

Minutes of the Meeting of the Board of Trustees of the University of Kentucky, Tuesday, September 17, 1991.

The Board of Trustees of the University of Kentucky met at 1:00 p.m. (Lexington time) on Tuesday, September 17, 1991 in the Board Room on the 18th floor of Patterson Office Tower on the Lexington Campus.

A. Meeting Opened and Oath of Office Administered

Mr. Foster Ockerman, Chairman, called the meeting to order at 1:00 p.m., and the invocation was pronounced by Mr. Scott Crosbie.

Mr. Ockerman announced the appointment of Dr. Jack D. Foster to the Board of Trustees and asked Mr. John C. Darsie, General Counsel, to administer the oath of office to Dr. Foster, following which Dr. Foster was given a round of applause.

Dr. Jack D. Foster appointed by Governor Wallace G. Wilkinson to replace Jerome A. Stricker. His term will expire June 30, 1994.

B. Roll Call

The following members of the Board of Trustees answered the call of the roll: Mr. Foster Ockerman (Chairman), Mrs. Kay Shropshire Bell, Professor Raymond F. Betts, Professor Carolyn S. Bratt, Mr. Scott A. Crosbie, Dr. Jack D. Foster, Mrs. Edythe Jones Hayes, Dr. Robert P. Meriwether, Professor Judith Rhoads, Mr. C. Frank Shoop, Mrs. Marian Moore Sims, Judge Robert F. Stephens, Mr. William B. Sturgill, Mr. Daniel C. Ulmer, Jr. and Mr. Billy B. Wilcoxson. Absent from the meeting were Mr. William E. Burnett, Jr., Senator Walter D. Huddleston, Mr. James L. Rose, and Judge Henry R. Wilhoit, Jr. The University administration was represented by President Charles T. Wethington, Jr.; Chancellors Robert E. Hemenway and Ben Carr, Jr.; Vice Presidents Joseph T. Burch, Edward A. Carter, Donald B. Clapp, Linda J. Magid and Eugene Williams; Dr. Juanita Fleming, Special Assistant to the President for Academic Affairs; and Mr. John C. Darsie, General Counsel.

Members of the news media were also in attendance. A quorum being present, the Chairman declared the meeting officially open for the conduct of business at 1:04 p.m.

C. Nomination of Officers and Executive Committee

Under the Governing Regulations, officers of the Board and the Executive Committee are elected annually at the September meeting. Mr. Ockerman called upon Mr. Sturgill to preside and receive the report of the Nominating Committee. Senator Huddleston, Chairperson of the Nominating Committee was absent; therefore, Mr. Sturgill recognized Mrs. Hayes, Vice Chairperson of the Nominating Committee.

Mrs. Hayes placed the following slate of officers for 1991-92 in nomination:

OFFICERS

Foster Ockerman, Chairman
William E. Burnett, Jr., Vice Chairman
Edythe Jones Hayes, Secretary
John C. Darsie, Assistant Secretary

There being no nominations from the floor, Mr. Sturgill declared the nominations closed and entertained a motion for approval. Mrs. Hayes so moved. The motion, seconded by Mr. Shoop, carried unanimously.

Mrs. Hayes then placed the following slate of Executive Committee members for 1991-92 in nomination:

EXECUTIVE COMMITTEE

Foster Ockerman, Chairman
William E. Burnett, Jr.
Robert P. Meriwether
James L. Rose
Billy B. Wilcoxson
Edythe Jones Hayes, ex officio

There being no nominations from the floor, Mr. Sturgill entertained a motion that the slate be approved. The motion was seconded by Professor Rhoads and passed. Thereupon, the presiding role was returned to the re-elected Chairman.

D. Minutes Approved

Mr. Ockerman stated that the Minutes of the August 20, 1991 meeting had been distributed and asked for corrections or additions. Mr. Ulmer moved that the Minutes be accepted as distributed. His motion, seconded by Dr. Meriwether, carried.

E. President's Report to the Trustees (PR 1)

President Wethington reviewed briefly the following items in PR 1:

1. The University of Kentucky has enrolled record-breaking numbers of students in nearly all areas of the University for the Fall 1991 semester.
2. The College of Dentistry students excel in the Southern Regional Clinical Board Examination.
3. The University of Kentucky is ranked among 101 best college values in The 1992 Guide to 101 of the Best Values in American Colleges and Universities.

4. Angene H. Wilson, a faculty member in the College of Education, has been named the 1991 Kentucky Professor of the Year by the Council for Advancement and Support of Education.
5. Two more equine research scientists, Dr. Leo B. Jeffcott and the late Dr. Philip Rarick Edwards, will be inducted into the Equine Research Hall of Fame on November 21.
6. A new University of Kentucky Center for Rural Health opened in Hazard, Kentucky this fall.
7. T. Marshall Hahn, Jr., who graduated from UK in 1945 and now heads the Georgia-Pacific Corporation, has won a 1991 Outstanding Alumnus of Kentucky Award.
8. Paducah Community College raised \$28,000 at its annual Paducah Community College Celebrity Golf Tournament on August 7.

President Wethington asked that the Board review the other significant items in the report at their leisure.

F. Personnel Actions (PR 2)

With President Wethington so recommending, on motion made by Mr. Crosbie, seconded by Professor Rhoads and passed, the routine personnel actions in PR 2 were approved. (See PR 2 at the end of the Minutes.)

G. Appointment of Vice Chancellor, Academic Affairs - Community College System (PR 4A)

President Wethington called upon Chancellor Carr to comment on PR 4A.

Dr. Carr recommended the appointment of Dr. Anthony L. Newberry as Vice Chancellor of Academic Affairs for the Community College System, effective November 1. He reviewed Dr. Newberry's credentials and stated that Dr. Newberry has demonstrated the academic and administrative leadership required for the position. He expressed pleasure in having Dr. Newberry join the Chancellor's staff.

President Wethington said that he was pleased to recommend to the Board that Dr. Newberry be named Vice Chancellor of Academic Affairs. He has proven to be a capable faculty member and administrator in the Community College System. Professor Rhoads so moved. Professor Betts said that Dr. Newberry is intelligent, responsible, imaginative, gracious and efficient. He seconded the motion with great enthusiasm, and the motion passed unanimously. Dr. Newberry was asked to stand and be recognized, following which he received a round of applause. (See PR 4A at the end of the Minutes.)

Mr. Ockerman noted that Professor Betts has written a book titled "France and Decolonisation, 1900-1960" and expressed pleasure in recognizing Professor Betts' accomplishment.

H. New Academic Degree (PR 6A)

President Wethington recommended that the Board authorize the award of the new degree of Master of Science in Communication Disorders to those students who satisfactorily complete the requirements for that degree as approved by the University Senate. President Wethington pointed out that this is not a new program but a new title for a degree. Mr. Shoop so moved. The motion was seconded by Mr. Crosbie and carried. (See PR 6A at the end of the Minutes.)

I. Appointments to University Hospital of the Albert B. Chandler Medical Center, Inc. Board of Directors (PR 6B)

President Wethington recommended that approval be given to the appointments of Mrs. Edythe Hayes and Mr. C. Frank Shoop as members of the Board of Directors of the University Hospital of the Albert B. Chandler Medical Center, Inc. with terms to expire on May 1, 1992 and December 31, 1996, respectively. The motion, which was made by Dr. Meriwether and seconded by Mr. Wilcoxson, passed. (See PR 6B at the end of the Minutes.)

J. Strategic Plan and Biennial Request 1991-94 (FCR 6)

President Wethington asked that the Strategic Plan and Biennial Request be made a part of the President's report. Mr. Ockerman granted the request.

President Wethington stated that FCR 6 is a combination request of a two-year plan for operating purposes and a six-year plan for capital purposes. He reminded the Board of the many hours of involvement from all sectors of the University (the faculty, staff, administrators, students and others) in preparing the Strategic Plan and the 1992-94 Biennial Request. This is the framework representing the priorities for the university's activities for the next two years. It is a request that, in the administration's opinion, would allow the University to move ahead. It represents the real needs of the University.

President Wethington began his presentation by reviewing the document format: statutory provisions, organization, purpose and mission, plans (Strategic Plan, Land Use Plan, Capital Plan and Information Resources Plan), operating and capital requests, and supporting information. He noted that this document contains more information about the University than any other document. He invited the members of the Board to keep it and refer to it occasionally because most everything of significance about the University is described in this plan.

President Wethington noted some proposed changes in the Strategic Plan. He said that the University needs to put more emphasis on strengthening its commitment to the teaching and learning environment. It needs to play a lead role in higher education in helping implement the elementary and secondary Education Reform Act and in the implementation of the healthcare initiative in East Kentucky, particularly in the Hazard region. He explained that an objective on cultural diversity has also been added. This objective will bridge the state, regional, national and international communities by putting more emphasis on the University's efforts that are ongoing with students and faculty.

President Wethington said that the University will strengthen the development and stewardship of its human, fiscal and physical resources. It will put emphasis on good management, good skills, and good accountability to recruit and retain the highest quality faculty and staff. There will also be emphasis on pride in appearance of the campuses to have them look even better. He added that emphasis will be placed on making the athletics program compatible with and supportive of the university's mission. He reported that there will be a service orientation of the University to let the state know that the University is here to serve in any way it can.

Through a series of charts, President Wethington reviewed the progress toward equity in higher education funding for 1990-92 and the preliminary state appropriation increases. He then provided a summary of state funding request for 1992-94 and elaborated on the fixed costs (statutory and contractual obligations), the cost-of-living expenses, program improvement in the Community College System and the University System, and new programs for both systems. He noted the following special requests and expanded on them:

Community College System

1. Lexington Community College tuition equalization
2. London-Corbin operating expenses
3. Extended Campus sites in Whitley City, Whitesburg, and Pikeville
4. business and industry technical assistance centers (BITAC)
5. funding of current enrollment levels

University System

1. Continuation of Engineering Education Enhancement program
2. Rural Healthcare
3. KERA implementation
4. Agricultural economic development initiative
5. Kentucky Geological Survey program enhancement
6. Center for Pharmaceutical Science and Technology Expansion
7. Emerging Center in Molecular Biology (operating and capital)

Following a review of the 1992-94 capital request by type of project and by source of funds, he provided a summary of the state funding request.

In conclusion, he said that the document goes back to the mission of the University. It reflects where the University is today. It also notes that the University has made great headway in the last two years in bringing the faculty and staff to a more competitive salary level. He commented that a priority for the University is to maintain that level and to build on it.

President Wethington expressed pleasure in recognizing the efforts of Mr. Ed Carter, Ms. Joan McCauley, and their staff, the Chancellors, and Vice Presidents who worked on putting the document together. He recommended that the Strategic Plan and 1992-94 Biennial Request be approved.

Mr. Ockerman thanked President Wethington for the comprehensive explanation of the budget request, all the members of the Board for attending sessions to review the document, Mr. Carter, and others of the administrative staff for the tremendous amount of time and effort placed in preparing the document. He entertained a motion for approval. Mr. Wilcoxson so moved. The motion, seconded by Judge Stephens, passed unanimously.

K. Disposal of Personal Property (FCR 1)

Mr. Ockerman, Chairman of the Finance Committee, recommended that the routine report on the disposal of surplus equipment be approved. Professor Rhoads so moved. The motion, seconded by Mr. Shoop, carried. (See FCR 1 at the end of the Minutes.)

L. Designation of Depository Bank (FCR 2)

With the Finance Committee so recommending, Mr. Ockerman entertained a motion that the Board of Trustees designate Wachovia Bank and Trust Company, N.A. to serve as a depository bank for the University of Kentucky Health Profession and Nursing Student Loans. On motion made by Mrs. Hayes, seconded by Dr. Meriwether and passed, FCR 2 was approved. (See FCR 2 at the end of the Minutes.)

M. Acceptance of Audit Report for the University of Kentucky for 1990-91 (FCR 3)

On recommendation of the Finance Committee, Mr. Ockerman entertained a motion that the Board accept the University of Kentucky financial statements for the year ended June 30, 1991. Mr. Sturgill so moved. His motion was seconded by Mr. Wilcoxson and passed. (See FCR 3 at the end of the Minutes.)

N. Report of Leases (FCR 4)

On motion made by Mr. Ulmer, seconded by Professor Rhoads and carried, the Board accepted the Report of Leases in FCR 4. (See FCR 4 at the end of the Minutes.)

O. 1991-92 Budget Revisions (FCR 5)

With the concurrence of the Finance Committee, Mr. Ockerman recommended that the Board approve the 1991-92 budget revisions. Mr. Sturgill so moved. The motion, seconded by Mrs. Sims, carried. (See FCR 5 at the end of the Minutes.)

P. Acceptance of Gift from the U.S. Department of Education (FCR 7)

Mr. Ockerman reviewed the background information and recommended that the Board accept the gift of \$1,000,002 from the U.S. Department of Education. On motion made by Professor Rhoads, seconded by Dr. Foster and carried, the Board approved FCR 7. (See FCR 7 at the end of the Minutes.)

Q. The Rosenthal Endowed Chair in Management Information Systems (FCR 8)

Mr. Ockerman entertained a motion that the Board name the Endowed Chair in Management Information Systems the Rosenthal Endowed Chair in Management Information Systems. Professor Bratt so moved. Mr. Wilcoxson seconded the motion, and it passed unanimously. (See FCR 8 at the end of the minutes.)

R. Field House Project Funding (FCR 9)

On recommendation of the Finance Committee, Mr. Ockerman entertained a motion that the Board approve the allocation of gifts received for the Field House project, Blue-White restricted gifts in the amount of \$1,900,000, and Blue-White quasi-endowment funds in an amount up to \$6,200,000 to fund the Field House project in the total amount of \$8,500,000. Mr. Sturgill said that this is a part of the continuing progress of the Athletics Association started by Mr. C. M. Newton. He moved approval of the recommendation. His motion, seconded by Judge Stephens, carried. President Wethington noted that the project is out for bids, and bids are expected before the end of September. (See FCR 9 at the end of the Minutes.)

S. Resolution of the Board of Trustees of the University of Kentucky Accepting the Successful Bid for the Purchase of \$11,250,000 Principal Amount of University of Kentucky Community Colleges Educational Buildings Revenue Bonds, Series I, Dated September 1, 1991 (FCR 10)

Thereupon, a motion was made by Mr. Ulmer and seconded by Mr. Crosbie that the following titled Resolution, which was presented to and accepted by the Finance Committee, be passed:

Resolution of the Board of Trustees of the University of Kentucky
Accepting the Successful Bid for the Purchase of \$11,250,000
Principal Amount of University of Kentucky Community Colleges
Educational Buildings Revenue Bonds, Series I, Dated September

(Resolution attached to these Minutes.)

The motion passed. Thereupon, the Chairman declared that the motion had carried and that the Resolution had been passed and adopted. He directed that the same be recorded in the Minutes of the Board. (See FCR 10 at the end of the Minutes.)

T. A Resolution authorizing the Issuance of \$9,755,000 of University of Kentucky Consolidated Educational Buildings Revenue Bonds, Series M, Dated October 1, 1991, of the Board of Trustees of the University of Kentucky (FCR 11)

Mr. Ockerman entertained a motion that the Board approve a Resolution authorizing the issuance of \$9,755,000 of University of Kentucky Consolidated Educational Buildings Revenue Bonds, Series M, Dated October 1, 1991, of the Board of Trustees of the University of Kentucky. Several questions and concerns were expressed by Dr. Foster

and Professor Bratt with explanations provided by President Wethington. On motion made by Professor Rhoads, seconded by Dr. Foster and carried, the Resolution was approved. (See FCR 11 at the end of the Minutes.)

U. University Hospital Project (FCR 12)

With the Finance Committee so recommending, Mr. Ockerman entertained a motion that the Board approve a project in the amount of \$1,453,600 in University Hospital funds for replacement equipment and facilities for the University Hospital incinerator. He noted that this is brought about to comply with Federal regulations in disposal of waste. Dr. Meriwether so moved. His motion, which was seconded by Judge Stephens, carried. (See FCR 12 at the end of the Minutes.)

V. A Resolution Authorizing the Purchase of a Farm in Woodford County, Kentucky, Requesting the State Property and Buildings Commission to issue Bonds in the Principal Amount of \$11,500,000, and Authorizing Lease Payments Sufficient to Defray the Repayment of the Bonds (FCR 13)

Mr. Ockerman said that he was pleased to bring FCR 13 which authorizes the purchase of a 1500 acre farm in Woodford County to the Board. He reviewed the recommendation and expressed appreciation to Governor Wilkinson for negotiating down the asking price of the property and for getting Mr. Allen Paulsen to make a gift of the house and the 31 acres valued at \$1.2 million to the University. He asked President Wethington for comments.

President Wethington also expressed appreciation to Governor Wilkinson for his personal involvement in the purchase of Brookside Farm #2, for getting the price of the farm down to \$11,500,000 which basically saves the University and the state \$1,000,000 on the purchase price and for giving the University the opportunity to close the deal and get on with a replacement farm to allow the development of Coldstream Research Park campus. This replacement farm for the College of Agriculture Coldstream Farm is absolutely essential to the university's development of its research campus. Brookside Farm #2 is the best farm for the College of Agriculture in terms of the quality of land and the location.

Mr. Sturgill stated that, in his opinion, this is a step of real progress for the University and the College of Agriculture. He complimented President Wethington and his staff for bringing this to the table where it can go forward. He moved the adoption of the Resolution. Mr. Shoop so moved.

Professor Bratt asked if this property would satisfy the College of Agriculture's replacement needs for the Coldstream Farm. President Wethington reported that Coldstream Farm is roughly 900 acres plus and Brookside Farm #2 is 1500 acres. Therefore, Brookside Farm #2 is more than adequate in terms of land area and will satisfy the present needs of the College of Agriculture. The College will likely need additional space in years ahead.

Mr. Sturgill's motion was unanimously approved.

W. Meeting Adjourned

There being no further business to come before the Board, the Chairman adjourned the meeting at 2:15 p.m.

Respectfully submitted,

Edythe Jones Hayes
Secretary
Board of Trustees

(PR's 2, 4A, 6A, and 6B; FCR's 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13 which follow are official parts of the Minutes of the meeting.)

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Office of the President
September 17, 1991

PR 2

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 ☐

Date: September 17, 1991

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CENTRAL ADMINISTRATION

I. BOARD ACTION

A. EARLY RETIREMENT

Center for Biomedical Engineering

Burbank, Peter L., Machinist III, Center for Biomedical Engineering, after 25.75 consecutive years of service, under Section III.A.2 of AR II-1.6.1, effective 9/30/91.

Kentucky Geological Survey

Heath, Margaret A., Account Clerk V, Kentucky Geological Survey, after 21.00 consecutive years of service, under Section III.A.2 of AR II-1.6-1, effective 10/31/91.

COMMUNITY COLLEGE SYSTEM

I. BOARD ACTION

A. RETIREMENTS

Jefferson Community College

Harris, Fred L., Duplicating Sub-Station Head,
following 15 consecutive years of service, (under
AR II-1.6-1 Section III.B), effective 9/27/91.

II. ADMINISTRATIVE ACTION

A. ACADEMIC APPOINTMENTS

Ashland Community College

Flouhouse, Steven, Instructor in the Community College
System, 8/1/91 through 6/30/92.
Gussler, Sandra K., Assistant Professor in the
Community College System, 8/1/91 through 6/30/92.
Harmon, Ben, Assistant Professor in the Community
College System, 8/1/91 through 6/30/92.
Slater, Michelle, Instructor in the Community College
System, 8/15/91 through 6/30/92.
Swetnam, Mark, Instructor in the Community College
System, 8/1/91 through 6/30/92.

Elizabethtown Community College

Allison, Eric P., Instructor in the Community College
System, 8/8/91 through 6/30/92.
Deneen, Lea Ann, Instructor in the Community College
System, 8/12/91 through 6/30/92.

Hazard Community College

Hoppe, John F., Assistant Professor in the Community
College System, 8/1/91 through 6/30/92.
Lawson, David, Assistant Professor in the Community
College System, 8/1/91 through 6/30/92.
Mackin, Reid D., Instructor in the Community College
System, 8/1/91 through 6/30/92.
Smith, Donna S., Instructor in the Community College
System, 8/1/91 through 6/30/92.
Watts, Bernard, Assistant Professor in the Community
College System, 8/1/91 through 6/30/92.

Henderson Community College

Conkright, Kay M., Instructor in the Community College System, 8/1/91 through 12/31/91.
Reid, Kevin B., Instructor in the Community College System, 8/1/91 through 12/31/91.
Tutt, Doris A., Instructor in the Community College System, 8/1/91 through 6/30/92.

Hopkinsville Community College

Pearson, Alissa L., Instructor in the Community College System, 8/1/91 through 6/30/92.

Jefferson Community College

Brooks, Bennanaye, Instructor in the Community College System, 8/7/91 through 6/30/92.
Crawford, Candice C., Instructor in the Community College System, 8/1/91 through 6/30/92.
Head, Shari R., Instructor in the Community College System (voluntary), 8/1/91 through 5/31/93.
Holding, Carol S., Instructor in the Community College System, 8/1/91 through 12/31/91.
Kavari, Masoud, Instructor in the Community College System, 8/1/91 through 12/31/91.
Lites, William W., Assistant Professor in the Community College System, 8/1/91 through 6/30/92.
Monaco, John E., Instructor in the Community College System (voluntary), 8/1/91 through 12/31/93.
Reeves, Marianne, Instructor in the Community College System (voluntary), 8/1/91 through 5/31/93.

Lexington Community College

Cash, David, Instructor in the Community College System (voluntary), 8/28/91 through 6/30/94.
Coleman, Gary R., Instructor in the Community College System (voluntary), 8/28/91 through 6/30/94.
Culler, John J., Instructor in the Community College System (voluntary), 8/29/91 through 6/30/94.
Elvidge, Kevin, Instructor in the Community College System (voluntary), 8/28/91 through 6/30/94.
Howe, Adrienne C., Instructor in the Community College System, 8/5/91 through 5/31/92.
Humphrey, Sue P., Instructor in the Community College System, 8/2/91 through 5/31/92.
Kleier, Susan, Instructor in the Community College System (voluntary), 8/28/91 through 6/30/94.
Lerner, Michael H., Instructor in the Community College System (voluntary), 8/28/91 through 6/30/94.
Miller, Patricia A., Instructor in the Community College System, 8/19/91 through 5/31/92.

Muncy, Robert G., Instructor in the Community College System (voluntary), 8/28/91 through 6/30/94.
Reeder, Gregory, Instructor in the Community College System (voluntary), 8/28/91 through 6/30/94.
Takacs, Patricia E., Instructor in the Community College System (voluntary), 8/28/91 through 6/30/94.
Thompson, Harry, Instructor in the Community College System (voluntary), 8/28/91 through 6/30/94.

Madisonville Community College

Douglas, Nancy L., Instructor in the Community College System, 8/15/91 through 6/30/92.
Moore, Bob A., Instructor in the Community College System, 8/15/91 through 6/30/92.

Maysville Community College

Bishop, Yvonne G., Assistant Professor in the Community College System, 8/8/91 through 6/30/92.

Owensboro Community College

Hogan, Vicki, Instructor in the Community College System, 8/1/91 through 6/30/92.
Jackson-Hendricks, Wanda, Instructor in the Community College System, 8/1/91 through 6/30/92.
Wallace, Abby J., Instructor in the Community College System, 8/1/91 through 6/30/92.

Paducah Community College

Akojie, Felix O., Instructor in the Community College System, 8/1/91 through 6/30/92.
Brown, Gary, Instructor in the Community College System (voluntary), 7/1/91 through 6/30/94.
Butler, Karen M., Instructor in the Community College System, 8/1/91 through 5/31/92.
Lindsay, Denise R., Instructor in the Community College System, 8/1/91 through 6/30/92.
Mandrell, Constance L., Instructor in the Community College System, 8/1/91 through 6/30/92.
McMullen, Deann, Instructor in the Community College System, 8/1/91 through 6/30/92.

Prestonsburg Community College

Beard, D. Lee, Instructor in the Community College System, 7/22/91 through 6/30/92.
Brashear, Don D., Assistant Professor in the Community College System, 8/1/91 through 6/30/92.

Brink, Benjamin W., Instructor in the Community College System, 8/1/91 through 6/30/92.
Dai, Rui-Xiu, Assistant Professor in the Community College System, 8/1/91 through 6/30/92.
Drogin, LaurieAnn, Instructor in the Community College System, 8/1/91 through 6/30/92.
Gillis, Billy R., Assistant Professor in the Community College System, 8/1/91 through 6/30/92.
Gyldenvand, James L., Instructor in the Community College System, 8/1/91 through 6/30/92.
Humphrey, Brenda K., Instructor in the Community College System, 8/1/91 through 6/30/92.
Jacobs, Deborah, Assistant Professor in the Community College System, 8/1/91 through 6/30/92.
Kendall, Joanne, Instructor in the Community College System, 8/1/91 through 6/30/92.
Martin, Karen L., Instructor in the Community College System, 8/15/91 through 6/30/92.
Naqvi, Syed, Assistant Professor in the Community College System, 8/1/91 through 6/30/92.
Orf, Thomas M., Assistant Professor in the Community College System, 8/1/91 through 6/30/92.
Peffer, G. Anthony, Assistant Professor in the Community College System, 8/1/91 through 6/30/92.
Saunders, Duane, Assistant Professor in the Community College System, 8/1/91 through 6/30/92.
Torok, George, Assistant Professor in the Community College System, 8/1/91 through 6/30/92.
Varma, Jyoti, Instructor in the Community College System, 8/1/91 through 6/30/92.
Vierheller, Thomas, Assistant Professor in the Community College System, 8/1/91 through 6/30/92.

Somerset Community College

Barnes, Virgie, Instructor in the Community College System, 8/1/91 through 6/30/92.
Glidden, Moses, Instructor in the Community College System, 8/1/91 through 5/31/92.

Southeast Community College

Marcum, Joseph S., Instructor in the Community College System, 8/12/91 through 6/30/92.
Sharpe, Denise R., Instructor in the Community College System (voluntary), 8/1/91 through 5/31/94.

B. REAPPOINTMENTS

Hazard Community College

Crone, Patricia, Instructor in the Community College System, 9/1/91 through 6/30/92.

Hatch, Robert, Instructor in the Community College System, 9/1/91 through 6/30/92.
Reynolds, Scott, Instructor in the Community College System, 9/1/91 through 6/30/92.

Jefferson Community College

Brady, Teresa Sue, Instructor in the Community College System (voluntary), 8/1/91 through 5/31/93.
Campbell, Vicki, Instructor in the Community College System (voluntary), 8/1/91 through 5/31/93.
Holeman, Laura, Instructor in the Community College System (voluntary), 8/1/91 through 5/31/92.
Katakya, Devajyoti, Instructor in the Community College System, 7/1/91 through 6/30/92.
McNeill, Marilyn, Instructor in the Community College System (voluntary), 8/1/91 through 5/31/93.
Shepherd, Lisa, Instructor in the Community College System (voluntary), 8/1/91 through 5/31/92.
Stroup-Benish, Kathy, Instructor in the Community College System (voluntary), 8/1/91 through 5/31/93.

Paducah Community College

Russell, Vickie, Instructor in the Community College System (voluntary), 7/1/91 through 6/30/94.

Somerset Community College

Epperson, Jody, Instructor in the Community College System, 7/1/91 through 6/30/92.

C. PROMOTIONS WITHOUT TENURE

Elizabethtown Community College

Key, Wanda, from Instructor in the Community College System, to Assistant Professor in the Community College System, 7/1/91 through 6/30/92.

D. LEAVES OF ABSENCE

Henderson Community College

Maltby, Lorie A., Assistant Professor in the Community College System, sabbatical leave at one-half salary for the 1991 Fall Semester.

LEXINGTON CAMPUS

I. BOARD ACTION

A. ACADEMIC APPOINTMENTS

College of Agriculture

Harrison, Lenn R., Professor (with tenure), Veterinary Science, effective 8/1/91.

College of Architecture

Wilson, Mabel O., Assistant Professor, 8/1/91 through 6/30/92.

College of Arts and Sciences

Green, Michael D., Associate Professor (with tenure), History, effective 8/16/92.

Kirk, Kevin L., Assistant Professor (temporary), Biological Sciences, 8/16/91 through 5/15/92.

Rao, Apparao M., Assistant Professor (temporary), Physics and Astronomy, 8/16/91 through 5/15/92.

Torres, Lourdes Maria, Assistant Professor, Spanish and Italian, 8/16/91 through 6/30/93.

Zimmer, David J., Assistant Professor (temporary), Biological Sciences, 8/16/91 through 5/15/92.

College of Education

Hemmeter, Mary Louise, Assistant Professor, Special Education, 8/16/91 through 6/30/93.

College of Engineering

Penn, Lynn S., Professor (with tenure), Materials Science and Engineering, effective 7/1/91.

Sottile, Joseph Jr., Assistant Professor, Mining Engineering, 8/16/91 through 6/30/93.

College of Fine Arts

Ethington, Bradley P., Assistant Professor*, Music, 8/16/91 through 6/30/92.

Hammond, Orville, Assistant Professor*, Music, 8/16/91 through 6/30/92.

Karp, Benjamin C., Assistant Professor*, Music, 8/16/91 through 6/30/92.

*Special Title Series

College of Human Environmental Sciences

Barth, M. Margaret, Assistant Professor, Nutrition and Food Science, 8/1/91 through 6/30/92.

Wilson, Stephan M., Associate Professor (with tenure), Family Studies, effective 8/16/91.

B. ADMINISTRATIVE APPOINTMENTS

College of Agriculture

Harrison, Lenn R., Professor (with tenure), Veterinary Science, appointed Director, Livestock Disease Diagnostic Center, effective 8/1/91.

College of Engineering

Walker, John N., Professor (with tenure), Agricultural Engineering, College of Agriculture, appointed Associate Dean for Graduate Affairs, Research and Development, College of Engineering, 8/12/91 through 6/30/95.

College of Human Environmental Sciences

Wilson, Stephan M., Associate Professor (with tenure), Family Studies, appointed Director, University of Kentucky Center for Kentucky Children and Families Research, effective 8/16/91.

C. REAPPOINTMENTS

College of Engineering

Jawahir, Ibrahim S., Associate Professor (without tenure), Mechanical Engineering, 7/1/91 through 6/30/93.

D. RETIREMENTS

Vice Chancellor for Administration

O'Nan, Sidney P. Jr., Senior Administrative Assistant, WUKY, after 9.75 consecutive years of service, under Section III.B of AR II-1.6-1, effective 9/30/91.

E. POST-RETIREMENT APPOINTMENTS

College of Agriculture

Doss, Sandra D., Account Clerk VI (part-time), Animal Sciences, 8/1/91 through 10/31/91.

II. ADMINISTRATIVE ACTION

A. ACADEMIC APPOINTMENTS

College of Architecture

Barry, Michael P., Assistant Professor (part-time),
8/16/91 through 5/15/92.

College of Arts and Sciences

Buskirk, Robert D., Assistant Professor (temporary),
Mathematics, 8/16/91 through 12/31/91.

Cooper, Scott A., Instructor (temporary), Computer
Science, 8/16/91 through 5/15/92.

Lopes, Milton, Assistant Professor (temporary),
Mathematics, 1/1/92 through 5/15/92.

McBride, Kim A., Adjunct Assistant Professor,
Anthropology, 7/1/91 through 6/30/93.

Scarry, C. Margaret, Adjunct Assistant Professor,
Anthropology, 7/1/91 through 6/30/93.

Smith, Jeffery Alan, Assistant Professor, Military
Science, 7/1/91 through 6/30/95.

Stanley, Gregory K., Instructor (part-time), History,
8/16/91 through 12/31/91.

Walker, Katrina, Assistant Professor (temporary),
Philosophy, 8/16/91 through 12/31/91.

Wilson, Roger R., Instructor (part-time), Political
Science, 8/16/91 through 12/31/91.

College of Communications

Aldy, Carol B., Instructor (part-time), Communication,
8/16/91 through 12/31/91.

Birklehoff, Hallie K., Instructor (part-time),
Communication, 8/16/91 through 12/31/91.

Davis, Woody L., Instructor (part-time), Communication,
8/16/91 through 12/31/91.

Howerton, Jeffrey S., Instructor (part-time),
Communication, 8/16/91 through 12/31/91.

College of Education

Al-Khatib, Anisa, Instructor (part-time), Educational
and Counseling Psychology, 8/16/91 through 12/31/91.

College of Fine Arts

Dalton, Steve, Instructor (part-time), Art, 8/16/91
through 12/31/91.

Gentry, Ted, Instructor (part-time), Music, 8/16/91
through 12/31/91.

Kachingwe, Michael T., Assistant Professor*, Theatre,
8/16/91 through 6/30/92.
Lugo, Noemi, Assistant Professor*, Music, 8/16/91
through 6/30/92.
Martin, Deborah G., Instructor (part-time), Theatre,
8/16/91 through 12/31/91.
McTier, David Allan, Instructor (temporary), Theatre,
8/16/91 through 5/15/92.
Neuwalder, Janet, Instructor (part-time), Art, 8/16/91
through 12/31/91.
Roughen, William, Instructor (part-time), Art, 8/16/91
through 12/31/91.
Sweet, Lynn, Instructor (part-time), Art, 8/16/91
through 12/31/91.
Veiga, Suzanne B., Instructor (part-time), Music,
8/16/91 through 12/31/91.

College of Human Environmental Sciences

Wright, M. Theresa, Instructor (voluntary), Nutrition
and Food Science, 8/16/91 through 5/15/92.

College of Social Work

Elliott, Willie L., Assistant Professor* (part-time),
8/16/91 through 5/15/92.
Nelson, Carla, Assistant Professor* (part-time), 8/16/91
through 5/15/92.

B. ADMINISTRATIVE APPOINTMENTS

College of Engineering

Walker, John N., Professor (with tenure), Agricultural
Engineering, College of Agriculture, appointed
Acting Director, Center for Robotics and
Manufacturing Systems, 8/12/91 through 6/30/92.

Office of the Chancellor

Henning, William T., Museum Curator, University Art
Museum, effective 7/15/91.

C. REAPPOINTMENTS

College of Architecture

Whitney, John S., Assistant Professor (part-time),
8/16/91 through 5/15/92.

College of Arts and Sciences

Adelski, Elizabeth, Adjunct Assistant Professor,
Anthropology, 7/1/91 through 6/30/93.
Appleton, Thomas H., Instructor (part-time), History,
8/16/91 through 12/31/91.
Barnes, Linda H., Instructor (part-time), German,
8/16/91 through 12/31/91.
Einerson, Martha J., Instructor (part-time), Women's
Studies, 8/16/91 through 12/31/91.
Jones, E. Roger, Adjunct Assistant Professor,
Philosophy, 7/1/91 through 6/30/93.
Krueger, John, Instructor (part-time), German, 8/16/91
through 12/31/91.

College of Business and Economics

Cooley, Edward L., Instructor (part-time), Management,
8/16/91 through 5/15/92.
Lansill, John Scott Jr., Instructor (part-time),
Finance, 8/16/91 through 5/15/92.
Miller, Herbert, Instructor (part-time), Management,
8/16/91 through 5/15/92.
Myers, L.W., Instructor (part-time), Management, 8/16/91
through 5/15/92.

College of Communications

Herbener, Gerald F., Instructor (part-time),
Communication, 8/16/91 through 12/31/91.

College of Education

Stilwell, Doris, Instructor (part-time), Educational and
Counseling Psychology, 8/16/91 through 12/31/91.

College of Engineering

Yount, William R., Instructor (part-time), Electrical
Engineering, 8/16/91 through 5/15/92.

College of Fine Arts

Bloomfield, Philip J., Instructor (part-time), Art,
8/16/91 through 12/31/91.
Fратиanni, Joseph, Instructor (part-time), Music,
8/16/91 through 5/15/92.
Greenberg, Nicholas, Instructor (part-time), Music,
8/16/91 through 5/15/92.
Knight, Stephen, Instructor (part-time), Art, 8/16/91
through 12/31/91.
Mendes, Guy, Instructor (part-time), Art, 8/16/91
through 12/31/91.

Osborn, Susan, Instructor (part-time), Art, 8/16/91 through 12/31/91.

Slade, Susan, Instructor (part-time), Art, 8/16/91 through 12/31/91.

D. PROMOTIONS WITHOUT TENURE

College of Business and Economics

Park, Gonyung, from Instructor, Economics, to Assistant Professor, Economics, 8/16/91 through 6/30/92.

Vishwasrao, Sharmila, from Instructor, Economics, to Assistant Professor, Economics, 8/16/91 through 6/30/92.

E. CHANGES

College of Business and Economics

Wallace, Marc J., from Professor (with tenure), Management, to Professor (part-time), Management, 8/16/91 through 5/15/92.

F. LEAVES OF ABSENCE

College of Agriculture

Welch, Martha Jean, County Extension Agent, Cooperative Extension Service, Study leave with full salary, 1/13/92 through 7/12/92.

Wooten, Glenna Sue, County Extension Agent, Cooperative Extension Service, Study leave with full salary, 1/1/92 through 6/30/92.

College of Engineering

Leigh, Donald C., Professor (with tenure), Engineering Mechanics, Sabbatical leave with full salary, Spring Semester 1992.

College of Human Environmental Sciences

Glauert, Howard P., Associate Professor (with tenure), Nutrition and Food Science, Sabbatical leave with full salary, Spring Semester 1992.

MEDICAL CENTER

I. BOARD ACTION

A. ACADEMIC APPOINTMENTS

College of Allied Health Professions

Porter, Julia D., Assistant Professor, Health Services, 9/1/91 through 6/30/92.

College of Dentistry

Kronmiller, Jan E., Assistant Professor, Oral Health Practice, 8/1/91 through 6/30/92.

College of Medicine

Atchison, James W., Assistant Professor, Rehabilitation Medicine, 8/1/91 through 6/30/92.

Coyne, Carolyn, Assistant Professor*, Pathology, 7/15/91 through 6/30/92.

Foster, Karen P., Clinical Assistant Professor, Medicine, 8/1/91 through 6/30/92.

Haglund, Birgit L., Assistant Professor, Rehabilitation Medicine, 8/1/91 through 6/30/92.

Iaquinto, John M., Assistant Professor, Surgery, 8/15/91 through 6/30/92.

Lord, Laura, Instructor (part-time), Pediatrics, 8/1/91 through 6/30/92.

Perry, Robert Donald, Assistant Professor, Microbiology and Immunology, 8/1/91 through 6/30/92.

Rie, Michael A., Associate Professor (without tenure), Anesthesiology, joint appointment as Associate Professor (without tenure), Surgery, 7/1/91 through 6/30/92.

B. ADMINISTRATIVE APPOINTMENTS

College of Dentistry

Cox, Penny D., named Director of Administrative Affairs/Assistant Dean, effective 8/1/91.

C. ADMINISTRATIVE REAPPOINTMENTS

College of Nursing

Weaver, Diana J., Assistant Professor (Adjunct Title Series), named Assistant Dean for Clinical Affairs, University Hospital, 7/1/91 through 6/30/92.

*Special Title Series

D. JOINT APPOINTMENTS

College of Dentistry

Dembo, Jeffrey B., Assistant Professor*, Oral Health Practice, joint appointment as Assistant Professor*, College of Medicine, Department of Anesthesiology, also joint appointment as Assistant Professor*, College of Medicine, Department of Surgery, 7/1/91 through 6/30/92.

Gonty, Arthur A., Associate Professor (with tenure), Oral Health Practice, joint appointment as Associate Professor (without tenure), College of Medicine, Department of Surgery, effective 7/1/91.

Hall, Matthew B., Professor (with tenure), Oral Health Practice, joint appointment as Professor (without tenure), College of Medicine, Department of Surgery, effective 7/1/91.

Marciani, Robert D., Professor (with tenure), Oral Health Practice, joint appointment as Professor (without tenure), College of Medicine, Department of Surgery, effective 7/1/91.

E. REAPPOINTMENTS

College of Nursing

Brown, Lynda N., Associate Professor* (without tenure), 7/1/91 through 6/30/92.

Hazzard, Mary E., Associate Professor (Adjunct Title Series), 7/1/91 through 6/30/92.

Hickman, Margaret J., Associate Professor*, (without tenure), 7/1/91 through 6/30/92.

F. PROMOTIONS

College of Medicine

McCubbin, James A., Associate Professor (with tenure), Behavioral Science, joint appointment as Assistant Professor, College of Arts and Sciences, Department of Psychology, to Associate Professor (with tenure), Behavioral Sciences, joint appointment as Associate Professor (without tenure), College of Arts and Sciences, Department of Psychology, effective 8/1/91.

G. RETIREMENTS

University Hospital

Coffey, James H., Manager, Environmental Services, after 28.5 consecutive years of service, under AR II-1.6-1 Section III.A.2, effective 9/27/91.

Thomas, Phyllis E., Nurse Anesthetist, Anesthesia, after 15.5 consecutive years of service, under AR II-1.6-1 Section III.A.2, effective 10/31/91.

*Special Title Series

H. POST-RETIREMENT APPOINTMENTS

College of Medicine

Parks, Harold F., Professor (without tenure), Anatomy and Neurobiology, 9/1/91 through 12/31/91.
Sandifer, Myron G., Professor (without tenure) (part-time), Psychiatry, 7/1/91 through 6/30/92.

II. ADMINISTRATIVE ACTION

A. ACADEMIC APPOINTMENTS

College of Allied Health Professions

Biehl, Clara, Clinical Instructor (voluntary), Clinical Sciences, 7/31/91 through 6/30/94.
Crawford, Susan, Clinical Instructor (voluntary), Clinical Sciences, 8/5/91 through 6/30/94.
Crook, Scott, Clinical Instructor (voluntary), Clinical Sciences, 8/8/91 through 6/30/94.
Gray, Larry W., Assistant Professor (voluntary), Health Services, 9/1/91 through 6/30/94.
Kamrath, Karol G., Clinical Instructor (voluntary), Clinical Sciences, 8/5/91 through 6/30/94.
Koch, Susan L., Clinical Instructor (voluntary), Clinical Sciences, 7/1/91 through 6/30/94.
Pauly, Julie A., Clinical Instructor (voluntary), Clinical Sciences, 6/1/91 through 6/30/94.
Priem, Susan M., Clinical Instructor (voluntary), Clinical Sciences, 7/1/91 through 6/30/94.
Robinson, Roger, Clinical Instructor (voluntary), Clinical Sciences, 8/5/91 through 6/30/94.
Schrag, Mary Jo, Clinical Instructor (voluntary), Clinical Sciences, 8/5/91 through 6/30/94.
Strawhun, Mary Elizabeth, Clinical Instructor (voluntary), Clinical Sciences, 8/5/91 through 6/30/94.
Todd, Nancy C., Clinical Instructor (voluntary), Clinical Sciences, 8/5/91 through 6/30/94.
Wessel, Brenda, Clinical Instructor (voluntary), Clinical Sciences, 7/1/91 through 6/30/94.
Will, Kimberly K., Clinical Instructor (voluntary), Clinical Sciences, 8/5/91 through 6/30/94.

College of Dentistry

Cordero, Rafael Eduardo, Assistant Professor, Oral Health Practice, 8/1/91 through 1/31/92.
Haydon, Ben S., Assistant Professor (part-time), Oral Health Practice, 8/1/91 through 6/30/92.
Theiss, B. Lynn, Assistant Professor (part-time), Oral Health Practice, joint appointment as Assistant Professor (part-time), Oral Health Science, 8/1/91 through 6/30/92.

*Special Title Series

College of Nursing

Clements, Patricia L., Instructor (temporary) (part-time), 8/1/91 through 6/30/92.

Ryan, Patricia, Instructor (temporary) (part-time), 8/1/91 through 6/30/92.

College of Pharmacy

Magnuson, Barbara L., Assistant Professor (Adjunct Title Series), 8/5/91 through 6/30/92.

B. ADMINISTRATIVE APPOINTMENTS

University Hospital

Hallmark, Patricia L. Cluff, named Director of Marketing, effective 8/12/91.

C. REAPPOINTMENTS

College of Allied Health Professions

Blitz, Mary K., Clinical Instructor (voluntary), Clinical Sciences, 7/1/91 through 6/30/94.

Boers, Carol K., Clinical Instructor (voluntary), Clinical Sciences, 7/1/91 through 6/30/94.

Bursch, Susan G., Clinical Instructor (voluntary), Clinical Sciences, 7/1/91 through 6/30/94.

Cohen, Laura, Clinical Instructor (voluntary), Clinical Sciences, 7/1/91 through 6/30/94.

Eggart, John S., Clinical Instructor (voluntary), Clinical Sciences, 7/1/91 through 6/30/94.

Glauber, Susan, Clinical Instructor (voluntary), Clinical Sciences, 7/1/91 through 6/30/94.

Hoyerman, Carol, Clinical Instructor (voluntary), Clinical Sciences, 7/1/91 through 6/30/94.

Jones, Marvin Lamar, Clinical Instructor (part-time), Clinical Sciences, 7/1/91 through 6/30/92.

LaRue, Roland E., Clinical Instructor (voluntary), Clinical Sciences, 7/1/91 through 6/30/94.

O'Daniel, William E., Jr., Clinical Instructor (voluntary), Clinical Sciences, 7/1/91 through 6/30/94.

Omer, Linda, Clinical Instructor (voluntary), Clinical Sciences, 7/1/91 through 6/30/94.

Overholt, Stephanie, Clinical Instructor (voluntary), Clinical Sciences, 7/1/91 through 6/30/94.

Pryba, Carol, Clinical Instructor (voluntary), Clinical Sciences, 7/1/91 through 6/30/94.

San Roman, Nancy, Clinical Instructor (voluntary), Clinical Sciences, 7/1/91 through 6/30/94.

Staup, Sylvia, Clinical Instructor (voluntary), Clinical Sciences, 7/1/91 through 6/30/94.
Tapp, William T., Clinical Instructor (voluntary), Clinical Sciences, 7/1/91 through 6/30/94.
Tharp, Deborah, Clinical Instructor (voluntary), Clinical Sciences, 7/1/91 through 6/30/94.

College of Dentistry

Goes, Robert L., Clinical Instructor (voluntary), Oral Health Science, 7/1/91 through 6/30/94.
Hampton, William E., Assistant Professor (part-time), Oral Health Practice, joint appointment as Assistant Professor (part-time), Oral Health Science, 7/1/91 through 6/30/92.
Moore, Andrew, Clinical Instructor (voluntary), Oral Health Science, 7/1/91 through 6/30/94.
Upchurch, Adele, Clinical Assistant Professor (voluntary), Oral Health Practice, 7/1/91 through 6/30/94.

College of Medicine

Crase, James D., Assistant Professor (voluntary), Family Practice, 7/1/91 through 6/30/94.

College of Nursing

Ashbrook Adkins, Debra, Instructor (temporary) (part-time), 7/1/91 through 6/30/92.
Bailey, Ellen K., Assistant Professor*, 7/1/91 through 6/30/92.
Berry, Ruth D., Clinical Assistant Professor, 7/1/91 through 6/30/92.
Buckles, Diane B., Instructor (temporary) (part-time), 7/1/91 through 6/30/92.
Burnette, Mary E., Instructor (voluntary), 7/1/91 through 6/30/94.
Caldwell, Hedwine F., Instructor (voluntary), 7/1/91 through 6/30/94.
Cantrall, Janice M., Instructor (voluntary), 7/1/91 through 6/30/94.
Castle, Annette Y., Assistant Professor (voluntary), 7/1/91 through 6/30/94.
Combs, Ruth A., Instructor (voluntary), 7/1/91 through 6/30/94.
Combs, Phyllis A., Instructor (voluntary), 7/1/91 through 6/30/94.
Davis, Lois A., Instructor (voluntary), 7/1/91 through 6/30/94.
Drerup, Patricia M., Instructor (voluntary), 7/1/91 through 6/30/94.
Farley, Pamela B., Instructor (voluntary), 7/1/91 through 6/30/94.
Free, Teresa A., Assistant Professor*, 7/1/91 through 6/30/92.
Friel, Margaret, Instructor (temporary) (part-time), 7/1/91 through 6/30/92.

*Special Title Series

Missing page(s)

D. CHANGES

College of Allied Health Professions

Brasseur, Jeannette, from Assistant Professor, Clinical Sciences, to Assistant Professor*, Clinical Sciences, 8/1/91 through 6/30/92.

College of Medicine

Hammons, Stanley, from Professor* (with tenure), Psychiatry, to Professor (without tenure) (part-time), Psychiatry, 7/1/91 through 6/30/92.

Rogers, Anita G., from Assistant Professor (part-time), Emergency Medicine, to Assistant Professor*, Emergency Medicine, 8/1/91 through 6/30/92.

Woods, Sheila H., from Instructor (voluntary), Pediatrics, to Assistant Professor (temporary) (part-time), Pediatrics, 7/8/91 through 8/19/91.

Wrightson, Michelle E., from Clinical Assistant Professor, Medicine, to Assistant Professor (part-time), 7/1/91 through 6/30/92.

College of Nursing

Calvert, Paula S., from Instructor (temporary), to Instructor, (temporary) (part-time), 7/1/91 through 6/30/92.

E. LEAVES OF ABSENCE

College of Dentistry

Gonty, Arthur A., Associate Professor (with tenure), Oral Health Practice, joint appointment as Associate Professor (without tenure), College of Medicine, Department of Surgery, sabbatical leave at full salary, 1/1/92 through 3/31/92.

College of Medicine

Mier, Richard J., Associate Professor* (with tenure), Pediatrics, sabbatical leave at full salary, 1/1/92 through 6/30/92.

*Special Title Series

Office of the President
September 17, 1991

PR 4 A

Members, Board of Trustees:

APPOINTMENT OF VICE CHANCELLOR, ACADEMIC AFFAIRS
COMMUNITY COLLEGE SYSTEM

Recommendation: that Dr. Anthony L. Newberry be named Vice Chancellor of Academic Affairs, Community College System, effective November 1, 1991.

Background: Following the appointment of Dr. Ben W. Carr, Jr. as Chancellor of the Community College System, a search was conducted by the Chancellor to seek qualified candidates for the position of Vice Chancellor of Academic Affairs, Community College System.

Dr. Newberry has a bachelor's degree from Emory & Henry College in Virginia, a master's degree and a doctorate from Ohio University. He has served as a faculty member at Jefferson Community College from September, 1976 through December, 1985, Dean of Academic Affairs at Southeast Community College from January, 1986 through June, 1987, and President of Ashland Community College from July, 1987 until the present. Dr. Newberry will continue to serve as President of Ashland Community College until a new President is appointed.

Dr. Newberry brings successful community college administrative experience and higher education teaching experience to the position of Vice Chancellor of Academic Affairs. He has an excellent understanding of the role of a comprehensive community college and has demonstrated the academic and leadership skills required for the position of Vice Chancellor of Academic Affairs, Community College System.

Action taken: Approved ☒ Disapproved _____ Other _____

Date: September 17, 1991

Office of the President
September 17, 1991

PR 6A

Members, Board of Trustees:

NEW ACADEMIC DEGREE

Recommendation: that the Board of Trustees authorize the award of the new degree of Master of Science in Communication Disorders to those students who satisfactorily complete the requirements for that degree as approved by the University Senate.

Background: Changes in the University's existing master's program in Communication Disorders were approved by the University Senate on April 8, 1991. The administration of this degree program has been transferred from the College of Education to the College of Allied Health Professions. The University Senate also approved, effective August 25, 1991, that the title of the degree associated with the program be changed from the Master of Science in Education or Master of Arts in Education to the Master of Science in Communication Disorders. The new degree title is deemed to be much more appropriate for the program.

Action taken: Approved ☒ Disapproved ☐ Other ☐

Date: September 17, 1991

1:69

Office of the President
September 17, 1991

PR 6 B

Members, Board of Trustees:

APPOINTMENTS TO UNIVERSITY HOSPITAL OF THE
ALBERT B. CHANDLER MEDICAL CENTER, INC.
BOARD OF DIRECTORS

Recommendation: that approval be given to (1) the appointment of Mrs. Edythe Jones Hayes as a member of the Board of Directors of the University Hospital of the Albert B. Chandler Medical Center, Inc. for a term to expire on May 1, 1992. Mrs. Hayes will replace Judge Julia K. Tackett.; and (2) the appointment of Mr. C. Frank Shoop as a member of the Board of Directors of the University Hospital of the Albert B. Chandler Medical Center, Inc. for a term to expire December 31, 1996. Mr. Shoop will replace Mr. Jerome A. Stricker.

Background: According to the Bylaws of the University Hospital of the Albert B. Chandler Medical Center, Inc., the Board of Directors shall consist of five (5) members appointed by the Board of Trustees from among their number.

Action taken: Approved ☒ Disapproved ☐ Other ☐

Date: September 17, 1991

/7304

Office of the President
September 17, 1991

FCR 1

Members, Board of Trustees:

Disposal of Personal Property

Recommendation: that the Board of Trustees approve the disposition of surplus equipment as described in Exhibit I.

Background: KRS 164A.575 requires that the governing Board sell or otherwise dispose of all personal property which is not needed by the institution. The Board will be provided with a description of the property, the reason why the disposal should be effected, and the method of disposition.

Action taken: Approved ☒ Disapproved ☐ Other ☐

Date: September 17, 1991

UNIVERSITY OF KENTUCKY

SALE OF SURPLUS LIBRARY BOOKS

Type of Disposal: Fixed price.

Reason: Items are outdated and damaged.

Sale Date: September 27-28, 1991.

Items: Approximately 12,000 volumes.

SALE OF SURPLUS PAGING EQUIPMENT

Institution: Motorola Communication - Lexington

Type of Disposal: Negotiable bid.

Reason: Items are surplus to the needs of the University. Items would be valuable as spare parts to service equipment at the University by the contractor.

Items:

<u>Description</u>	<u>Catalog Number</u>
MC6809P	51-5706G04
MC6809P	51-5706G04
Power Supply	NPM-6069A
Power Amp Tube	65-833828D02
Power Amp Tube	65-833828D02
Module	TRN-4853BA
Module	TRN-4856B
Module	TRN-5347A
Board	TRN-4859A
Module	TLN-4638A
Decoder	TLN-2376A
Exciter	TLD-5322B
SNK	TLN-5705A
Transistor	48-869302
Transistor RF	48-869624
Transistor RF	48-869622
Transistor RF	48-869623
Controller	NLN-7805A
Fast Sync	NLN-7817B1
Tone Binary TCU	NLN-9216A

Office of the President
September 17, 1991

FCR 2

Members, Board of Trustees:

DESIGNATION OF DEPOSITORY BANK

Recommendation: that the Board of Trustees designate Wachovia Bank and Trust Company, N.A. to serve as a depository bank for the University of Kentucky Health Profession and Nursing Student Loans. Wachovia is authorized and requested to honor and to deposit in the name of the University of Kentucky checks, drafts, and other orders for the payment of money received in the University's behalf by Wachovia, and Wachovia is further authorized and requested to periodically transfer such funds of the University on deposit with Wachovia by electronic wire service, or other appropriate means, for payment to the University or deposit in the account of the University of Kentucky, Bank One, Lexington, N.A., Bank One Plaza, Lexington, Kentucky 40507, account number 137-506-6, as more fully instructed in writing by Henry Clay Owen, Controller and Treasurer.

The provisions of this resolution shall remain in full force and effect until specifically rescinded or modified by resolution of the University and a certified copy of such resolution has been filed with Wachovia Bank and Trust Company, N.A.

Background: To comply with Federal Banking Regulations, K.R.S. 41.070, and K.R.S. 164A.560 the Board of Trustees must designate depository banks serving the University of Kentucky. A previous resolution of September 17, 1968 authorized Wachovia to establish an account for National Defense Student Loans.

Action taken: Approved ☒ Disapproved ☐ Other ☐

Date: September 17, 1991

Office of the President
September 17, 1991

FCR 3

Members, Board of Trustees:

ACCEPTANCE OF AUDIT REPORT
FOR THE UNIVERSITY OF KENTUCKY FOR 1990-91

Recommendation: that the Board of Trustees accept the University of Kentucky financial statements for the year ended June 30, 1991, consisting of the Consolidated Balance Sheet, Consolidated Statement of Changes in Fund Balances, Consolidated Statement of Current Funds Revenues, Expenditures and Other Changes, Summary of Significant Accounting Policies, and Notes to the Financial Statements.

Background: The Finance Committee of the University of Kentucky has reviewed the consolidated financial statements for the year ended June 30, 1991, which have been audited by Coopers & Lybrand, Certified Public Accountants. The consolidated financial statements are presented on a comparative basis for fiscal years 1989-90 and 1990-91, and include the financial operations 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, Inc., University of Kentucky Business Partnership Foundation, Inc., University of Kentucky Humanities Foundation, Inc., University of Kentucky Equine Research Foundation, Inc., University of Kentucky Center on Aging Foundation, Inc., and Health Care Collection Service, Inc.

Action taken: Approved ✓ Disapproved _____ Other _____

Date: September 17, 1991

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Trustees of the
University of Kentucky

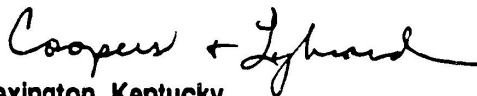
and

the Secretary of Finance and
Administration Cabinet of the
Commonwealth of Kentucky

We have audited the accompanying consolidated balance sheet of the University of Kentucky (an agency of the Commonwealth of Kentucky) and affiliated corporations as of June 30, 1991, and the related consolidated statements of changes in fund balances and current funds revenues, expenditures, and other changes for the year then ended. We previously audited and reported on the consolidated financial statements of the University for the year ended June 30, 1990, for which condensed statements are presented for comparative purposes only. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the University of Kentucky and affiliated corporations as of June 30, 1991 and the consolidated changes in fund balances and current funds revenues, expenditures, and other changes for the year then ended in conformity with generally accepted accounting principles.



Lexington, Kentucky
August 23, 1991

CONSOLIDATED BALANCE SHEET
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
JUNE 30, 1991
with comparative totals at June 30, 1990
(in thousands)

	1991					1990
	Current Funds	Loan Funds	Endowment Funds	Plant Funds	Totals	Totals
ASSETS						
Cash and cash equivalents	\$ 67,034	\$ 2,402	\$ 184	\$ 145,955	\$ 215,575	\$ 156,979
Notes, loans, and accounts receivable (less bad debt allowances of \$6,116 in 1991 and \$5,522 in 1990)	60,757	15,936		1,565	86,258	74,392
Investments	44,457		81,087	72,983	198,527	200,004
Property, plant, and equipment				934,301	934,301	855,365
Inventories and other	11,621				11,621	10,831
Total Assets	\$ 191,869	\$ 18,338	\$ 81,271	\$ 1,154,804	\$ 1,446,282	\$ 1,297,601
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 19,276			\$ 7,697	\$ 26,973	\$ 20,477
Accrued expense	20,247			4,224	24,471	21,198
Employee withholdings and deposits	5,776				5,776	11,599
Other liabilities	1,350			2,052	3,402	2,461
Liability for self insurance	18,008				18,008	15,907
Deferred income	9,441				9,441	8,348
Bonds payable				320,615	320,615	271,696
Capital lease obligations				37,949	37,949	22,684
Total Liabilities	74,098			372,537	446,635	374,370
Interfund Balances	4,141			(4,141)		
Fund Balances						
Current-Unrestricted						
Working capital	60,472				60,472	50,624
Future operations	19,002				19,002	23,295
Other	566				566	3,508
Current-Restricted	33,590				33,590	32,363
Loan						
Unrestricted		\$ 94			94	95
Restricted		3,457			3,457	3,702
U.S. Government		14,787			14,787	14,179
Endowment						
True			\$ 47,926		47,926	41,950
Term			3,454		3,454	1,068
Quasi			29,891		29,891	29,898
Plant						
Unrestricted allocated for designated projects				66,872	66,872	73,798
Restricted				33,317	33,317	28,043
Net investment in plant				686,219	686,219	620,708
Total Fund Balances	113,630	18,338	81,271	766,408	999,647	923,231
Total Liabilities and Fund Balances	\$ 191,869	\$ 18,338	\$ 81,271	\$ 1,154,804	\$ 1,446,282	\$ 1,297,601

The accompanying summary of significant accounting policies and notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCES
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE YEAR ENDED JUNE 30, 1991
(in thousands)

	1991				
	Current Funds	Loan Funds	Endowment Funds	Plant Funds	Totals
REVENUES AND OTHER ADDITIONS					
Unrestricted current fund revenues	\$ 552,184				\$ 552,184
Gifts	11,895	\$ 7	\$ 6,256	\$ 4,764	22,922
Endowment and investment income	6,563	593	972	9,430	17,563
Endowment gains and losses			952		952
Grants and contracts	83,778	562		3,967	88,307
Plant facilities transferred to investment in plant (including \$22,636 charged to current expenditures)				56,774	56,774
Retirement of indebtedness				14,404	14,404
Other sources	230			245	475
Total Revenues	754,655	1,162	8,180	89,584	853,581
EXPENDITURES AND OTHER DEDUCTIONS					
Unrestricted current fund expenditures	591,916				591,916
Restricted current fund expenditures	96,524				96,524
Plant facilities transferred to investment in plant				39,569	39,569
Noncapitalized expenditures				1,152	1,152
Retirement of indebtedness				13,969	13,969
Interest on indebtedness				19,038	19,038
Arbitrage rebate				1,040	1,040
Disposal of plant facilities				12,865	12,865
Other deductions		872		220	1,092
Total Expenditures	688,440	872		87,853	777,165
TRANSFERS AMONG FUNDS - ADDITIONS/(DEDUCTIONS)					
Mandatory:					
Debt service					
Educational and general	(23,303)			23,303	
Hospital and clinics	(2,191)			2,191	
Auxiliary enterprises	(2,164)			2,164	
Lease payments - Educational and general	(1,633)			1,633	
Matching grants	(53)	53			
Total Mandatory Transfers	(29,344)	53		29,291	
Net Increase Before Nonmandatory Transfers	35,871	343	8,180	31,022	76,416
Nonmandatory:					
Plant					
Educational and general	(11,819)			11,819	
Hospital	(18,985)			18,985	
Auxiliary enterprises	(2,033)			2,033	
Endowment and other	(194)	19	175		
Total Nonmandatory Transfers	(33,031)	19	175	32,837	
Net increase for the year	3,840	362	8,355	63,859	76,416
Fund Balances, June 30, 1990	109,790	17,976	72,916	722,549	923,231
Fund Balances, June 30, 1991	\$ 113,630	\$ 18,338	\$ 81,271	\$ 786,408	\$ 999,647

The accompanying summary of significant accounting policies and notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CURRENT FUNDS
REVENUES, EXPENDITURES AND OTHER CHANGES
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE YEAR ENDED JUNE 30, 1991
with comparative totals for June 30, 1990
(in thousands)

	1991			1990
	Unrestricted	Restricted	Total	Total
REVENUES				
Educational and general				
Student tuition and fees	\$ 76,032		\$ 76,032	\$ 67,511
Government appropriations				
Federal	14,195		14,195	15,065
State	285,015		285,015	252,648
County	4,682		4,682	3,862
Government grants and contracts				
Federal	312	\$ 54,637	54,949	51,483
State	2,280	16,981	19,241	14,105
Private gifts and grants	2,341	20,459	22,800	23,693
Indirect cost reimbursement	9,603		9,603	8,952
Endowment income	755	4,561	5,316	5,372
Investment income	8,894	951	9,845	10,380
Sales and services	25,104		25,104	20,256
Other sources	116	139	255	572
Total educational and general	429,309	97,728	527,037	473,899
Hospital and clinics	175,102		175,102	131,029
Auxiliary enterprises	47,773	24	47,797	44,835
Total Revenues	652,184	97,752	749,936	649,763
EXPENDITURES				
Educational and general				
Instruction	171,576	8,707	180,383	159,574
Research	38,864	38,866	77,730	72,295
Public service	52,778	14,420	67,198	58,847
Libraries	13,287	98	13,385	11,920
Academic support	31,415	1,951	33,366	29,705
Student services	17,964	222	18,186	16,724
Institutional support	33,068	957	34,025	28,315
Operation and maintenance	32,781	131	32,912	29,726
Student financial aid	9,646	28,491	38,137	30,312
Other expenses		165	165	96
Total educational and general	401,479	94,008	495,487	437,614
Hospital and clinics	147,899		147,899	119,110
Auxiliary enterprises	42,539	2,516	45,055	40,670
Total Expenditures	591,917	96,524	688,441	597,394
Mandatory Transfers:				
Debt service				
Educational and general	21,862	1,441	23,303	21,087
Hospital and clinics	2,191		2,191	1,603
Auxiliary enterprises	2,164		2,164	2,152
Lease payments - Educational and general	1,633		1,633	366
Matching grants	266	(213)	53	57
Total Expenditures and Mandatory Transfers	620,033	97,752	717,785	622,689
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS)				
Nonmandatory Transfers:				
Plant fund				
Educational and general	(8,438)	(3,381)	(11,819)	(12,945)
Hospital and clinics	(18,985)		(18,985)	(10,604)
Auxiliary enterprises	(2,033)		(2,033)	(2,924)
Endowment and other	(73)	(121)	(194)	(91)
Excess restricted receipts over transfer to revenues		4,720	4,720	960
Total Other Transfers and Deductions	(29,529)	1,218	(28,311)	(25,604)
Net Increase/(Decrease) in Fund Balances	\$ 2,622	\$ 1,218	\$ 3,840	\$ 1,470

The accompanying summary of significant accounting policies and notes are an integral part of the consolidated financial statements.

UNIVERSITY OF KENTUCKY

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Scope of Statements

The consolidated financial statements of the University of Kentucky include the operations of the University and its affiliated corporations as follows: 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, Inc.; Health Care Collection Service, Inc.; University of Kentucky Mining Engineering Foundation, Inc.; University of Kentucky Business Partnership Foundation, Inc.; University of Kentucky Equine Research Foundation, Inc.; University of Kentucky Humanities Foundation, Inc.; and Center on Aging Foundation, Inc.

Accrual Basis

The financial statements of the University have been prepared on the accrual basis of accounting.

Fund Accounting

The University maintains its accounts and reports its financial transactions in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. Funds that have similar characteristics are combined for reporting purposes into fund groups.

Within each fund group, fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes by action of the Board of Trustees. The Board retains full control over allocated fund balances to use in achieving its institutional purposes.

Restricted gifts, grants, appropriations, endowment income and other restricted resources are accounted for in the appropriate restricted funds. Restricted current funds are reported as revenues and expenditures when expended for current operating purposes.

Endowment funds are subject to the restrictions of gift instruments requiring in perpetuity that the principal be invested and the income only be utilized. The endowment funds are principally restricted. Term endowment funds are similar to endowment funds except that upon the passage of a stated period of time or the occurrence of a particular event, all or part of the principal may be expended as well. Quasi-endowment funds are established by the Board for the same general purposes as endowment funds, and any portion may be expended.

Ordinary income derived from investments, notes receivable, and the like, is accounted for in the fund owning the assets, except that income derived from investments of endowments and similar funds and the majority of current restricted funds is accounted for in the fund to which the income is designated.

All unrestricted revenue is accounted for in the unrestricted fund.

Current Funds

The statement of current funds revenues, expenditures, and other changes is a summary of financial activities of current funds related to the current reporting period.

To the extent that current funds are used to finance plant asset acquisitions the amounts are accounted for as: (1) expenditures, in the case of replacement of movable equipment and library books; (2) mandatory transfers in the case of required provisions for debt amortization and interest; and (3) a transfer of a nonmandatory nature for all other cases.

The Board allocates unrestricted current funds fund balances for specific purposes. These purposes include: (a) working capital needs of the University (including the hospital, the housing and dining system, and auxiliary enterprises); (b) certain unrestricted income from private sources; and (c) budget appropriations for future operating purposes.

Investments

Investments are stated at cost or, in the case of gifts, at market value at the date of donation.

Inventories

Inventories are stated principally at the lower of average cost or market.

Liability for Self-Insurance

The University self-insures certain employee benefits to the extent not covered by insurance carriers. Current fund expenditures include claims paid by the University and an estimated liability for asserted claims at the end of the year.

The University and its agents are insured against medical malpractice by a combination of self-insurance and an excess liability fund established by the Commonwealth of Kentucky. As of June 30, 1991, the University has a malpractice liability reserve of \$15,221,240. To the extent judgements may exceed the reserve and excess liability insurance coverages, the Commonwealth of Kentucky has made provision for such excesses.

The University has established a 501(c)(9) trust with the Commerce National Bank, Lexington, as trustee, to administer a self-funded long term disability income program. The University remits premiums to the Trust for purposes of paying claims and establishing necessary reserves.

Land, Buildings, and Equipment-Depreciation

Land, land improvements, buildings and equipment are stated at cost at date of acquisition or, in the case of gifts, at fair market value at date of gift except for the following: (1) the University has title to certain tracts of land which were either donated or purchased at a nominal price with no book value assigned to these properties; and (2) buildings acquired prior to June 30, 1958, were recorded at appraised value of \$33,000,000 at that date. In conformity with college and university accounting practices, no provision is made for depreciation of buildings and equipment.

NOTES TO FINANCIAL STATEMENTS

1. Investments

A comparison of the carrying value and approximate market value of the University's investments is shown below:

	(In Thousands)	
	<u>Carrying Value</u>	<u>Approximate Market Value</u>
June 30, 1991		
Type of investment		
United States Government	\$159,379	\$163,571
State and municipal bonds	175	175
Corporate bonds	18,021	18,549
Certificates of deposit	509	509
Common stocks	9,362	11,370
Real property and mineral rights	1	1
Money market instruments	11,074	11,074
Other	6	6
	<u>\$198,527</u>	<u>\$205,255</u>
Fund group		
Current unrestricted	\$ 3,444	\$ 3,490
Current restricted	41,013	41,527
Endowment	81,087	84,790
Plant	72,983	75,448
	<u>\$198,527</u>	<u>\$205,255</u>

Investments of \$42,039,803 are held by the University or its agents in the University's name and \$156,486,956 of investments by the University's trustees.

The University has cash or cash equivalents deposited in local bank accounts of which \$443,310 is insured by FDIC and \$92,622,334 is in U.S. Government/agency repurchase agreements.

2. Investment in Plant

The major components of investment in plant as of June 30, 1991 are as follows:

	(In Thousands)
Land and improvements	\$ 45,430
Buildings and structures	543,612
Equipment and library books	329,220
Construction in progress	16,039
	<u>\$ 934,301</u>

3. Bonds Payable

Bonds payable at June 30, 1991, consisted of the following:

	(In Thousands)	
	<u>Outstanding</u>	<u>Current Maturities 1991-92</u>
Lexington Campus:		
Consolidated Educational Buildings		
Revenue Bonds, Series C-L, and refunding issues		
G, H, I, issued 1970 to 1991, maturities to 2011,		
interest rates 3.0% to 8.45% (including fully		
funded issues outstanding of \$29,510,000 at		
interest rates 6.75% to 9.3%, of which \$18,200,000 will		
be called in 1993, \$11,310,000 will be called in 1996).	\$156,445	\$ 6,260
Consolidated Housing and Dining		
System Revenue Bonds, Series B-G, and I-L issued		
1965 to 1986, maturities to 2018, interest rates		
2.75% to 7.0% (including fully funded issue outstanding		
of \$473,000 at interest rates 3.0% to 3.25%, maturities		
to 1995).	26,758	1,418
Other, issued 1956 to 1968, maturities to 1998, interest		
rates 4.0% to 5.4%.	297	53
Hospital Revenue Bonds, Series A, issued 1986, maturities		
to 2006, interest rates 6.2% to 8.0%.	20,375	670
Community Colleges:		
Consolidated Educational Building		
Revenue Bonds, Series A-H, and refunding issue D, issued		
1969 to 1991, maturities to 2011, interest rates 3.0% to		
7.5% (including fully funded issue outstanding of		
\$6,990,000 interest rates 8.0% to 10.2%, of which \$6,840,000		
will be called in 1993).	116,740	3,490
Total	<u>\$320,615</u>	<u>11,891</u>
Interest		
Fully funded issues		3,350
Other issues		<u>17,461</u>
Total debt service for 1991-92		<u>\$32,702</u>

The aggregate amount of maturities for the next five years is as follows:

	(In Thousands)		
	Fully Funded Issues	Other Issues	Total
1992	\$ 263	\$11,628	\$11,891
1993	25,156	12,356	37,512
1994	120	13,133	13,253
1995	124	13,950	14,074
1996	11,310	14,827	26,137

All bonds are callable by the University at various rates ranging from 100% to 103% of face value after ten years from issuance.

The fully funded bond issues totaling \$36,973,000 at June 30, 1991 are funded by investments which are on deposit with the bond trustees. Income on these investments will be allocated to pay current indebtedness.

Revenues from student housing and dining facilities, certain other auxiliary enterprises, hospital and student fees are pledged for the retirement of the bonds. Further, all bonds, with the exception of Hospital Revenue Bonds, Series A, are collateralized by land and buildings.

4. Capital Lease Obligations

The University has utilized capital leases to acquire the following: Football stadium, \$11,624,071; life safety improvements to buildings, \$16,749,104; and various items of equipment, \$36,892,897.

The minimum future lease payments on the capital lease obligations, which are principally with the Commonwealth of Kentucky, are as follows:

	(In Thousands)
1992	\$ 7,036
1993	9,147
1994	7,513
1995	3,850
1996-2011	<u>25,268</u>
Total	52,814
Less: Amount representing interest	<u>(14,865)</u>
Present value of net minimum lease payment	<u>\$37,949</u>

5. Funds Held in Trust by Others

The University is the income beneficiary of various trusts which are held and controlled by independent trustees. For the years ended June 30, 1991 and 1990, the University received from these trusts income amounting to \$954,351 and \$922,776, respectively. The University has no equity interest in the principal of the trusts which, accordingly, is recorded at a nominal value of \$1 each. The 1991 income received

from these funds is recorded in the current unrestricted fund for \$365,623 and in the current restricted fund for \$588,728.

6. Pension Plans

Regular full-time employees, including faculty, are participants in the University of Kentucky Retirement Plan. The University of Kentucky Retirement Plan consists of five groups as follows:

- | | |
|-----------|--|
| Group I | Established July 1, 1964, for faculty and certain administrative officials. |
| Group II | Established July 1, 1971, for staff members in the clerical, technical and service categories. |
| Group III | Established July 1, 1972, for staff members in the managerial, professional and scientific categories. |
| Group IV | Established January 1, 1973, for staff members having U.S. Civil Service Retirement entitlement. |
| Group V | Established July 1, 1987, for staff members covered under the Federal Employees Retirement System that replaced Civil Service (those whose employment began during the period from January 1, 1984 to March 31, 1987). Staff members whose employment began after March 31, 1987 are under one of the above University of Kentucky Retirement Plans. |

Participation in the University of Kentucky Retirement Plan in groups I, II, and III is mandatory for all faculty and staff members, age 30 and older, who have completed one year of service. Participation is voluntary to age 30 (after completion of one year of service). Participation in groups IV and V is voluntary.

The University has authorized three retirement plan carriers, effective July 1, 1988, as follows:

Teachers Insurance and Annuity Association/College
Retirement Equities Fund (TIAA/CREF)
Fidelity Institutional Services Company
Twentieth Century Investors, Inc.

Under these fully funded group retirement plans, the University and plan participants make annual contributions to provide fully vested retirement benefits to employees upon retirement. The University's share of costs for these plans was \$24,124,363 and \$19,931,645 for 1991 and 1990, respectively. The University makes retirement contributions to the U.S. Civil Service for certain Cooperative Extension Service Employees in the College of Agriculture. These contributions amounted to \$1,236,548 and \$1,125,518 for 1991 and 1990, respectively.

In addition to retirement benefits provided from the group retirement plans, the University provides supplemental retirement income benefits to certain eligible employees in each of the retirement groups (see Note 7).

7. Minimum Annual Retirement Benefits and Supplemental Retirement Income

Employees in retirement groups I, II and III who were age 40 or older prior to the date of establishment of each group plan, and who were employed by the University prior to that date, qualify for the minimum annual retirement benefit provisions of the retirement plan. Benefits for these eligible employees are based upon a percentage, determined through years of service, of the participant's annual salary in the last year of employment prior to retirement. Retirement benefits as determined are funded by each individual retiree's accumulation in the group retirement plan, with the balance, if necessary, provided by the University as supplemental retirement income.

The costs of supplemental retirement income benefits are not accrued but are recognized when payments are made to retirees. Supplemental retirement benefit payments were approximately \$4,339,000 for 1991 and \$4,050,000 for 1990. The projected estimate of annual payments for supplemental retirement benefits for each of the next five fiscal years is as follows:

	(In Thousands)
1992	4,316
1993	4,290
1994	4,240
1995	4,170
1996	4,078

The Legislature of the Commonwealth of Kentucky has appropriated funds to the University for the payment of supplemental retirement income benefits since adoption of the group retirement plans, and is expected to continue this practice, however the Constitution of the Commonwealth of Kentucky prohibits the commitment of future revenues beyond the end of the current biennium.

Accordingly, the University does not recognize the liability for supplemental retirement income benefits during the service life of covered employees, but recognizes its costs when funds are appropriated by the Legislature and payments are made.

The University intends to continue paying supplemental retirement income benefits contingent upon the Legislature continuing to appropriate funds required to make these payments.

The latest actuarial valuation was prepared as of June 30, 1990 by TIAA. The actuarial present value of vested and non-vested accumulated supplemental retirement income benefits as determined by this valuation, utilizing an assumed rate of return of 8%, was \$34,503,000.

8. Health Insurance Benefits for Retirees

The University provides health care benefits to retirees who have a minimum of fifteen years service. The University recognizes the cost of providing those benefits by expensing the insurance premiums in the

year paid. These premiums were \$1,176,991 and \$976,206 for the years ended June 30, 1991 and 1990, respectively.

9. Construction Commitments

Estimated cost to complete construction under contract at June 30, 1991 is approximately \$12,138,659. Such construction is principally financed by Commonwealth of Kentucky appropriations and long-term bonds payable.

10. Contingencies

The University is defendant in several lawsuits, however University officials are of the opinion, based on advice of in-house legal counsel, that the ultimate outcome of all litigation will not have a material effect on the future operations or financial position of the University beyond the amounts already provided.

11. Pledges

Pledges from the University of Kentucky Fellows totaling approximately \$5,602,200, primarily for various restricted uses, are expected to be collected over the next ten years.

Pledges to the affiliated corporations are as follows: University of Kentucky Business Partnership Foundation, Inc., \$2,236,180 expected to be collected over the next four years; and \$113,500 to the Center on Aging Foundation, Inc. expected to be collected over the next ten years. Deferred gifts through insurance, known bequests and irrevocable trusts in which the University has a remainder interest are estimated to be at least \$19,000,000.

It is not practical to estimate the net realizable value of such pledges and deferred gifts.

12. Grants and Contracts Awarded

At June 30, 1991, grants and contracts of \$53,146,500 had been awarded to the University and the University of Kentucky Research Foundation but not expended. These amounts will be recognized in future periods as revenues and expenditures as the funds are expended.

13. Reclassifications

Certain account classifications for fiscal 1990 have been reclassified to reflect comparability with account classifications adopted for fiscal 1991 with no effect on previously reported fund balances.

Office of the President
September 17, 1991

FCR 4

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 new lease between Hazard Community College and Hazel Green Christian Church, Inc., P. O. Box 66, Hazel Green, Kentucky, property located in Hazel Green, Floyd County, Kentucky, effective September 17, 1991 through September 16, 1993, for the use of office, classroom, dormitory and gymnasium space, rental rate of \$25,000.00, be accepted and made a matter of record.

A new lease between Elizabethtown Community College and Breckinridge County Board of Education, P. O. Box 148, Hardinsburg, Kentucky, space located in the Breckinridge County High School, Hardinsburg, Kentucky, effective August 28, 1991 through August 27, 1992, for the use of classroom space, rental rate of \$100.00 per classroom per semester according to utilized space, be accepted and made a matter of record.

Background: FCR dated October 5, 1985, authorized the President or his designated representative to enter into leases and easements not exceeding \$30,000.00 in value and required that all leases entered into under this authority be reported to the Board.

Action taken: Approved ☒ Disapproved ☐ Other ☐

Date: September 17, 1991

FCR 5

MEMBERS, BOARD OF TRUSTEES:

1991-92 Budget Revisions
Central Administration

Recommendation: that the following revisions in the 1991-92 budget be authorized and approved.

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
A. <u>GENERAL FUND</u>			
1. Income Estimates			
Student Fees			
Registration Fees			
Summer Session			
- Community College System	\$ 1,686,300	\$ 1,753,500	\$ 67,200
Off-Campus and Weekend			
Instruction - Community			
College System	3,208,200	3,508,000	299,800
Noncredit Fees	6,173,400	6,351,400	178,000
Gifts and Grants			
Federal - Agriculture	381,500	458,500	77,000
Other Gifts and Grants	2,123,500	2,154,200	30,700
Sales and Services			
Departmental Sales and Services	13,777,600	14,307,900	<u>530,300</u>
			\$ 1,183,000
2. Expenditures			
Community College System			
Ashland	5,677,200	5,678,200	1,000
Elizabethtown	5,666,600	5,707,600	41,000
Hazard	3,895,400	3,956,500	61,100
Henderson	3,536,400	3,543,900	7,500
Hopkinsville	3,979,800	4,183,100	203,300
Jefferson	16,502,500	16,539,500	37,000
Lexington	8,937,000	8,938,000	1,000
Madisonville	4,164,100	4,205,100	41,000
Maysville	3,067,200	3,068,200	1,000
Owensboro	4,128,100	4,176,000	47,900
Paducah	5,305,500	5,337,200	31,700
Prestonsburg	5,114,900	5,195,100	80,200
Somerset	4,678,000	4,714,000	36,000
Southeast	4,180,700	4,184,100	3,400
Lexington Campus			
Agricultural Cooperative Extension Service			
Assistant Director			
- Agriculture Programs	278,800	320,800	42,000
Plant Pathology	309,100	344,100	35,000

	Approved Budget	Revised Budget	Change
A. <u>GENERAL FUND</u> (Continued)			
2. Expenditures (continued)			
Lexington Campus (continued)			
College of Education			
Administration (Education Reform Conference)	\$ 761,500	\$ 791,500	\$ 30,000
Center for Professional Development	211,000	384,800	173,800
Medical Center			
College of Dentistry			
Department of Oral Health Practice	3,872,700	3,899,600	26,900
College of Medicine			
Obstetrics and Gynecology	681,200	726,200	45,000
Pathology	984,100	1,059,300	75,200
Research and Graduate Studies			
Academic Affairs			
Center for Applied Energy Research	3,553,000	3,578,000	25,000
Institute for Mining and Minerals Research	296,500	335,000	38,500
Kentucky Geological Survey - Program Support	1,885,300	1,953,200	67,900
Academic Support			
Shared Use Facilities	52,100	52,700	600
University-Wide			
Other Staff Benefits	1,599,200	1,629,200	30,000
			<u>\$ 1,183,000</u>

3. Comments - The increase in summer registration fees supports enrollment growth at Hazard, Henderson, Hopkinsville, Jefferson and Owensboro community colleges. The increase in off-campus and weekend instruction supports enrollment increases at Hazard, Hopkinsville, Prestonsburg and Somerset community colleges. The increase in noncredit fees supports noncredit activities at Elizabethtown, Hazard, Madisonville and Owensboro community colleges. The increase in federal agriculture gifts and grants supports activities in the Agricultural Cooperative Extension Service. The increase in other gifts and grants supports student activities at Paducah Community College. The increase in departmental sales and services supports community college programs and activities in the Lexington Campus's College of Education; Medical Center's College of Dentistry and College of Medicine; Research and Graduate Studies' Center for Applied Energy Research, Institute for Mining and Minerals Research, Kentucky Geological Survey, and Shared Use Facilities; and University-Wide's Wellness program.

	Approved Budget	Revised Budget	Change
B. <u>RESTRICTED FUNDS</u>			
1. Income Estimates	\$55,374,100	\$55,934,400	\$ 560,300
2. Expenditures			
Community College System			
Ashland	523,900	533,900	10,000
Hazard	161,600	218,600	57,000
Henderson	343,800	345,300	1,500
Hopkinsville	372,000	443,200	71,200
Somerset	144,600	150,500	5,900

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
B. <u>RESTRICTED FUNDS</u> (continued)			
2. Expenditures (continued)			
Information Systems			
Libraries	\$ 304,200	\$ 304,700	\$ 500
Lexington Campus			
Agricultural Experiment Station			
Agricultural Engineering	108,000	118,400	10,400
Agricultural Cooperative Extension			
Animal Sciences	28,900	42,900	14,000
Field Programs	2,800	6,200	3,400
College of Business and Economics			
Scholarships	21,400	33,600	12,200
College of Engineering			
Center for Robotics and Manufacturing Systems	7,800	10,800	3,000
Minority Affairs			
Scholarships	11,700	13,700	2,000
Chancellor			
Scholarships	47,000	47,800	800
Medical Center			
College of Dentistry			
College-Wide	90,100	114,700	24,600
Department of Oral Health Practice	112,100	112,800	700
College of Medicine			
Preventive Medicine and Environmental Health	8,700	31,800	23,100
Research and Graduate Studies			
Tobacco and Health Research Institute	2,886,100	3,206,100	320,000
			\$ 560,300

3. Comments - Income restricted for the purposes indicated above will fund the proposed additional program activities.

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
C. <u>AUXILIARY SERVICES</u>			
1. Income Estimates	\$36,226,500	\$36,257,200	\$ 30,700
2. Expenditures			
Community College System			
Paducah	550,000	580,700	30,700

3. Comments - The proposed expenditure increases will be supported by additional income generated by the respective auxiliary operations.

Action taken: Approved ☒ Disapproved ☐ Other ☐

Date: September 17, 1991

Office of the President
September 17, 1991

FCR 6

Members, Board of Trustees:

STRATEGIC PLAN
AND
BIENNIAL REQUEST 1992-94

Recommendation: that the Strategic Plan, the Six Year Capital Plan (1990-96), the Information Resources Plan and the Biennial Budget Request 1992-94, which includes both the operating and capital request, be approved for submission to the Council on Higher Education for review and recommendation to the Governor of the Commonwealth.

Background: The Strategic Plan and supporting land use, capital and information resources plans clarify the mission and direction of the University; the Biennial Request has been developed so as to accomplish the goals and objectives established within the Strategic Plan. The Biennial Request 1992-94 includes both the operating and capital request for the University and meets the guidelines for state operating appropriation and capital projects requests 1992-94 as developed by the Council on Higher Education pursuant to Kentucky Revised Statute Chapter 164. During the 1990 legislative session, the General Assembly enacted legislation requiring all state agencies to develop six-year capital and information resources plans which are also included within the accompanying document.

Action taken: Approved ☒ Disapproved ☐ Other ☐

Date: September 17, 1991

Office of the President
September 17, 1991

FCR 7

Members, Board of Trustees:

Acceptance of Gift From
The U. S. Department of Education

Recommendation: that the Board of Trustees accept the gift of \$1,000,002 from the U. S. Department of Education.

Background: The U. S. Department of Education granted to the Hazard Community College a \$1,000,002 gift for its successful completion of the Endowment Challenge Campaign Fund in February, 1991. By agreement, Hazard Community College was required to raise \$500,001 for its permanent endowment to be matched on a 2:1 ratio by the U. S. Department of Education.

Provisions of the gift from the U. S. Department of Education require that a term-endowment be established for a period of twenty years, during which fifty percent of investment income shall be added to the principal of the term-endowment. The remaining fifty percent of income may be used to support operations of the Hazard Community College. After the twenty year term endowment period, the University may use the original gift plus accumulated interest income added to principal for any educational purpose.

The Hazard Community College Endowment Challenge Campaign was Phase I of The Campaign for Hazard Community College. Phase II will involve raising the necessary funds to build a new Student, Performing Arts and Regional Conference Center on the Hazard campus.

Action taken: Approved ✓ Disapproved _____ Other _____

Date: September 17, 1991

Office of the President
September 17, 1991

FCR 8

Members, Board of Trustees:

THE ROSENTHAL ENDOWED CHAIR IN MANAGEMENT INFORMATION SYSTEMS

Recommendation: that the Board of Trustees name the Endowed Chair in Management Information Systems the ROSENTHAL ENDOWED CHAIR IN MANAGEMENT INFORMATION SYSTEMS.

Background: A \$750,000 fund drive for the establishment of the chair was launched in 1985 by a \$250,000 challenge gift from Warren Rosenthal. The campaign generated a current endowment in excess of \$930,000, or \$180,000 more than the original goal. This success can be attributed in large part to Mr. Rosenthal's initial gift and his support of and participation in the entire fund-raising campaign. The naming of the chair is a deserved recognition of his support in this endeavor, as well as his many other financial and personal contributions to the College of Business and Economics and the University.

Action taken: Approved ☒ Disapproved ☐ Other ☐

Date: September 17, 1991

Office of the President
September 17, 1991

FCR 9

Members, Board of Trustees:

FIELD HOUSE PROJECT FUNDING

Recommendation: that the Board, pursuant to the recommendation of the University of Kentucky Athletics Board, approve the allocation of gifts received for the Field House project, Blue-White restricted gifts in the amount of \$1,900,000, and Blue-White quasi-endowment funds in an amount up to \$6,200,000 to fund the Field House project in the total amount of \$8,500,000.

Background: The Field House Facility has an estimated scope of \$8,500,000, and the plan is for it to be funded with private gifts for the Field House project of \$3,500,000 and available Blue-White Funds of \$5,000,000.

Blue-White Funds represent restricted gifts to the University of Kentucky for the use and benefit of the intercollegiate athletics programs. The Board of Directors of the University of Kentucky Athletics Association (UKAA) has approved the \$8,500,000 project and recommended the use of Blue-White Funds and Blue-White quasi-endowment funds as needed for construction of the Field House Facility.

Cash gifts of \$400,000 have been received to date in support of the Field House, and pledges spread over several years amount to an additional \$2,400,000. It is anticipated that additional gifts and pledges for the Field House of at least \$700,000 will be forthcoming.

The requested transfers of \$1,900,000 from the Blue-White restricted fund and \$6,200,000 from the Blue-White quasi-endowment fund will provide the necessary cash flows to allow construction to proceed on a timely basis.

It is expected that \$4,100,000 of the funds transferred from the Blue-White quasi-endowment fund will be restored as pledge commitments are met and by the transfer of excess revenues from Blue-White restricted gifts and UKAA operating balances in the next several years.

Action taken: Approved ☒ Disapproved ☐ Other ☐

Date: September 17, 1991

Office of the President
September 17, 1991

FCR 10

Members, Board of Trustees:

RESOLUTION OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY ACCEPTING THE SUCCESSFUL BID FOR THE PURCHASE OF \$11,250,000 PRINCIPAL AMOUNT OF UNIVERSITY OF KENTUCKY COMMUNITY COLLEGES EDUCATIONAL BUILDINGS REVENUE BONDS, SERIES I, DATED SEPTEMBER 1, 1991

Recommendation: (i) that the Board of Trustees approve a Resolution accepting the successful bid of Griffin, Kubik, Stephens & Thompson, Inc. with reference to the sale of the \$11,250,000 of University of Kentucky Community Colleges Educational Buildings Revenue Bonds, Series I, dated September 1, 1991, at a net interest cost of 6.506853%; (ii) that the Board of Trustees approve the form of Official Statement as prepared by Seasongood & Mayer, the Financial Advisors to the Board of Trustees.

Background: On August 20, 1991, the Board of Trustees approved a Resolution authorizing the issuance of \$11,250,000 of University of Kentucky Community Colleges Educational Buildings Revenue Bonds, Series I, dated September 1, 1991. Said Resolution also authorized the public advertising for sealed, competitive bids to be received on September 17, 1991. Bids were reviewed by the Finance Committee and the recommended bid is the lowest net interest cost to the University.

Four bids were received and tabulated as follows:

Griffin, Kubik, Stephens & Thompson, Inc.	6.5068%
Merrill Lynch & Co.	6.5152%
Robinson-Humphrey Co., Inc.	6.5308%
John Nuveen & Co.	6.5526%

Action: Approved ☒ Disapproved ☐ Other ☐

Dated: September 17, 1991

SALE RESOLUTION

RESOLUTION OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY ACCEPTING THE SUCCESSFUL BID FOR THE PURCHASE OF \$11,250,000 PRINCIPAL AMOUNT OF UNIVERSITY OF KENTUCKY COMMUNITY COLLEGES EDUCATIONAL BUILDINGS REVENUE BONDS, SERIES I, DATED SEPTEMBER 1, 1991.

WHEREAS, Notice of Sale of \$11,250,000 principal amount of University of Kentucky Community Colleges Educational Buildings Revenue Bonds, Series I, dated September 1, 1991, has heretofore been advertised, and information as to such sale has been distributed in strict compliance with all legal requirements, which action is hereby authorized, ratified and confirmed, and

WHEREAS, all bids received for the purchase of said Bonds from the University have been duly considered, copies of such bids are attached to this Resolution, and made a part hereof, and a summary of said respective bids is as follows:

<u>BIDDERS</u>	<u>INTEREST RATES</u>	<u>AMOUNTS BID FOR SAID BONDS, PLUS ACCRUED INTEREST FROM SEPTEMBER 1, 1991</u>	<u>NET INTEREST COST</u>
Griffin, Kubik, Stephens & Thompson, Inc.,	1992-1998 6.25 1999-2007 6.30 2008-2011 6.40	\$11,025,000.00	\$8,973,926.67 6.506853%
Merrill Lynch & Co.	1992 4.80 1993 5.00 1994 5.20 1995 5.40 1996 5.60 1997 5.70 1998 5.80 1999 5.90 2000 6.00 2001 6.10 2002 6.20 2003-2004 6.30 2005 6.40 2006-2011 6.50	\$11,025,102.45	\$8,985,439.22 6.5152%

<u>BIDDERS</u>	<u>INTEREST RATES</u>	<u>AMOUNTS BID FOR SAID BONDS, PLUS ACCRUED INTEREST FROM SEPTEMBER 1, 1991</u>		<u>NET INTEREST COST</u>	
Robinson-Humphrey Co., Inc.	1992	4.60	\$11,025,000.00	\$9,007,058.33	6.5308%
	1993	4.80			
	1994	5.10			
	1995	5.30			
	1996	5.50			
	1997	5.60			
	1998	5.75			
	1999	5.80			
	2000	5.90			
	2001	6.00			
	2002	6.10			
	2003	6.25			
	2004	6.30			
	2005	6.40			
	2006-2008	6.50			
	2009-2011	6.60			
John Nuveen & Co.	1992	4.50	\$11,025,000.00	\$9,037,141.67	6.5526%
	1993	4.90			
	1994	5.10			
	1995	5.30			
	1996	5.45			
	1997	5.65			
	1998	5.80			
	1999	6.00			
	2000	6.05			
	2001	6.10			
	2002	6.20			
	2003	6.30			
	2004	6.40			
	2005-2009	6.50			
	2010-2011	6.60			

WHEREAS, the matter of which bid is the most advantageous and with the most favorable net interest cost to the University has been sufficiently considered, and

WHEREAS, a form of Official Statement, as prepared by Seasongood & Mayer, the Fiscal Agent for the Board of Trustees, has been presented to the Board of Trustees for approval;

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED AND ORDERED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY, AS FOLLOWS:

Section 1. Determination of Best Bid; Acceptance. That the bid of Griffin, Kubik, Stephens & Thompson, Inc., for the purchase of said \$11,250,000 principal amount of University of Kentucky Community Colleges Educational Buildings Revenue Bonds, Series I, dated September 1, 1991, be accepted and confirmed, said bid being at a price of \$11,025,000.00 for said \$11,250,000 principal amount of Bonds, plus accrued interest from September 1, 1991, to the date of delivery of the Bonds, such interest to be payable semiannually at the following annual rates:

<u>Maturing May 1</u>	<u>Maturity Amount</u>	<u>Rate</u>	<u>Maturing May 1</u>	<u>Maturity Amount</u>	<u>Rate</u>
1992	\$295,000	6.25 %	2002	\$535,000	6.30 %
1993	310,000	6.25 %	2003	570,000	6.30 %
1994	330,000	6.25 %	2004	610,000	6.30 %
1995	350,000	6.25 %	2005	650,000	6.30 %
1996	370,000	6.25 %	2006	700,000	6.30 %
1997	390,000	6.25 %	2007	750,000	6.30 %
1998	415,000	6.25 %	2008	800,000	6.40 %
1999	440,000	6.30 %	2009	860,000	6.40 %
2000	470,000	6.30 %	2010	920,000	6.40 %
2001	500,000	6.30 %	2011	985,000	6.40 %

and being a bid at an average net interest cost to the University of 6.506853 % per annum; and said bid is hereby determined to be the best bid and with the most favorable net interest cost to the University for said Bonds; and the interest rates on said Bonds are hereby fixed at the rates set out in said successful bid.

Section 2. All Other Bids Rejected; Return of Good Faith Checks of Unsuccessful Bidders. That all other bids are hereby rejected, and the Treasurer of the University is ordered to return the good faith checks of unsuccessful bidders immediately. The good faith check of the successful purchaser will be cashed by the University and credited (without interest) against the purchase price of the Bonds.

Section 3. Delivery of Bonds; Application of Proceeds. That said Bonds shall be delivered by the Treasurer and/or other appropriate officials of the University in accordance with the

terms of the Resolution authorizing the Bonds, adopted by the University on August 20, 1991, as soon as said Bonds are printed, executed, authenticated and ready for delivery in accordance with such Resolution, and all of the proceeds of the Bonds shall be used only as provided in said Resolution.

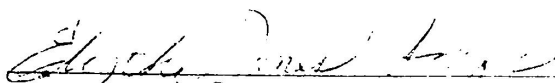
Section 4. Acceptance of Bid is Subject to Approving Legal Opinion of Bond Counsel. That said bid is accepted subject to the condition that such acceptance subjects the University to no obligation to deliver the Bonds if for any reason the University is unable to obtain the final approving legal opinion of the firm of Rubin Hays & Foley, Municipal Bond Attorneys, Louisville, Kentucky, as to said Bonds, or if such Bonds shall be subject to ad valorem taxation by the Commonwealth of Kentucky, or if the receipt of interest on said Bonds shall be subject to income taxation by the Federal Government or by the Commonwealth of Kentucky, prior to or on the delivery date of said Bonds; and the purchasers shall not be required to take delivery of said Bonds without the final approving opinion of said attorneys accompanying said Bonds, or if said Bonds or the interest thereon should become subject to such ad valorem or income taxation prior to such delivery; provided such exemption from taxation shall be subject to compliance by the Board of Trustees with certain covenants necessary to establish that interest on the Bonds will continue to be exempt from Federal income taxation under the Internal Revenue Code of 1986.

Section 5. That the form of Official Statement prepared and presented to the Board of Trustees by Seasongood & Mayer for distribution to prospective purchasers of the Series I Bonds is hereby approved and the Chairman and Secretary are authorized and directed to execute and deliver said Official Statement.

Section 6. Repeal of Conflicting Resolutions. That all resolutions, or parts thereof, in conflict herewith, be and the same are hereby amended or repealed to the extent of such conflict, and this Resolution shall be effective immediately upon its adoption.

Passed and adopted by the Board of Trustees of the University of Kentucky at a properly convened meeting of the University held on September 17, 1991.


Chairman

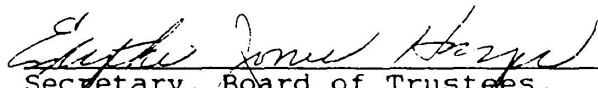

Secretary

CERTIFICATE

I hereby certify that I am the duly qualified and acting Secretary of the Board of Trustees of the University of Kentucky, and I certify further as follows:

- (1) That the foregoing is a true copy of a Resolution adopted by said Board at a properly convened meeting of said Board held on September 17, 1991, as shown by the official records of said University in my custody and under my control;
- (2) That there are attached hereto reproduced duplicate copies of each of the bids received for the purchase of \$11,250,000 principal amount of University of Kentucky Community Colleges Educational Buildings Revenue Bonds, Series I, dated September 1, 1991, referred to in said Resolution;
- (3) That there is attached hereto the form of Official Statement for the Series I Bonds approved by the foregoing Resolution; and
- (4) That said meeting was duly 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, that said Resolution has not been modified, amended, revoked or repealed, and that same is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature as Secretary and the official seal of said University this September 17, 1991.


Secretary, Board of Trustees,
University of Kentucky

(Seal)

Office of the President
September 17, 1991

FCR 11

Members, Board of Trustees:

A RESOLUTION AUTHORIZING THE ISSUANCE OF \$9,755,000 OF UNIVERSITY OF KENTUCKY CONSOLIDATED EDUCATIONAL BUILDINGS REVENUE BONDS, SERIES M, DATED OCTOBER 1, 1991, OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY

Recommendation: that the Board of Trustees approve a Resolution authorizing the issuance of \$9,755,000 of University of Kentucky Consolidated Educational Buildings Revenue Bonds, Series M, dated October 1, 1991.

The Resolution authorizes the issuance of \$9,755,000 of Series M Bonds for the purpose of financing (i) a new Lexington Community College Building, and (ii) a new Animal Diagnostic Laboratory, constituting the Series M Project upon the campus of the University in Fayette County in the Commonwealth of Kentucky, which addition will, when completed, become part of the University of Kentucky Consolidated Educational Buildings Project of the University (the "Series M Project").

The Resolution also approves a Notice of Bond Sale, Official Terms and Conditions of Sale of Bonds, Bid Form and preliminary form of Official Statement, all contemplating that the Bonds be sold on the advice of the Fiscal Agent, Seasongood & Mayer, in the month of October on a date to be selected.

Background: The University presently has outstanding thirteen series of University of Kentucky Consolidated Educational Buildings Project Revenue Bonds, Series C, D, E, F, G, G (Second Series), H, H (Second Series), I, I (Second Series), J, K and L, all secured by a pledge of the Revenues (registration fees) and by a statutory mortgage lien against all of the buildings of the Project. These Series M Bonds are issued for the purpose of financing (a) the Series M Project identified above, (b) the funding of the Required Debt Service Reserve, and (c) the cost of issuance of the Series M Bonds. The Bond Resolution approves the appointment of the First Security National Bank & Trust Company, Lexington, Kentucky, as Trustee, Bond Registrar, Transfer Agent, Payee Bank and Depository Bank, with respect to these Bonds, provides for the execution 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 M Bonds will rank on a parity with the outstanding Series C through L Bonds and the Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds.

Action: Approved ☒ Disapproved ☐ Other ☐

Dated: September 17, 1991

September 17, 1991

SERIES M PROJECT

Lexington Community College Building	\$4,800,000
Animal Diagnostic Laboratory	3,815,000
Bond Discount	195,100
Cost of Issuance	50,000
Debt Service Reserve	894,835
Contingency	<u>65</u>
Total	\$9,755,000

RESOLUTION AUTHORIZING THE ISSUANCE

OF

\$9,755,000

OF

UNIVERSITY OF KENTUCKY
CONSOLIDATED EDUCATIONAL BUILDINGS REVENUE BONDS,
SERIES M,
DATED OCTOBER 1, 1991,

OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY

I N D E X

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RESOLUTION

A RESOLUTION AUTHORIZING THE ISSUANCE OF \$9,755,000 OF UNIVERSITY OF KENTUCKY CONSOLIDATED EDUCATIONAL BUILDINGS REVENUE BONDS, SERIES M, DATED OCTOBER 1, 1991, OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY.

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 thirteen prior issues of Bonds designated "University of Kentucky Consolidated Educational Buildings Revenue Bonds, Series C, Series D (Refunding), Series E, Series F, Series G, Series H, Series I, Series J, Series K and Series L" (all of the Series A and Series B Bonds having been retired), and "University of Kentucky Consolidated Educational Buildings Refunding Revenue Bonds, Series G (Second Series), Series H (Second Series) and Series I (Second Series), the Series G (Second Series) and Series H (Second Series) Bonds having been issued to defease on May 1, 1993, the Series G and Series H Bonds scheduled to mature on May 1, 1994 through 2003, and the Series I (Second Series) Bonds having been issued to defease on May 1, 1996, the Series I Bonds scheduled to mature on May 1, 1997 through 2006; 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 M Bonds (authorized herein) on a basis of parity and

equality as to security and source of payment with such outstanding Bonds of Series C, D (Refunding), E, F, G, H, I, J, K, L and G (Second Series), H (Second Series) and I (Second Series) (hereinafter the "Series C through L Bonds"); 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 Revenue Bonds, Series M," ranking on a parity with said Series C through L 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 M Resolution. This Resolution (the "Series M 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 M Resolution as such terms are given in said Article of the Basic Resolution.

B. In this Series M Resolution, unless the context shall indicate otherwise, the following terms shall have the following respective meanings:

"ALL BONDS" or "OUTSTANDING BONDS" refers to all bonds outstanding against and payable from the revenues of the Project, including (a) the Series C through L Bonds, plus (b) the Series M Bonds, and (c) any and all future Bonds ranking on a parity therewith.

"BASIC RESOLUTION" or "RESOLUTION" refers to 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" refers to 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 M Bonds, from time to time.

"BOND REGISTRAR," "REGISTRAR," "PAYEE BANK" or "TRANSFER AGENT" refers to the First Security National Bank & Trust Company, Lexington, Kentucky 40507, which shall constitute the Bond Registrar, Transfer Agent and Payee Bank, with respect to the Series M Bonds authorized herein, which Bank shall have the duties and responsibilities of (a) issuing semiannual checks in payment of interest requirements as to the Series M Bonds, (b) payment of the principal as same matures upon surrender of the Series M Bonds, (c) authenticating, issuing, and delivering the Series M Bonds to the Original Purchasers of same in accordance with the sale of the Series M 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 M Bonds, as hereinafter set out, and (f) serving as depository of all funds in connection with the Series M Bonds and All Bonds, as defined herein.

"CODE" refers to the Internal Revenue Code of 1986, as amended.

"DEBT SERVICE RESERVE" refers to the portion of the Bond Fund in excess of the aggregate principal, interest, and Bond Fund Charges of All 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.

"FINANCE CABINET" refers to the Finance and Administration Cabinet of the Commonwealth of Kentucky or its successor by whatever name designated.

"FISCAL AGENT" refers to Seasingood & Mayer, 300 Mercantile Library Building, 414 Walnut Street, Cincinnati, Ohio 45202-3910.

"INTEREST PAYMENT DATE" refers to May 1 and November 1 of each year, commencing May 1, 1992.

"ORIGINAL PURCHASERS" or "PURCHASERS" refers to the original purchasers of the Series M Bonds at the public sale, including all members of the approved purchasing syndicate or group.

"PROJECT" refers to 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" shall mean 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" refers to the amount required at any given time to have been accumulated toward the goal of the "Required Debt Service Reserve," based on All Bonds outstanding, 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" refers to 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 maximum Aggregate Principal, Interest, and Bond Fund Charges falling due on All Bonds in any twelve month period.

"SECRETARY," "SECRETARY OF FINANCE CABINET" or "SECRETARY OF THE CABINET" refers to 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.

"SERIES M BONDS" or "THESE BONDS" shall mean the Bonds authorized by Article II of this Series M Resolution.

"SERIES M PROJECT" refers to (i) a new Lexington Community College Building, and (ii) a new Animal Diagnostic Laboratory, which Project is located in Fayette County, Kentucky, and is not a part of the separate Community Colleges Educational Buildings Project of the University.

"SERIES M RESOLUTION" or "THIS RESOLUTION" refers to this Resolution authorizing the Series M Bonds.

"TRUSTEE" or "TRUSTEE-REGISTRAR" refers to the First Security National Bank & Trust Company, Lexington, Kentucky, as more fully defined under "BOND REGISTRAR."

Section 1.3. Statutory Authority. This Series M 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.

ARTICLE II
AUTHORIZATION OF SERIES M BONDS

Section 2.1. Series M 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 fourteenth Series of Bonds in the aggregate principal amount of NINE MILLION SEVEN HUNDRED FIFTY-FIVE THOUSAND DOLLARS (\$9,755,000). Such Bonds shall be designate "University of Kentucky Consolidated Educational Buildings Revenue Bonds, Series M." Said Series M 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.

Section 2.2. Purpose of Issue. Said Series M Bonds are being issued for the purpose of (a) paying the costs (to the extent not otherwise provided from other funds, including projected investment income from the investment of the net proceeds of the Series M Bonds until expended) of establishing and constructing the Series M Project, as defined herein, upon property of the University in Fayette County, Kentucky, which Series M Project will, when constructed and established, become and constitute part of the Consolidated Educational Buildings Project of said University, and (b) funding the Required Debt Service Reserve, and (c) paying the costs of issuance of the Series M Bonds.

Section 2.3. Date and Maturities of Bonds. Except as set out in Section 2.5 hereof, the Series M Bonds shall be dated October 1, 1991, and bear interest payable on each Interest Payment Date (May 1 and November 1 of each year), commencing May 1, 1992. The Series M 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, as follows:

<u>Maturity Date</u> <u>May 1,</u>	<u>Principal</u> <u>Maturity</u>	<u>Maturity Date</u> <u>May 1,</u>	<u>Principal</u> <u>Maturity</u>
1992	\$265,000	2002	\$465,000
1993	280,000	2003	495,000
1994	295,000	2004	530,000
1995	310,000	2005	560,000
1996	325,000	2006	600,000
1997	345,000	2007	640,000
1998	365,000	2008	685,000
1999	390,000	2009	730,000
2000	410,000	2010	785,000
2001	440,000	2011	840,000

Section 2.4. Series M Bonds to be Issued as Fully Registered Bonds. The Series M 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 M Bond shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date on which such Series M Bond is authenticated by the Registrar, unless such Series M 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 M Bond is authenticated prior to the first Interest Payment Date, such Series M Bonds shall bear interest from October 1, 1991. Interest on the Series M Bonds shall be payable commencing May 1, 1992, 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 M Bonds shall be payable in lawful money of the United States of America as same respectively become due. The principal of each Series M Bond is payable upon surrender of same at the main office of the Payee Bank and Bond Registrar. Interest on the Series M 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 M 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 M 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 M 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 said 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 M 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 insertions, 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 M 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 M 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 M Bonds, the same as interest thereon.

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 form as that set out in Section 2.14 hereof.

All of the Series M 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 been 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 M Bonds maturing on and after May 1, 2002, shall be subject to redemption prior to maturity, at the option of the Board, on any Interest Payment Date on and after November 1, 2001, in inverse order of maturities and by lot within a single maturity, at the following redemption prices (expressed as a percentage of principal amount) plus accrued interest to the date of redemption, as follows:

<u>Redemption Dates, Inclusive</u>	<u>Redemption Price</u>
November 1, 2001 through May 1, 2002	102%
November 1, 2002 through May 1, 2003	101%
November 1, 2003, and thereafter to maturity	100%

(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 M 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 M 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 M 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 M Resolution and in Section 162.340, et seq., and 58.010 through 58.140 of the Kentucky Revised Statutes, the First Security National Bank & Trust Company, in the City of Lexington, Kentucky, is hereby designated as Trustee, Bond Registrar, Transfer Agent, and Payee Bank under the Basic Resolution and this Series M Resolution for the owners of all of said Series M Bonds, with the powers and duties set forth in the Basic Resolution and in this Series M Resolution and with no liability in connection with any action or omission to act under the Basic Resolution or under this Series M Resolution except for its own negligence or willful breach of trust. Execution of the Authentication Certificate of the Trustee-Registrar on the respective Series M 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 M Resolution.

Section 2.12. Security for Series M 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 All 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 M Bonds, ranking on a parity with the outstanding Series C through L Bonds.

All of the Series M Bonds are payable only from the Gross Revenues derived from the operation of the Project, ranking on a parity with the outstanding Series C through L Bonds, and the Series M Bonds shall not and do not constitute an indebtedness of the University of Kentucky or of its Board of Trustees or of the Commonwealth of Kentucky within the meaning of any provisions or limitations of the Constitution of the Commonwealth of Kentucky.

Section 2.13. Authentication of Bonds. No Series M 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 M Bonds.

Section 2.14. Form of Bonds. The aforesaid authorized issue of Series M Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
UNIVERSITY OF KENTUCKY
CONSOLIDATED EDUCATIONAL BUILDINGS REVENUE BOND
SERIES M

NUMBER R-_____

PRINCIPAL AMOUNT:
(DOLLARS)

DATE OF ORIGINAL ISSUE: INTEREST RATE:

CUSIP:

October 1, 1991

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 May 1, 1992, and semi-annually 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 the First Security National Bank & Trust Company, 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 \$9,755,000 principal amount of Bonds (said Bonds being hereinafter sometimes collectively referred to as "the Bonds," "these Bonds" or "the Series M 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 September 17, 1991, authorizing the Series M Bonds (the "Series M 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) the costs (to the extent not otherwise provided) of establishing and erecting certain educational buildings and necessary appurtenances (the "Series M Project"), upon the property of the University in Fayette County, Kentucky, which Series M Project buildings and appurtenant facilities will, when erected and acquired, become part of the Consolidated Educational Buildings Project of said University (the "Project"), (b) the amount necessary to fully fund the Required Debt Service Reserve, and (c) the costs of issuance of the Series M Bonds. Copies of the Basic Resolution and the Series M Resolution are on file at the office of the Trustee.

As provided in the Series M Resolution, these Series M Bonds, together with the outstanding Bonds of Series C, Series D (Refunding), Series E through L and Series G (Second Series) issued to refund on May 1, 1993, the Series G Bonds maturing May 1, 1994-2003, Series H (Second Series) issued to refund on May 1, 1993, the Series H Bonds maturing May 1, 1994-2003, and Series I (Second Series) issued to refund on May 1, 1996, the Series I Bonds maturing May 1, 1997-2006 (all of the Series A and B Bonds having been retired), 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 of Series C, Series D (Refunding), Series E through L, and Series G [Second Series], Series H [Second Series] and Series I [Second Series], and any additional Parity Bonds shall be collectively referred to as "All Bonds"), are and will be payable from and constitute a first charge and lien upon 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 All 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 All Bonds as the same become due, to pay or retire the principal of All 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 in the Basic Resolution.

As further security for these Series M 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 All Bonds, is created and granted to and in favor of the owner(s) of these Series M 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 M Bonds, and the Project shall remain subject to such statutory mortgage lien until the payment in full of the principal of and interest on All Bonds, including the Series M Bonds.

All Bonds as may be outstanding from time to time 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 M Resolution, and upon 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 nor 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 M 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 collecting fees for the services of the Project, which fees will be sufficient to pay the principal of and interest on All 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 M Resolution (a) pursuant to which the First Security National Bank & Trust Company, 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 M Bonds, (b) for the provisions, among others, with respect to the custody and application of the proceeds of the Series M Bonds, (c) the rights, duties, and obligations of the Board and of the Trustee, and (d) the rights of the owners of these Series M Bonds; and by the acceptance of this Bond, the registered owner hereof assents to all of the provisions of said resolutions.

The Series M Bonds maturing on or after May 1, 2002, are redeemable at the option of the University on or after November 1, 2001, in whole or in part, and if in part, in inverse order of maturities (less than all of a single maturity to be selected in such manner as the Trustee may determine), at redemption prices expressed in percentages of the principal amount with respect to each Bond as set forth below, plus in each case accrued interest to the date of redemption:

<u>Redemption Dates, Inclusive</u>	<u>Redemption Price</u>
November 1, 2001 through May 1, 2002	102%
November 1, 2002 through May 1, 2003	101%
November 1, 2003, and thereafter to maturity	100%

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 M 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 shall not be valid or become obligatory for any purpose, or be entitled to any security or benefit under the Series M Resolution, until it shall have been authenticated by the execution by the Trustee-Registrar of the Authentication Certificate of Trustee-Registrar hereon endorsed.

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 All Bonds which by their terms and the terms of the Basic Resolution, the Series M Resolution, and all previous 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 first day of October, 1991; 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 M 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 _____ (Facsimile Signature)
Chairman, Board of Trustees

Attest:

(Facsimile Signature)
Secretary, Board of Trustees

(Facsimile Seal of Board of Trustees)

THE AUTHENTICATION DATE OF THIS BOND IS: _____

(FORM OF AUTHENTICATION CERTIFICATE OF TRUSTEE-REGISTRAR)

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 M Resolution authorizing same. Printed on the reverse hereof is the complete text of the opinion of Bond Counsel, Rubin Hays & Foley, 200 South Fifth Street, Louisville, Kentucky, a signed original of which is on file with the undersigned, delivered and dated on the date of the original delivery and payment for the Bonds.

FIRST SECURITY NATIONAL BANK &
TRUST COMPANY,
Lexington, Kentucky
Trustee and Bond Registrar

By _____
Authorized Officer

(FORM OF ASSIGNMENT)

ASSIGNMENT

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

Dated: _____

Registered Owner (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 or other taxpayer
identification number of Assignee:

Signature Guaranteed:

Notice: Signature(s) must be
guaranteed by a member firm of the
New York Stock Exchange, Inc., or
a commercial bank or trust company

(Customary abbreviations as to form of Title)

ARTICLE III
PUBLIC SALE OF SERIES M BONDS; COMPLIANCE WITH PARITY
REQUIREMENTS; THE SERIES M CONSTRUCTION ACCOUNT;
DISPOSITION OF PROCEEDS OF SERIES M BONDS

Section 3.1. Advertisement of Series M Bonds for Sale.
The Series M 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 COURIER-JOURNAL, a legal newspaper published in the City of Louisville, Kentucky, which will afford statewide notice of the sale, and 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 newspaper 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 newspaper 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 M Bonds.

A suggested form of Notice of Sale of Bonds, a suggested form of Official Terms and Conditions of Sale of Bonds, and a suggested form of Official Bid Form, having been prepared by Bond Counsel in cooperation with the Fiscal Agent, and same, together with a suggested form of Preliminary Official Statement having been examined by this Board, same are hereby approved for such purposes, and a copy of each is hereby ordered to be attached to this Resolution and to the minutes of the meeting at which this Resolution is adopted. The notice of Sale of Bonds shall be signed by the Treasurer of the University and may be used for the purpose of publishing notice of the sale of the Bonds. The Preliminary Official Statement having been prepared by the Board's Fiscal Agent on behalf of the Board in conjunction with the sale, containing all pertinent information in regard to the Series M Bonds, and in regard to the University, and which Preliminary Official Statement is to be supplied to prospective bidders for the purchase of the Series M Bonds, and said Preliminary Official Statement having been reviewed and considered by the Board, same is hereby authorized, ratified and approved in substantially the form attached hereto, and the Chairman and the Treasurer are hereby authorized to sign said Preliminary Official Statement and the final Official Statement with such changes as approved by the Treasurer on behalf of the Board to evidence such approval. Copies of said documents (Notice, Official Terms, Bid Form, and Preliminary Official Statement) shall be furnished to a list of known interested bidders and to any interested parties who may request same.

Bidders shall be advised that Seasongood & Mayer, Cincinnati, Ohio, has been employed as Fiscal Agent in connection

with the issuance of these Series M Bonds, that their fee for services rendered with respect to the sale of the Series M Bonds is contingent upon the issuance and delivery of the Series M Bonds, and that they may submit a bid for the purchase of the Series M Bonds at the time of the advertised public sale of the Series M Bonds, either individually or as the member of a syndicate organized to submit a bid for the purchase of the Series M 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.

Bids will be received for the purchase of such Bonds at such date and hour as shall be fixed or otherwise determined by the Resolution of the Board (or of its Executive Committee).

It is hereby determined that the successful bid for the purchase of the Series M Bonds, in lieu of acceptance by the full Board of Trustees, may be accepted by the Executive Committee of the Board of Trustees upon the advice of the Board's Fiscal Agent, Seasongood & Mayer, with the approval of the Treasurer of the University.

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 M Bonds, there is and will be no deficiency in amounts required by the Basic Resolution or any Series Resolution to be paid into the Bond Fund;

(b) That prior to the issuance of the Series M 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 M 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 M 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 M Bonds shall rank and be payable on a parity with the outstanding Series C through L 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. The Series M Construction Account; Disposition of Proceeds of Series M Bonds. There is hereby established in the Treasury of the Commonwealth a Construction Account to be designated "University of Kentucky Consolidated Educational Buildings Project Bond Proceeds Series M Construction Account" (the "Series M Construction Account").

Immediately upon the issuance, sale, and delivery of the Series M Bonds, the entire amount received from the Original Purchasers of the Series M 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 October 1, 1991, the date of the Series M Bonds, to the date of delivery, for application to the payment of interest next becoming due on the Series M Bonds.

(b) To the Debt Service Reserve Fund, the amount necessary to fully fund the Required Debt Service Reserve.

(c) To the "University of Kentucky Consolidated Educational Buildings Series M 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, including printing, fiscal agent fee, legal fees and expenses, rating agency fees, and other necessary costs (to the extent not payable by the Fiscal Agent) 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 May 1, 1992.

(d) The balance of the proceeds of the Series M Bonds shall be deposited in the Series M Construction Account.

Such balance in the Construction Account shall be disbursed from such Account by the Treasurer of the Commonwealth

according to such inspection, audit, and disbursement procedures as may from time to time be provided by law, for the purpose of paying the costs (to the extent not otherwise provided) of establishing and constructing the Series M Project buildings and appurtenances as identified in Section 2.2 of this Series M Resolution in accordance with the approved plans and specifications therefor and to reimburse the University or the Commonwealth for any payments which may have been made from other available resources in anticipation of the issuance of the Series M Bonds, and only upon certification of the Architects or Engineers having supervision of construction (or of the Secretary of the Finance Cabinet of the Commonwealth with respect to reimbursements sought by the Commonwealth), as to each disbursement for construction costs, that the amount thereof has been duly earned by and is payable to (and has not previously been paid to) the designated party or parties, for materials, services, and/or labor furnished pursuant to proper contract duly awarded therefor.

Amounts on deposit in the Construction Account shall be invested and reinvested from time to time by the State Treasurer upon direction to the State Treasurer by the Treasurer of the University, in direct obligations of the United States Government or of agencies of the United States Government, or obligations which are fully guaranteed by the United States Government, or in negotiable or non-negotiable Certificates of Deposit issued by any bank, trust company or national banking association (including the Trustee) whose deposits are insured by the Federal Deposit Insurance Corporation, provided such Certificates of Deposit, to the extent that same shall exceed the amount insured by the Federal Deposit Insurance Corporation, must be continuously secured by a valid pledge of direct obligations of or obligations guaranteed by the United States Government having a market value (exclusive of accrued interest) at all times equal to at least 100% of the principal amount of said Certificates of Deposit, which Certificates shall be lodged with the State Treasurer as custodian, or in investments permitted by KRS 42.500(6). The Investments shall be made upon the determination of the University Treasurer, upon advice from said Architects or Engineers (or of said Secretary of the Finance Cabinet) that moneys on deposit in the Construction Account are not immediately required for construction purposes and any investments made from the Construction Account shall be selected in contemplation of the anticipated schedule of disbursements prepared by the University Treasurer. All such investments shall be reconverted into cash as and when cash is required to pay costs for which the Construction Account is established.

Any balance remaining in said Construction Account after the establishment and construction of said Series M Project buildings and appurtenances and the payment of all costs in connection therewith shall be deposited in the Bond Fund and (a) credited to the Debt Service Reserve established in and by Section 405(3) of the Basic Resolution if and to the extent that such Debt Service Reserve contains less than the amount of the Required Debt Service Reserve, and/or (b) either applied as a credit against the next

deposit required to be made into the Bond Fund, or used to purchase Series M Bonds in the open market at not exceeding par plus accrued interest, as may be directed by the Board; provided, however, that if proceedings are then pending or imminently contemplated for the establishment and/or construction of one or more additional educational buildings, which are or will be financed by the issuance of additional Series Bonds pursuant to the Basic Resolution, and which building or buildings constitute or will constitute a part of the Consolidated Educational Buildings Project, any such unexpended balance may be taken into account in determining the amount of Bonds to be authorized therefor, or may otherwise be applied to the proper costs thereof, in which event such unexpended balance may, upon authority of the Board, be transferred to the Series Construction Account thereof.

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

Section 4.1. Compliance with Federal Non-Arbitrage Requirements. 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 M 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 United States Internal Revenue Code of 1986, as amended (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 M Resolution it is not expected that the proceeds of the Series M 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 M 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 there 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.

Section 4.2. The Revenue Fund; Transfers to the Bond Fund and the Debt Service Reserve Fund to Provide for the Additional Requirements of the Series M Bonds.

(1) From and after the issuance and delivery of the Series M 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 M Bonds, and (b) interest and principal, if any, falling due on each May 1 with respect to the Series M 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 Series C through L 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 All 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 M 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 ("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.

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 C through K.

Section 5.2. Ratification of Previous Appointment of Trustee to Serve as Registrar, Transfer Agent and Payee Bank. First Security National Bank & Trust Company, Lexington, Kentucky, the Trustee in all previous Series Resolutions, which was designated in Section 2.5 of the Series J, Series K and Series L Resolutions to serve also as Bond Registrar, Transfer Agent and Payee Bank with respect to the Series J, Series K and Series L Bonds, is also designated to serve in all capacities referred to above with respect to the Series M Bonds.

Its duties as Registrar, Transfer Agent and Payee Bank with respect to the Series M Bonds shall be the same as its duties in such capacities with respect to the Series J, Series K and Series L Bonds.

The Trustee/Registrar/Payee Bank shall be entitled to the same rights, privileges, and immunities with respect to the Series M Bonds as are specified in the Series J, Series K and Series L Resolutions with respect to the Series J, Series K and Series L 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. Covenant of Board to Take All Action Necessary to Assure Compliance with the Internal Revenue Code of 1986, as Amended. In order to assure purchasers of the Series M 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 M Bonds that (1) the Board will take all actions necessary to comply with the provisions of the Internal Revenue Code of 1986, as amended, (2) the Board will take no actions which will violate any of the provisions of such Code, or would cause the Series M Bonds to become "private activity bonds" within the meaning of the Code, (3) none of the proceeds of the Series M Bonds will be used

for any purpose which would cause the interest on the Series M Bonds to become subject to Federal income taxation, and the Board will comply with any and all requirements as to rebate (and reports with reference thereto) to the United States of certain investment earnings on the proceeds of the Series M Bonds.

The Board certifies that the Series M Bonds are not "private activity bonds" within the meaning of the Code, and the Board has been advised by Bond Counsel and therefore believes that interest on the Series M Bonds is not included as an item of tax preference in calculating the alternative minimum tax for individuals.

The Board is further advised that the exemption from income taxation by the United States of America of interest on the Bonds is subject to the following exceptions:

1. For purposes of the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), interest on the Series M Bonds is taken into account in determining adjusted current earnings for taxable years beginning after December 31, 1989.

2. Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Series M Bonds, or, in the case of a financial institution, that portion of a holder's interest expense allocated to interest on the Series M Bonds.

3. With respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15% of the sum of certain items, including interest on the Series M Bonds.

4. For taxable years beginning before January 1, 1992, interest on the Series M Bonds earned by some corporations could be subject to the environmental tax imposed by Section 59A of the Code.

5. Interest on the Series M Bonds earned by certain foreign corporations doing business in the United States of America could be subject to a branch profits tax imposed by Section 884 of the Code.

6. Passive investment income, including interest on the Series M Bonds, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income.

7. Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to

take into account, in determining the taxability of such benefits, receipts or accruals of interest on the Series M Bonds.

The Board reserves the right to amend the Resolution authorizing these Series M 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 M 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 M Bonds) to eliminate or reduce any restrictions concerning the Project, the investment of the proceeds of the Series M Bonds, or the application of such proceeds or of the revenues of the Project. The purchasers of the Series M 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 M 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 M 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 M 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, subject to the exceptions set out above, 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 M Bonds. The Board has been advised that, based on the foregoing assumption of compliance, Bond Counsel are of the opinion that the Series M Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code.

Section 5.5. Resolution Contractual With Bondowners. The Basic Resolution and this Series M Resolution shall, from and after the issuance and delivery of the Series M Bonds, constitute a contract between the Board of the University and the owners of the Series M 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 M 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 M Resolution shall be filed with the Trustee, and this Series M 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.

Adopted September 17, 1991.

(SEAL)

Chairman, Board of Trustees
University of Kentucky

Attest:

Secretary, Board of Trustees

CERTIFICATION

I, Edythe Jones Hayes, Secretary of the Board of Trustees of the University of Kentucky, Lexington, Kentucky, hereby certify that the foregoing is a true copy of a Resolution adopted by the Board of Trustees of said University at a meeting held on September 17, 1991, 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 September 17, 1991.

Secretary, Board of Trustees
University of Kentucky

ACCEPTANCE BY FIRST SECURITY NATIONAL BANK & TRUST COMPANY,
LEXINGTON, KENTUCKY, AS
BOND REGISTRAR, TRANSFER AGENT, PAYEE BANK AND TRUSTEE

The undersigned, First Security National Bank & Trust Company, 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 _____, 1991.

FIRST SECURITY NATIONAL BANK &
TRUST COMPANY,
Lexington, Kentucky

By _____

Title: _____

(Seal of Bank)

OFFICIAL TERMS AND CONDITIONS OF BOND SALE

RE: University of Kentucky Consolidated Educational Buildings Revenue Bonds, Series M, dated October 1, 1991, in the principal amount of \$9,755,000

The Treasurer and the Finance Committee of the Board of Trustees of the University of Kentucky, Lexington, Kentucky (the "Board") will until October 22, 1991, at 10:30 A.M., E.D.T., receive in the Office of Controller and Treasurer, 369 Peterson Service Building, University of Kentucky Campus, Lexington, Kentucky 40506, sealed, competitive bids for the purchase of the above-identified Bonds (the "Series M Bonds"). To be considered, a bid for the purchase of said Bonds must be submitted on an Official Bid Form and must be delivered to such office no later than the date and hour indicated. Proposals for the purchase of the Bonds will be considered by the Finance Committee of the Board at its meeting on that date and referred to the Executive Committee of the Board (or to the full Board) at a meeting to be held at 1:00 P.M., E.D.T., on that date.

DESCRIPTION AND MATURITIES OF BONDS

The Series M Bonds will be issued only as fully registered bonds in the denomination of \$5,000 principal amount or any multiple of \$5,000 within a single maturity (as designated by the Purchasers), will bear interest payable semiannually on May 1 and November 1 of each year to maturity (first interest payment date, May 1, 1992), and will mature on May 1 of the respective years, as follows:

<u>Maturity Date</u> <u>May 1,</u>	<u>Principal</u> <u>Maturity</u>	<u>Maturity Date</u> <u>May 1,</u>	<u>Principal</u> <u>Maturity</u>
1992	\$265,000	2002	\$465,000
1993	280,000	2003	495,000
1994	295,000	2004	530,000
1995	310,000	2005	560,000
1996	325,000	2006	600,000
1997	345,000	2007	640,000
1998	365,000	2008	685,000
1999	390,000	2009	730,000
2000	410,000	2010	785,000
2001	440,000	2011	840,000

The principal of (and redemption price, if any) and interest on the Series M Bonds will be payable in lawful money of the United States of America at the main office of First Security National Bank & Trust Company, Lexington, Kentucky, the Trustee, Bond Registrar, Transfer Agent, Payee Bank and Depository Bank; provided, however, that interest on the Series M Bonds shall be paid when due by check mailed by the Trustee on or before each semiannual interest due date to the respective persons entitled thereto at the addresses of the respective Bondowners of record on

the 15th day of the month preceding each interest due date by regular United States mail postmarked not later than the due date. Upon submission of a properly executed assignment of a Bond, such Bank will transfer ownership of such Bond within three (3) business days of receipt without expense to the Bondowner.

The Series M Bonds shall be lettered and numbered from R-1 upward, or such numbering shall be made in such other appropriate manner as may be determined by the Trustee.

The person in whose name any Series M Bond is registered on the Record Date (April 15 or October 15) 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 duly called for redemption on a redemption date which is prior to such interest payment date).

The Series M Bonds maturing on and after May 1, 2002, shall be subject to redemption prior to maturity, at the option of the Board, on any Interest Payment Date on and after November 1, 2001, in inverse order of maturities and by lot within a single maturity, at the following redemption prices (expressed as a percentage of principal amount) plus accrued interest to the date of redemption, as follows:

<u>Redemption Dates, Inclusive</u>	<u>Redemption Price</u>
November 1, 2001 through May 1, 2002	102%
November 1, 2002 through May 1, 2003	101%
November 1, 2003, and thereafter to maturity	100%

If 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 such 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 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 shall give notice of any redemption by sending at least one such notice by first class mail not less than thirty (30) and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Series M 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; and interest on such Bonds or portions thereof shall cease to accrue after the redemption date.

STATUTORY AUTHORITY AND PURPOSE OF BONDS

These Bonds are issued in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including Sections 162.340-162.380, and 58.010-58.140 of the Kentucky Revised Statutes, and under and pursuant to the Resolution adopted by the Board on September 20, 1960 (the "Basic Resolution"), and to the Resolution adopted on September 17, 1991, authorizing these Bonds (the "Series M Resolution"), for the purpose of financing (a) the cost (to the extent not otherwise provided) of establishing and erecting certain educational buildings and necessary appurtenances on the campus of the University of Kentucky in Lexington, Kentucky, consisting of (i) a new Lexington Community College Building, and (ii) a new Animal Diagnostic Laboratory, (b) funding the Required Debt Service Reserve, and (c) paying the costs of issuance of the Series M Bonds.

SECURITY

These Series M Bonds, together with the Series C through L Bonds (all of the Series and A and B Bonds having been retired), and the Series G (Second Series), Series H (Second Series) and Series I (Second Series), all previously issued, and any additional parity bonds which may hereafter be issued and outstanding under the terms of the Basic Resolution and any subsequent Series Resolutions, are and will be payable from and will constitute a pledge, charge and lien upon the Revenues to be derived by the University from the operation of its Consolidated Educational Buildings Project, as defined in the Basic Resolution. The fee imposed upon and collected from all students of the University at Lexington, Kentucky, 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 Consolidated Educational Buildings Project. Such fees are known as the Student Registration Fees (the "Registration Fee") and the Board covenants that the same 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 Fee are to be set aside as received into the Consolidated Educational Buildings Project Revenue Fund and are made subject to a first lien and paramount charge for the security and source of payment of all outstanding Consolidated Educational Buildings Revenue Bonds.

As further security for the Bonds, a statutory mortgage lien upon the Project is created and granted by the Series M Resolution pursuant to Sections 162.350 and 162.200 of the Kentucky Revised Statutes, in favor of the Series M Bonds and all parity bonds, including those heretofore issued and those hereafter issued.

BIDDING CONDITIONS AND RESTRICTIONS

The public offering of the Series M Bonds is made upon the following specific conditions and provisions:

- A. Bidders shall bid for the entire issue a minimum price of not less than \$9,559,900 (98% of par) for the \$9,755,000 of Bonds, plus accrued interest from the date of the Bonds (October 1, 1991) to the date of delivery, payable in Federal Funds.
- B. Each bid shall be accompanied by a certified or bank cashier's good faith check (which check need not be in Federal Funds) in the amount of \$97,550,000 (1%), payable to the order of the Treasurer of the University of Kentucky. The check of the successful bidder will be immediately deposited by the University and credited (without interest) against the purchase price. The good faith checks of the unsuccessful bidders will be returned promptly.
- C. The determination of the best bid will be made on the basis of the lowest net interest cost calculated by computing the total interest payable on the Bonds from October 1, 1991, through the Final Maturity Date, plus discount or less premium, as set forth in the Official Bid Form, for exactly \$9,755,000 of Series M Bonds under the terms and conditions herein specified.
- D. Bidders must state an interest rate or rates in a multiple of 1/20 of 1%.
- E. There is no limit on the number of different rates which may be specified in any bid.
- F. All Bonds of the same maturity shall bear the same and a single interest rate from the date thereof to maturity.
- G. Interest rates must be on an ascending scale, in that the interest rate for Bonds of any maturity may not be less than the interest rate stipulated for any preceding maturity.
- H. The right to reject bids for any reason deemed advisable by the Finance Committee of the Board and the right to waive any possible informalities, irregularities, or defects in any bid which, in the judgment of the Finance Committee of the Board, with the advice of the Fiscal Agent, shall be minor or immaterial, is expressly reserved.

- I. Bids must be made on forms which, together with an Official Statement, may be obtained at the office of the Treasurer of the University or from the Fiscal Agent, Seasongood & Mayer, 300 Mercantile Library Building, 414 Walnut Street, Cincinnati, Ohio 45202-3910, phone (513) 621-2000. Bids must be enclosed in sealed envelopes marked "Proposal for University of Kentucky Consolidated Educational Buildings Revenue Bonds, Series M, dated October 1, 1991," and bids must be received by the aforesaid Treasurer prior to the date and hour set for the sale.
- J. The purchasers of the Bonds shall pay the CUSIP Service Bureau charge for the assignment of CUSIP numbers, which numbers will be printed on the Bonds at no expense or cost to the purchasers. Neither the failure to print a CUSIP number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchasers thereof to accept delivery of and pay for the Bonds.
- K. Delivery will be made on or after October 30, 1991, at First Security National Bank & Trust Company, Lexington, Kentucky, at no additional cost or expense to the purchasers. The purchasers may elect to require delivery through a depository trust corporation, provided the purchasers agree to pay any additional expense in connection therewith, such expense to include shipping expense, insurance in transit and the fee of the depository trust corporation. In connection with the issuance of the Bonds, the Board will pay for the printing of the Bonds, which will contain the opinion of Bond Counsel. Delivery is expected on October 30, 1991.
- L. The University may tender the Bonds in the form of a single fully registered temporary Bond to the purchasers, in which event, such purchasers, upon tender thereof to the Transfer Agent of the temporary Bond, will be issued fully registered Bond Certificates (in the denomination of \$5,000 or any multiple of same within the same maturity) in such names as shall have been properly designated to the Bond Registrar.
- M. It shall be the responsibility of the purchasers to furnish or cause to be furnished to the Trustee at least five (5) business days prior to the date of delivery of the Bonds, a list of the names, addresses, social security numbers or taxpayer identification numbers, of each of the parties to whom the Bonds are to be registered and the principal amounts and maturities thereof. In the event of

the failure to so furnish such list, the Bonds delivered to the purchasers shall be registered in the name or names of such purchasers or their designated representatives appearing as the first name on the successful Bid Form, or otherwise appropriately designated, and shall be issued in denominations corresponding to the principal amount of each respective maturity, as shall be determined by the Trustee-Registrar.

- N. Upon wrongful refusal of the purchasers to take delivery of and pay for the Bonds in Federal Funds when tendered for delivery, the amount of the good faith check shall be forfeited by such purchasers, and such amount shall be deemed liquidated damages for such default, provided, however, if such Bonds are not ready for delivery and payment within forty-five (45) days from the date of sale herein provided for, said purchasers shall be relieved of any liability to accept the Bonds hereunder. However, it is contemplated that the Bonds will be delivered on a date during such period as may be designated by representatives of the Board, and the purchasers will be required to accept delivery of and pay for the Bonds on any designated date within such 45 day period upon notice being given at least five (5) business days prior to the designated delivery date.
- O. Bidders are advised that Seasongood & Mayer, of Cincinnati, Ohio, has been employed as Fiscal Agent in connection with the issuance of these Series M Bonds. Their fee for services rendered with respect to the sale of the Series M Bonds is contingent upon the issuance and delivery of the Series M Bonds. They may submit a bid for the purchase of the Series M Bonds at the time of the advertised public sale of the Series M Bonds, either individually or as members of a syndicate organized to submit a bid for the purchase of the Series M Bonds.
- P. If the successful bidder desires to obtain insurance guaranteeing the payment of the principal and/or interest on such Bonds, the University agrees that it will cooperate with such successful bidder in obtaining such insurance, but all of the expenses and charges in connection therewith shall be borne by such bidder, and the University shall not be liable to any extent therefor.
- Q. The purchasers will pay for the printing of the final Official Statement.

- R. The successful bidder shall promptly advise the Financial Advisor to the Board of Trustees of (i) the reoffering price for each maturity of the Series M Bonds, and (ii) the principal amount sold to the public of each principal maturity of the Series M Bonds on the reoffering date.

If, upon the basis of the foregoing, the Board shall accept a purchase bid for these \$9,755,000 of Series M Bonds, the Board shall adopt a Resolution to that effect, and supply proper evidence of such acceptance to the bidder submitting the accepted purchase bid.

The Board will furnish to the purchasers the customary No Litigation Certificate and the final, approving Legal Opinion of Rubin Hays & Foley, Municipal Bond Attorneys, Louisville, Kentucky, without expense to the purchasers.

The Board of Trustees shall provide to the successful purchaser a final Official Statement in accordance with SEC Rule 15c2-12. Arrangements have been made with the printer of the preliminary official statement, upon submission of completion text, to print a reasonable quantity of final Official Statements in sufficient time to meet the delivery requirements of the successful bidder under SEC or Municipal Securities Rulemaking Board Delivery Requirements. The successful bidder shall be required to pay for the printing of the final Official Statement.

Concurrently with the delivery of the Series M Bonds, the Treasurer of the Board of Trustees will certify that, to the best of his knowledge, the Official Statement did not as of its date, and does not as of the date of delivery of the Bonds, contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purpose for which the Official Statement is to be used, or which is necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading in any material respect.

SPECIAL TAX EXEMPTION CONSIDERATIONS

In order to assure purchasers of the Series M 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 such Bonds that (1) the Board will take all actions necessary to comply with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), (2) the Board will take no actions which will violate any of the provisions of such Code, or would cause the Bonds to become "private activity bonds" within the meaning of the Code, (3) none of the proceeds of the Bonds will be used for any purpose which would cause the interest on the Bonds to become subject to Federal income taxation, and the Board will comply with any and all requirements as to rebate (and reports with reference thereto) to

the United States of certain investment earnings on the proceeds of the Series M Bonds.

The Board certifies that these Bonds are not "private activity bonds" within the meaning of the Code, and the Board has been advised by Bond Counsel and therefore believes that interest on the Bonds is not included as an item of tax preference in calculating the alternative minimum tax for individuals. However, the Board has been advised that these Bonds are not "qualified tax-exempt obligations" for bank investments and that banks are not permitted to deduct the interest cost attributable to the purchase of these Bonds.

The exemption from income taxation by the United States of America of interest on the Bonds is subject to the following exceptions:

1. For purposes of the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), interest on the Series M Bonds is taken into account in determining adjusted current earnings for taxable years beginning after December 31, 1989.

2. Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Series M Bonds, or, in the case of a financial institution, that portion of a holder's interest expense allocated to interest on the Series M Bonds.

3. With respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15% of the sum of certain items, including interest on the Series M Bonds.

4. For taxable years beginning before January 1, 1992, interest on the Series M Bonds earned by some corporations could be subject to the environmental tax imposed by Section 59A of the Code.

5. Interest on the Series M Bonds earned by certain foreign corporations doing business in the United States of America could be subject to a branch profits tax imposed by Section 884 of the Code.

6. Passive investment income, including interest on the Series M Bonds, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income.

7. Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to

take into account, in determining the taxability of such benefits, receipts or accruals of interest on the Series M Bonds.

The Board reserves the right to amend the Resolution authorizing these Series M 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 M 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 M Bonds) to eliminate or reduce any restrictions concerning the Project, the investment of the proceeds of the Series M Bonds, or the application of such proceeds or of the revenues of the Project. The purchasers of the Series M 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 M 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 M Bonds to Federal income taxes or Kentucky income taxes, the Board shall not be required to comply with such covenants or requirements.

Bond Counsel will render the customary opinion as to exemption of principal of the Bonds from Kentucky ad valorem taxation and as to exemption of interest on the 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, subject to the exceptions set out above, 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 M Bonds. Bond Counsel are of the opinion that, based on the foregoing assumption of compliance, the Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code.

Bond Counsel has reviewed the Official Statement with regard to all matters pertaining to the legality and tax exemption of the Series M Bonds, including statements concerning the Board and the purpose and security of the Series M Bonds; but Bond Counsel has not reviewed the financial data concerning the Board and the University in the Official Statement, and expresses no opinion thereon and assumes no responsibility in connection therewith.

Subject to the matters set out above, the Series M Bonds are offered for sale on the basis of the principal of said Bonds not being subject to Kentucky ad valorem taxation and on the basis of the interest on said Bonds not being subject to Federal or Kentucky income taxation on the date of their delivery to the purchasers.

If, prior to the delivery of the Series M Bonds, any event shall occur which alters such tax-exempt status, the purchasers shall have the privilege of voiding the purchase by giving immediate written notice to the Board, whereupon the amount of the good faith deposit of the purchasers will be returned to the purchasers.

Henry Clay Owen, Treasurer, Board of
Trustees, University of Kentucky,
Lexington, Kentucky

NOTICE OF SALE OF BONDS

\$9,755,000

UNIVERSITY OF KENTUCKY
CONSOLIDATED EDUCATIONAL BUILDINGS REVENUE BONDS
SERIES M
DATED OCTOBER 1, 1991

The Treasurer of the Board of Trustees of the University of Kentucky, Lexington, Kentucky, will until October 22, 1991, at 10:30 A.M., E.D.T., receive in the Office of Controller and Treasurer, 369 Peterson Service Building, University of Kentucky Campus, Lexington, Kentucky 40506, sealed, competitive bids for the purchase of \$9,755,000 of the above-identified Series of bonds, maturing on May 1, 1992 through 2011. Minimum bid is \$9,559,900 (98% of par). Legal opinion by Rubin Hays & Foley, Louisville, Kentucky. The Bonds will be issued on a tax-exempt basis, subject to certain qualifications set out in detail in the Official Terms and Conditions of Sale of Bonds and in the Preliminary Official Statement. Good faith check is \$97,550. Bid Forms, Official Terms and Conditions, and Preliminary Official Statements in a form deemed to be "near final" by the Board may be obtained from the Fiscal Agent, Seasongood & Mayer, 300 Mercantile Library Building, 414 Walnut Street, Cincinnati, Ohio 45202-3910, (513) 621-2000.

Right to reject bids and to waive defects or informalities is expressly reserved.

Henry Clay Owen, Treasurer
Board of Trustees, University of
Kentucky, Lexington, Kentucky 40506

OFFICIAL BID FORM

\$9,755,000
UNIVERSITY OF KENTUCKY
CONSOLIDATED EDUCATIONAL BUILDINGS REVENUE BONDS
SERIES M
DATED OCTOBER 1, 1991

To the Honorable Chairman and Members of
The Board of Trustees of the University of Kentucky
c/o Mr. Henry Clay Owen
University Controller and Treasurer
369 Peterson Service Building
Lexington, Kentucky 40506

Ladies and Gentlemen:

Pursuant to your "Notice of Sale of Bonds" as published in THE COURIER-JOURNAL of Louisville, Kentucky, and in THE BOND BUYER, New York, New York, and the "Official Terms and Conditions of Sale of Bonds," and the "Preliminary Official Statement" referred to therein, by our submission of this Bid, we evidence our agreement to the terms and conditions of your sale as represented therein.

We hereby bid for said \$9,755,000 principal amount of Bonds the sum of \$_____ (not less than \$9,559,900), plus accrued interest from October 1, 1991, to the date of delivery, at the following annual interest rates:

SCHEDULE OF PRINCIPAL AMOUNTS AND INTEREST RATES

<u>Maturing May 1</u>	<u>Maturity Amount</u>	<u>Rate</u>	<u>Maturing May 1</u>	<u>Maturity Amount</u>	<u>Rate</u>
1992	\$265,000	_____ %	2002	\$465,000	_____ %
1993	280,000	_____ %	2003	495,000	_____ %
1994	295,000	_____ %	2004	530,000	_____ %
1995	310,000	_____ %	2005	560,000	_____ %
1996	325,000	_____ %	2006	600,000	_____ %
1997	345,000	_____ %	2007	640,000	_____ %
1998	365,000	_____ %	2008	685,000	_____ %
1999	390,000	_____ %	2009	730,000	_____ %
2000	410,000	_____ %	2010	785,000	_____ %
2001	440,000	_____ %	2011	840,000	_____ %

A certified or bank cashier's check in the amount of \$97,550, payable to the Treasurer of the University of Kentucky, is enclosed in accordance with the Notice of Sale of Bonds and the Official Terms, with the understanding that if we are the successful bidder, said check is to be immediately deposited by the University and credited (without interest) against the purchase price at the time of delivery of the Bonds. If we are the

successful bidder, we agree to accept and make payment for the Bonds in accordance with the terms of the sale.

Respectfully submitted,

(a) Total interest cost from date of Bonds to final maturity	\$	_____
(b) Plus discount (or less premium)	\$	_____
(c) Net interest cost	\$	_____
(d) Net interest rate		_____ %

The above computation of net interest cost is submitted for information only and is not a part of this bid.

Accepted this 22nd day of October, 1991.

BOARD OF TRUSTEES OF
UNIVERSITY OF KENTUCKY

Attest:

By _____
Chairman

Secretary

CERTIFICATE

I, the undersigned, certify that I am the duly qualified and acting Secretary of the Board of Trustees of the University of Kentucky, Lexington, Kentucky, and I certify as follows:

1. That the foregoing is a true and accurate copy of an excerpt from the Minutes of the regular meeting of the Board of Trustees of the University of Kentucky held on September 17, 1991.

2. That the stated attendance and voting at said meeting are true and correct.

3. That said meeting was duly 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, that said Resolution has not been modified, amended, revoked or repealed, and that same is now in full force and effect.

4. That there is attached hereto a full, true and correct copy of the Resolution adopted at said meeting, as set out in said excerpt.

5. That said Resolution has been placed on file in the office of the undersigned Secretary, where same has been duly recorded in the official records of the Board of Trustees of the University.

IN TESTIMONY WHEREOF, witness my signature as Secretary of said Board on this 17th day of September, 1991.

Secretary, Board of Trustees
University of Kentucky

Office of the President
September 17, 1991

FCR 12

Members, Board of Trustees:

UNIVERSITY HOSPITAL PROJECT

Recommendation: that the Board approve a project in the amount of \$1,453,600 in University Hospital funds for replacement equipment and facilities for the University Hospital incinerator.

Background: The Board of Trustees received authority from the 1988 session of the Kentucky General Assembly for two projects in the total amount of \$600,000 to purchase new equipment and to replace facilities for the University Hospital incinerator. However, the project was delayed when it was learned that new regulations based on 1990 legislation would become effective in February 1991. This facility will be required to comply with the new environmental regulations; and due to the changes in regulations, will cost \$1,453,600 rather than the \$600,000 previously authorized. This replacement unit will be state-of-the-art technology meeting and/or exceeding all Kentucky regulations. As with the existing unit, no hazardous or radiation waste will be incinerated. It will be for University Hospital use only. The project requires authorization because of the change in scope.

Action taken: Approved ☒ Disapproved _____ Other _____

Date: September 17, 1991

Office of the President
September 17, 1991

FCR 13

Members, Board of Trustees:

A RESOLUTION AUTHORIZING THE PURCHASE OF A FARM IN WOODFORD COUNTY, KENTUCKY, REQUESTING THE STATE PROPERTY AND BUILDINGS COMMISSION TO ISSUE BONDS IN THE PRINCIPAL AMOUNT OF \$11,500,000, AND AUTHORIZING LEASE PAYMENTS SUFFICIENT TO DEFRAY THE REPAYMENT OF THE BONDS

Recommendation:

1. That the Board authorize the purchase of certain real property located in Woodford County, Kentucky, specifically the Allen E. Paulson Brookside Farm #2 (formerly Pin Oak #1), under the terms of the attached sale and purchase contract.

2. That the Board request the State Property and Buildings Commission, as a part of its Revenue Bond Project No. 52, to issue bonds in an amount sufficient to provide for the payment of the purchase price of \$11,500,000.

3. That the Board authorize the execution of the additional documents necessary, including but not limited to, leases, contracts, options and official statements, to provide for the sale of such bonds and payment of the debt service thereon.

Background: This action is a reaffirmation of the Board's previous approval in the enactment of the 1990-91 Operating Budget of the purchase of the farm previously known as "Pin Oak Farm" as the result of the development of the University's Coldstream Farm. The property will be used for research, teaching and research activities of the University.

This purchase was also previously authorized by the General Assembly in the enactment of the 1990-92 Appropriation

Bill at \$12,500,000. It is now proposed, per the attached contract, at \$11,500,000. Debt Service for this acquisition was also included in the legislative authorization.

The farm in question consists of almost 1500 acres at the intersection of US 60 and US 62 on the outskirts of Versailles, Kentucky. It was appraised in June of 1990 at an average of \$13,100,000. The appraisals are currently being updated; the purchase will not proceed unless the updated appraisals are equal to or in excess of the contract purchase price.

The contract provides that the major portion of the farm, approximately 1452 acres, will be purchased and that the remainder, including the mansion and surrounding grounds, will come to the University as a gift from Mr. Allen E. Paulson.

If bonds for this project can be sold by the State Property and Buildings Commission on September 25, the purchase can be completed in mid-October of this year.

Action taken: Approved ☒ Disapproved ☐ Other ☐

Date: September 17, 1991

THIS SALE AND PURCHASE CONTRACT (hereinafter referred to as the Contract), made and entered into this 16th day of September, 1991, by and between the ALLEN E. PAULSON LIVING TRUST, Route 1, Steele Road, Versailles, Woodford County, KY 40383, hereinafter referred to as Seller, and the COMMONWEALTH OF KENTUCKY, for the use and benefit of the UNIVERSITY OF KENTUCKY, Room 104, Administration Building, University of Kentucky, Lexington, Fayette County, KY 40506, hereinafter referred to as Purchaser;

WITNESSETH:

WHEREAS, Seller is the owner of the fee simple title to certain real property comprising a total of 1,485.5 acres, more or less, and the improvements thereon located on U.S. Highway 62 (Versailles-Midway Pike) and U.S. Highway 60 (Versailles-Frankfort Pike) in Woodford County, Kentucky, said property being more particularly described herein, and

WHEREAS, the principal improvements on said property include the main farm residence, stone fencing, approximately twenty-five miles of four-plank wood fencing, approximately five miles of asphalt roadway, asphalt driveways and walks, a swimming pool, ponds, tenant houses, tobacco barns, cattle barns, broodmare stall barns, and various other support structures, and

WHEREAS, Purchaser is desirous of purchasing said real property together with all such improvements and appurtenances

located thereon, and

WHEREAS, Seller is agreeable to the sale and conveyance of said real property at the price and upon the terms, provisions, covenants and conditions hereinafter stated;

NOW, THEREFORE, in consideration of the foregoing and the mutual promises hereinafter contained, Seller agrees to sell and convey and Purchaser agrees to purchase and pay for certain real property consisting of a total of 1,485.50 acres, more or less, and more particularly described in Exhibits "A" and "B" attached hereto and made a part hereof by reference, upon the following terms and conditions:

1. Purchase Price: The purchase price for the real property described in Exhibit "A" shall be ELEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$11,500,000.00) and the purchase price for the real property described in Exhibit "B" shall be ONE DOLLAR (\$1.00); and further, Seller and Purchaser agree that the total consideration to be paid for the real property described in Exhibits "A" and "B" shall be \$11,500,001.00, that the real property described in Exhibit "B" has a total fair market value of \$1,200,000.00, and that the remaining value of the real property described in Exhibit "B" over and above \$1.00 is \$1,199,999.00 which is to be a charitable contribution by Seller to the University of Kentucky.

2. Earnest Money: Simultaneously with the execution hereof and as evidence of good faith to bind this Contract, the

Purchaser hereby deposits earnest money in the sum of ONE DOLLAR (\$1.00) with Hornback Realty, 193 Frankfort Pike, Versailles, KY 40383, the same to be applied on the purchase price at closing with delivery of deed or to be refunded to Purchaser if title proves unmarketable or uninsurable by any reputable title insurance company as hereinafter provided.

3. Farm Name: Seller and Purchaser agree that the Seller does not possess, and thus cannot convey, any right, title or interest in and to the name "Pin Oak Farm" or the use thereof.

4. Survey: Purchaser shall, at its sole cost and expense, cause a boundary survey to be made of the real property described in Exhibits "A" and "B". Seller agrees to permit Purchaser, its agents, contractors, and/or surveyors, access to said real property for the purpose of making such survey prior to closing; provided, however, surveying shall not interfere with Seller's on-going activities on the real property.

5. Crop: Seller agrees to execute any and all necessary documents (including those required by the Agricultural Stabilization and Conservation Service, Woodford County, Kentucky) so as to vest the tobacco poundage allotment for said real property in Purchaser; provided, however, Seller shall retain all rights to the 1991 tobacco crop and Purchaser shall have all rights to the tobacco poundage allotment for

1992 and all succeeding years.

6. Hazardous or Toxic Materials: Seller represents that the real property described in Exhibits "A" and "B" is free from all hazardous or toxic materials (as defined herein); further, the Seller represents that, except as disclosed in writing, it has not stored, handled, used, or disposed of, and has no knowledge that any other person or entity has stored, handled, used or disposed of any hazardous or toxic materials on or in connection with said real property in any manner which would give rise to or result in any liability under any Environmental Laws (as defined herein) or any common law theory based on nuisance or strict liability; further, for the purposes hereof, the term "Hazardous or Toxic Materials" shall include (a) asbestos or any material composed of or containing asbestos in any form and in any type; (b) polychlorinated biphenyl compounds or petroleum products and their derivatives; or (c) any hazardous, toxic or dangerous waste, substance or material as defined under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sct. 9601 et seq., any other federal, state or local rule, regulation, order, or decree regulating, relating to or imposing liability or standards concerning or in connection with hazardous, toxic or dangerous wastes, substances or material (collectively referred to as "Environmental Laws") or any common law theory based on nuisance or strict liability;

further, in this regard, Purchaser, its agents and contractors, shall have the right at any and all reasonable times prior to closing to conduct an environmental inspection (assessment) of said real property, having access thereto for such purpose, and Purchaser may at its option declare this Contract null and void upon discovery of any violation of federal, state, or local rule, regulation, order or decree.

7. Risk of Loss and Insurance: Notwithstanding the execution hereof, the risk of loss remains with the Seller until delivery of deed and Seller agrees to keep all improvements on said real property insured "as is" until closing with Purchaser included on all such policies as an additional named insured as its interest may appear; further, if any of the said improvements are damaged or destroyed to the extent of twenty percent (20%) or more of their existing value prior to closing, Purchaser shall have the option of accepting an assignment of and receiving the proceeds of any such insurance payable in connection therewith while remaining bound on this Contract or waiving all rights to said insurance proceeds and terminating this Contract; and further, in the event said improvements are damaged or destroyed to an extent less than twenty percent (20%) of their existing value prior to closing, Purchaser shall be entitled to receive such insurance proceeds but may not terminate this Contract, remaining bound

on same.

8. Taxes: All real estate taxes on said real property due and payable for the calendar year 1991 shall be prorated between Seller and Purchaser with Seller paying same to date of closing and Purchaser paying same and all taxes thereafter.

9. Closing: The closing, at which a General Warranty deed shall be delivered by Seller and the balance of the purchase price paid by the Purchaser, shall occur at the law offices of Ogden, Sturgill and Welch, 155 East Main Street, Lexington, KY 40507, at the hour of 10:00 a.m., on or before the 2nd day of December, 1991, unless changed and/or extended by mutual agreement of Seller and Purchaser in writing; further, said closing and the respective obligations of Seller and Purchaser on this Contract are specifically contingent upon title to said real property being marketable and insurable by a reputable title insurance company as aforesaid and also free of hazardous or toxic materials as aforesaid; and further, in the event of a failure of either of these conditions, this Contract shall at the option of the Purchaser be null and void, the deposit returned to Purchaser, and neither Seller nor Purchaser shall have any further liability on this Contract.

10. Default: If either Seller or Purchaser fails to comply with the terms of this Contract or refuses to perform their respective obligations hereunder upon proper tender of

the other party to close, then the defaulting party, if Purchaser, shall forfeit the earnest money to the Seller and the Seller may treat this Contract as null and void and retain said earnest money as liquidated damages or Seller may sue said Purchaser for specific performance of this Contract or may pursue any other remedy available at law or equity; or if Seller be the defaulting party, then Seller shall forfeit its right to the earnest money and Purchaser may at its option treat this Contract as null and void and be entitled to a return of the earnest money or Purchaser may sue for specific performance of this Contract or may pursue any other remedy available at law or equity.

11. Realtor's Commission: Seller acknowledges that Hornback Realty, Woodford County, Kentucky is agent of said Seller for purposes of this Contract and that Seller is solely responsible for the payment of the real estate commission to Hornback Realty.

12. Warranty Deed: The obligation of the Purchaser to close the sale and purchase of real property as provided herein is expressly contingent upon the ability of the Seller to deliver to Purchaser or its nominee a General Warranty deed conveying fee simple, marketable title, to said Purchaser such as any reputable title insurance company will insure; further, in the event Purchaser elects to obtain title insurance, the

expense thereof shall be the sole responsibility of Purchaser.

13. Fees and Expenses: Seller and Purchaser shall be responsible for the payment of their respective fees and costs, including attorneys' fees, incident to preparation of deed, title examination and closing; and further, Seller shall be responsible for the payment of the conveyance tax on said real property and Purchaser shall be responsible for deed recording fees.

14. Possession: Possession of said real property shall be delivered by Seller to Purchaser at closing and all items now attached to said property are hereby designated as fixtures to remain a part of said real property and shall be included as a part of this Contract; provided, however, that Seller shall have a reasonable time, but in no event beyond March 1, 1992, to remove the horses, cattle and hay now located on the farm. In this regard, prior to the closing date, specific written arrangements between Seller and Purchaser shall be made regarding the aforesaid removal of horses, cattle and hay.

15. Appraisal: This Contract is expressly made contingent on updated appraisal(s) of said real property indicating its value to be at least equal to the purchase price stated herein, said appraisal(s) to be at the sole cost and expense of the Purchaser.

16. Approval of Contract: This Contract is expressly contingent upon approval by the Secretary of the Finance and

Administration Cabinet, Commonwealth of Kentucky, and the Board of Trustees of the University of Kentucky; and further, this Contract is expressly contingent upon the approval and sale of University of Kentucky and/or State Revenue Bonds in an amount sufficient to pay the purchase price set forth herein.

17. Successors and Assigns: Upon execution of this contract, the same shall become binding upon and inure to the benefit of Seller and Purchaser, their respective successors and assigns.

18. Entire Agreement: Seller and Purchaser each acknowledge receipt of a full and complete copy of this Contract and declare that said Contract, together with any exhibits, embodies the entire agreement between Seller and Purchaser with respect to said real property and that no promises, terms, conditions, representations, warranties or agreements other than those contained herein have been made or were relied upon; further, no extension, change, modification or amendment of this Contract shall have any force or effect whatsoever unless the same shall be in writing and noted by endorsement on the original of this Contract and signed by both Seller and Purchaser. All prior contracts, drafts and memoranda, if any, are hereby declared null, void and of no effect.

19 . Choice of Laws: This Contract shall be construed pursuant to and in accordance with the laws of the Commonwealth

of Kentucky.

20. Notices: All official notices, requests or other communications hereinunder shall be in writing and shall have been given at the time delivered by the U.S. Postal Service, certified or registered, postage prepaid, addressed to Seller and Purchaser as follows:

If to Seller: Allen E. Paulson
P.O. Box 2206
Savannah, GA 31402


and

Ann Sturgill
C/O Ogden, Sturgill & Welch
Attorneys at Law
155 East Main Street
Lexington, KY 40507-1393

If to Purchaser: John C. Darsie
Office of Legal Counsel
Room 2, Administration Building
University of Kentucky
Lexington, KY 40506-0032

IN TESTIMONY WHEREOF, Seller and Purchaser have hereunto affixed their signatures, by and through their duly authorized representatives, to duplicates hereof as of the day and year first above written.

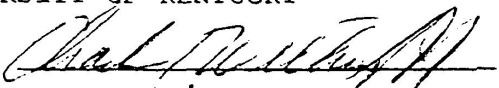
SELLER: UNIVERSITY OF KENTUCKY
ALLEN E. PAULSON LIVING TRUST

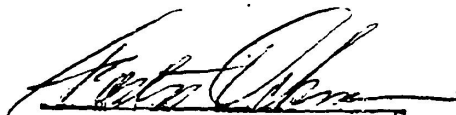
BY: 
ITS: _____

APPROVED:

PURCHASER: UNIVERSITY OF KENTUCKY

BOARD OF TRUSTEES,
UNIVERSITY OF KENTUCKY

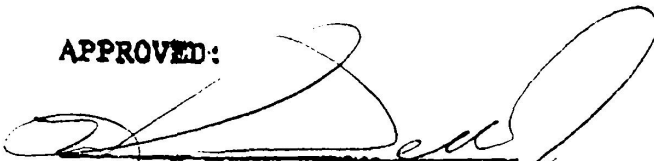
BY: 
ITS: President

BY: 
ITS: _____

Examined for Form & Legality
Office of Legal Counsel
University of Kentucky

By: 
Attorney at Law

APPROVED:


SECRETARY, Finance and
Administration Cabinet,
Commonwealth of Kentucky
WP+353

~~SECRETARY~~



ATTORNEY
FINANCE AND ADMINISTRATION CABINET

EXHIBIT "A"
(Pin Oak Farm)

PARCEL A

That certain tract of land more particularly described as follows, to-wit:

Beginning at a point, said point being where the center line of the Versailles and Midway Pike (U.S. Highway No. 62) intersects the center line of Versailles and Frankfort Pike (U.S. Highway No. 60); thence with the center of the Versailles and Midway Pike (U.S. Highway No. 62) for ten calls, N. 29 deg. 55 min. E. 1300 feet, N. 29 deg. 06 min. E 1000 feet N. 28 deg. 50 min E. 600 feet, N. 29 deg. 24 min. E 400 feet, N. 29 deg. 00 min. E 700 feet, N. 28 deg. 20 min. E. 200 feet, N. 25 deg. 37 min. E 600 feet, N 29 deg. 51 min. E 1100 feet N. 29 deg. 58 min. E 500 feet and N 31 deg. 35 min. E 2254.5 feet to a corner with Judge O'Rear; Thence with Judge O'Rear for thirteen calls, N 62 deg. 47 min. W 300 feet, N 62 deg. 38 min. W 1088 feet, N 62 Deg. 41 min. W 712 feet N. 62 deg. 48 min. W 700 feet, N 62 deg. 40 min. W 1400 feet, N. 62 deg. 54 min. W 300 feet, N. 62 deg. 43 min. W 719.7 feet to a stone, N 37 deg. 33 min. E. 100.8 feet, N 23 deg. 52 min. E 1119.9 feet, N. 69 deg. 13 min. W. 200 feet, N 68 deg. 33 min. W 1154.5 feet, N 68 deg. 46 min. W 1928.5 feet, and N 68 deg. 36 min. W 418.5 feet to a corner with Dr. Newman; thence with Dr. Newman for five calls, S 23 deg. 46 min. W 200 feet S 24 deg. 18 min. W 738.2 feet, N. 67 deg. 03 min. W 1100 feet, N. 68 deg. 05 min. W 1399 feet and S 23 deg. 05 min. W 1347.2 feet to the center of the Versailles and Frankfort Pike (U.S. Highway No. 60); thence with the center of the Versailles and Frankfort Pike (U.S. Highway No. 60) for twenty calls, S 31 deg. 16 min. E 500 feet, S 31 deg. 19 min. E 3251.2 feet, S 31 deg. 10 min. E 842.5 feet, S 36 deg. 18 min. E 83 feet, S 43 deg. 15 min. E 1241.6 feet, S 37 deg. 46 min. E 141.8 feet, S 30 deg. 56 min. E 123.6 feet, S 26 deg. 50 min. E 908.0 feet, S 26 deg. 07 min. E 520.5 feet, S 20 deg. 44 min. E 163.8 feet, S 14 deg. 39 min. E 200 feet, S 08 deg. 10 min. E 200 feet, S 07 deg. 03 min. E 200 feet, S 13 deg. 02 min. E. 200 feet, S 24 deg. 46 min. E 275 feet, S 34 deg. 23 min. E 1403 feet, S 34 deg. 08 min. E 458.3 feet, S 27 deg. 46 min. E 125 feet, S 26 deg. 42 min. E 961.8 feet, and S 26 deg. 45 min. E 1255.7 feet to the beginning, and containing

1362.99 acres, more or less.

PARCEL B

That certain tract of land more particularly described as follows, to-wit:

Beginning at the point of intersection of the northeast right-of-way lines of the old and relocated U.S. Highway 60 (Versailles-Frankfort Road) said point being at approximate station 468+98.3; thence in a northwesterly direction along the northeast right of way line of old U.S. Highway 60 (Versailles-Frankfort Road) parallel to the centerline of said right of way for 13 calls, viz: N 15° 04' 15" W. 117.0 feet, N. 08° 53' 15" W. 351.3 feet, N. 12° 00' 15" W. 92.3 feet, N. 15° 08' 15" W. 99.0 feet, N. 17° 33' 15" W. 104.5 feet, N. 20° 57' 15" W. 97.4 feet, N. 25° 27' 15" W. 100.9 feet, N. 27° 36' 15" W. 326 feet, N. 28° 24' 15" W. 569.1 feet, N. 28° 30' 15" W. 453.2 feet, N. 30° 09' 15" W. 126.5 feet, N. 38° 43' 15" W. 168.4 feet, N. 45° 05' 15" W. 940.6 feet, being at approximate station 432+00, the northwestern intersection of the northeast right-of-way lines of the old and relocated U.S. Highway 60 (Versailles-Frankfort Road); thence, in a southeasterly direction along a line 75 feet northeast of and parallel to the centerline of the relocated U.S. Highway 60 (Versailles-Frankfort Road) to a point 75 feet northeast of and opposite station 432+14.9; thence along the northeast right-of-way line of relocated U.S. Highway 60 (Versailles-Frankfort Road) for 5 calls, viz: S. 30° 49' 15" E. 1135.4 feet, S. 37° 31' 15" E. 252.4 feet, S. 27° 46' 15" E. 800.4 feet, S. 46° 53' 15" E. 750.8 feet, S 29° 33' 15" E. 536.0 feet, to the point of beginning, containing 14.03 acres, more or less.

SAVE AND EXCEPT from the above described Parcels A and B that certain tract of land containing 13.1 acres, more or less, described in undated Deed from J. S. Abercrombie and his wife, Lillie Frank Abercrombie, and Josephine Abercrombie Robinson and her husband, H. Burnet Robinson, to the Commonwealth of Kentucky, of record in the office of the Clerk of the Woodford

County Court in Deed Book 55, Page 291.

PARCEL C

A certain tract or parcel of land located on the northeast side of U.S. Highway No. 60 (Versailles-Frankfort Road) approximately 1.5 miles southeast of the Steele Road intersection or approximately 3.5 miles northwest of the City of Versailles, Woodford County, Kentucky, and being more particularly described as follows:

Beginning at a point located in the northeast right-of-way line of U.S. Highway No. 60, said point being a Kentucky Department of Transportation concrete right-of-way monument located 75 feet from the centerline of said highway; thence leaving said right-of-way line along fence boundary lines to the A. B. Gay property for the following four calls -- N 25° 30' 00" E, 895.13 feet to a wood post corner and crossing a front or southeast corner to said Gay at approximately 30 feet on this line; thence S 71° 39' 00" E, 822.56 feet to a wood post corner; thence N 19° 05' 15" E, 2,049.47 feet to a wood post corner; thence S 73° 24' 00" E, 982.37 feet to a wood post and common corner to Gay and the N. B. Hunt property (Bluegrass Farm); thence leaving Gay with fenced boundary lines to said Hunt for the following two calls -- S 19° 36' 45" W, 1,589.03 feet to a wood post corner; thence S 71° 13' 00" E, 1,704.62 feet to a wood post and common corner to Hunt and the Pin Oak Farm property; thence leaving Hunt with fenced boundary lines to said Pin Oak Farm for the following four calls -- S 20° 08' 15" W, 936.66 feet to a wood post corner; thence N 71° 06' 15" W, 1,938.09 feet to a wood post corner; thence N 73° 14' 30" W, 560.42 feet to a wood post corner; thence S 19° 07' 00" W, 1,226.90 feet to a point in the aforementioned northeast right-of-way line of U.S. Highway No. 60, said point being a Kentucky Department of Transportation concrete monument located 75 feet from the centerline of said highway; thence with said right-of-way N 35° 00' 45" W, 1,330.93 feet to the point of beginning, and containing 121.58 acres, more or less.

Parcels A, B, and C described above being a part of the same real property conveyed to the Allen E. Paulson

Living Trust by deed from the Jamie A. Robinson Trust No. Two and the George A. Robinson Trust No. Two, dated June 5, 1989, and of record in Deed Book 137, Page 492 in the Woodford County Clerk's Office, Woodford County, Kentucky.

PROVIDED, however, there is excluded from the above Parcels A, B, and C that certain real property described by Exhibit "B" attached hereto and made a part hereof by reference, designated as the main residence and 31 acres, more or less, of Pin Oak Farm.

EXHIBIT "B"

(Main residence and 31⁺ acres)

NOTE: Legal description of main residence and 31 acres, more or less, to be determined by survey and appended to Contract prior to closing.

