N (Second Series) Resolution shall be filed with the Trustee, and this Series N (Second Series) Resolution shall take effect immediately upon its adoption and the filing of the certified copy thereof with the Trustee, as provided in the Basic Resolution.

(End of Article V)

Adopted April 3, 2001.


Chairman, Board of Trustees
University of Kentucky

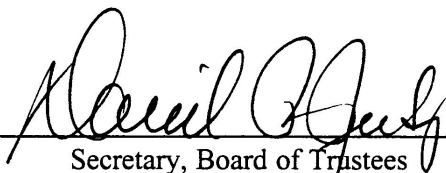
(SEAL)

Attest: 
Secretary, Board of Trustees

CERTIFICATION

The undersigned, Secretary of the Board of Trustees of the University of Kentucky, Lexington, Kentucky, hereby certifies that the foregoing is a true copy of a Resolution adopted by the Board of Trustees of said University at a meeting held on April 3, 2001, as recorded in the official Minute Book of said Board of Trustees, which is in my custody and under my control, that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820, and 61.825, that a quorum was present at said meeting, and that the aforesaid Resolution is of record in the office of the Board, has not been modified, amended, or rescinded, and is in full force and effect at this date.

WITNESS my signature and the Seal of said Board this April 3, 2001.


Secretary, Board of Trustees
University of Kentucky

(SEAL)

**ACCEPTANCE BY BANK ONE, KENTUCKY, NA,
LEXINGTON, KENTUCKY, AS
BOND REGISTRAR, TRANSFER AGENT, PAYEE BANK AND TRUSTEE**

The undersigned, Bank One, Kentucky, NA, Lexington, Kentucky, having heretofore been appointed as and having served as Trustee, hereby agrees to the provisions of the foregoing Resolution to the extent that there are contained therein provisions as to the additional rights and duties of the undersigned as Bond Registrar, Transfer Agent, Payee Bank, and Trustee.

Dated this ____ day of May, 2001.

**BANK ONE, KENTUCKY, NA,
Lexington, Kentucky**

By: _____

Title: _____

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