

Minutes of the Meeting of the Board of Trustees of the University of Kentucky, Tuesday, April 2, 1991.

The Board of Trustees of the University of Kentucky met at 1:00 p.m. (Lexington time) on Tuesday, April 2, 1991 in the Board Room on the 18th floor of Patterson Office Tower on the Lexington Campus.

A. Meeting Opened and Roll Called

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

The following members of the Board of Trustees answered the call of the roll:

Mr. Foster Ockerman (Chairman), Mr. Ted B. Bates, Professor Raymond F. Betts, Professor Carolyn S. Bratt, Mr. William E. Burnett, Jr., Governor Albert B. Chandler, Mr. Tracy Farmer, Mrs. Edythe Jones Hayes, Senator Walter D. Huddleston, Mr. Sean Lohman, Dr. Robert P. Meriwether, Professor Judith Rhoads, Mr. James L. Rose, Mr. Jerome A. Stricker, Mr. William B. Sturgill, Mr. Daniel C. Ulmer, Jr., Mr. Billy B. Wilcoxson, and Judge Henry R. Wilhoit, Jr. Absent from the meeting were Judge Robert F. Stephens and Judge Julia K. Tackett. The University administration was represented by President Charles T. Wethington, Jr.; Chancellors Peter P. Bosomworth, Robert E. Hemenway, and Ben W. Carr, Jr.; Vice Presidents Edward A. Carter and Eugene Williams; Acting Vice President Leonard K. Peters; Mr. C. M. Newton; 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 1:03 p.m.

B. Minutes Approved

Mr. Ockerman stated that the Minutes of the March 5, 1991 Board of Trustees meeting had been distributed and asked for corrections. The Minutes were approved as distributed.

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

In reviewing his Report to the Trustees, President Wethington called attention to the following items:

1. UK Board of Trustee member Judith L. Rhoads is named an American Council on Education Fellow for the 1991-92 academic year.
2. UK has eight Fulbright Scholars who have recently participated in, or will soon undertake, research projects around the world as part of the overseas study opportunities in this year's Fulbright Scholars program.
3. Hopkinsville Community College dedicated a new 550 seat auditorium on March 24.

4. Eighteen central Kentucky school systems, which serve approximately 60,000 students, have formed a cooperative as recommended in Kentucky's new education reform act and have headquartered it at the University of Kentucky.
5. The College of Pharmacy received official notification that its baccalaureate and doctor of pharmacy programs have been reaccredited for six years by the American Council on Pharmaceutical Education.
6. Bernard Shaw, principal Washington anchor for Cable News Network, was on campus March 26 to deliver the 1991 Joe Creason Lecture.

President Wethington asked the members to read the other items in the report at their leisure. He called upon Mr. Lohman to comment on Item 2 in his report, Chinese Student to Speak at University Day.

Mr. Lohman reported that University Day is the beginning of a new tradition. It will be a day sponsored by the senior class each year to show its support for the University. He stated that the theme for the class of 1991 is Tiananmen Square. Chai Ling, who was quoted as the goddess of freedom in China and who led the students at Tiananmen Square, will be the featured speaker at University Day. He reviewed the list of festivities for the new tradition and invited the Trustees to attend.

He reported that the class of 1991 is creating a student endowment fund as part of the library's fund raising effort. Seniors are being asked to donate \$35 which will be used to purchase a book for the library. The book will have a plaque with the student's name and the class of 1991 inscribed in it. This effort will help students create ties with the University.

President Wethington commended Mr. Lohman and the students for starting a new, worthwhile tradition at the University. He also commended them for their choice of theme and for their support of the University's library.

D. Personnel Actions (PR 2)

President Wethington recommended that approval be given to the appointments, actions and/or other staff changes which require Board action, and that the report relative to appointments and/or changes already approved by the administration be accepted. Professor Rhoads so moved. The motion, seconded by Mr. Stricker, passed. (See PR 2 at the end of the Minutes.)

E. Statement of University Purpose and Mission (PR 3A)

President Wethington reported that the Statement of University Purpose and Mission is a part of the University's self-study and needs to come before the Board. He noted that the Senate Council, however, has not officially reviewed the statement. It is, therefore, being withdrawn from the agenda. He noted that the statement will be brought back to the Board at the April 30, 1991 meeting. Without objection, PR 3A was withdrawn from the agenda.

F. Support of Knight Commission Principles (PR 3B)

President Wethington stated that PR 3B is an action item concerning support of the Knight Commission principles. The Knight Commission developed a number of principles to guide university participation in intercollegiate athletics. The concept of presidential control over the athletics program and support from governing boards for the president in exercising that authority and control is foremost among the principles. He said that it is important for the Board to take the lead in supporting these principles.

He stated that he is very proud of the intercollegiate athletics program at the University of Kentucky. The University's program is conducted with academic and athletic integrity and will be a model for others to follow. It has excellent leadership with Mr. C. M. Newton, his staff and the fine coaches. He said that Mr. Newton supports this action by the Board of Trustees because it signals support for the University's program and for those important principles to guide the future.

Mr. Ockerman stated that it is important that the Board approve this action. It is a policy of the Board that it have control through the President not only of the athletic corporation but any of the subsidiary or ancillary corporations. He, therefore, urged the Board to adopt PR 3B. On motion made by Mr. Bates and seconded by Mr. Stricker, the motion unanimously carried. (See PR 3B at the end of the Minutes.)

President Wethington reiterated that this action endorses the statement of principles of the Knight Commission. It does not establish any process for implementation. It is a reaffirmation and an affirmation by the Board of the principle of governance of intercollegiate athletics and of the responsibility of the president to control and administer athletics.

G. Appointment of Vice President for Research and Graduate Studies (PR 3C)

President Wethington stated that PR 3C is another appointment that will help complete the membership of the President's Cabinet. He expressed pleasure in recommending that Dr. Linda J. (Lee) Magid be appointed Vice President for Research and Graduate Studies, effective July 1, 1991. He stated that an external consulting firm had extensive involvement in the search and reviewed the selection process. With the strong recommendation by the University community, President Wethington so recommended the appointment of Dr. Magid. Professor Bratt moved the adoption of PR 3C, and Dr. Meriwether seconded the motion.

Professor Bratt reminded the Board that she chaired the Senate Council Ad Hoc Committee on the Status of Women employed at the University of Kentucky. She said that one of the major findings of that report was the almost total exclusion of women from the highest level positions at the University. At the time the study was completed, only two of the seventeen deans at the University were women and no women served on the President's Cabinet. The University

was thus, in Professor Bratt's opinion, sending a very negative message to women faculty, administrators, staff and students about the value assigned to women and their work. She said that she also believed that the University had been depriving itself of the services of a group of highly talented and able individuals merely because of gender, totally unrelated to ability.

Professor Bratt stated that Dr. Juanita Fleming's recent appointment as Special Assistant to the President for Academic Affairs was a step in the right direction. Dr. Lee Magid's appointment as Vice President for Research and Graduate Studies and Dr. Laretta Byars' appointment as Vice Chancellor for Minority Affairs, that is later on the agenda, continues that momentum. These appointments demonstrate that, contrary to the opinions of some, there are well qualified and talented women who have both the credentials and the ability to serve in the very highest levels of university administration.

She stated that Dr. Magid was selected because she possesses the combination of scientific credibility and administrative vision which predicts that she will ably and successfully lead the University's research and graduate education efforts. Dr. Byars' selection is predicted on both education and experience. She possesses all of the skills and talents necessary for success as Vice Chancellor for Minority Affairs. These appointments clearly establish that women with outstanding credentials can be found and successfully recruited because President Wethington took the time and the energy to find them.

On behalf of the faculty, the Senate Council, and the Ad Hoc Committee on the Status of Women, Professor Bratt welcomed Dr. Magid's and Dr. Byars' appointments. She offered them her assistance as they undertake their new positions at the University.

The motion that Dr. Linda J. (Lee) Magid be appointed Vice President for Research and Graduate Studies unanimously passed. Dr. Magid was asked to stand and be recognized, following which she received a round of applause. (See PR 3C at the end of the Minutes.)

H. Appointment of Vice President for Administration (PR 3D)

President Wethington recommended that Dr. Donald B. Clapp be appointed Vice President for Administration, effective May 1, 1991. He stated that he had reviewed 67 applications and clearly determined that no one has the background, qualifications, and actual experience in Kentucky to fill the position as does Dr. Clapp. Following a brief review of Dr. Clapp's credentials, he expressed pleasure in recommending the appointment of Dr. Clapp.

Mr. Sturgill remarked that it had been his pleasure to have the opportunity to work with Dr. Clapp when he previously occupied the position. He stated that Dr. Clapp will bring to the University the expertise, the knowledge, and the dedication that is needed. He moved that Dr. Clapp be appointed Vice President for Administration. His motion, seconded by Mr. Rose, passed. (See PR 3D at the end of the Minutes.)

President Wethington stated that Dr. Clapp was in the audience. He asked him to stand and be recognized. Dr. Clapp was given a round of applause.

President Wethington expressed pleasure in having both Dr. Clapp and Dr. Magid at the meeting. He assured the Board that they would provide great service to him and the members of the Board.

I. Naming of University Building (PR 4A)

President Wethington recommended that the Board of Trustees approve the name Helen Garrett Allied Health Center for the Allied Health Center which is to be shared jointly with the Western Kentucky State Vocational Technical School and Paducah Community College. He stated that the recommendation is highly appropriate since Miss Garrett had been a member of the Senate of the Commonwealth of Kentucky. She was the moving force in working with the Paducah community and the General Assembly in getting the new facility approved for Paducah Community College. The motion was made by Dr. Meriwether, seconded by Professor Rhoads, and passed. (See PR 4A at the end of the Minutes.)

J. Appointment of Vice Chancellor for Minority Affairs (PR 5A)

President Wethington stated that PR 5A recommends that Dr. Laurretta Flynn Byars be named Vice Chancellor for Minority Affairs, effective immediately. He called upon Dr. Hemenway to comment on the recommendation.

Chancellor Hemenway reported that during the 1990-91 school year there had been a national search for the position of Vice Chancellor for Minority Affairs. The national search resulted in six finalists, one of those being Dr. Laurretta Byars. He reviewed Dr. Byars' credentials and stressed that she is a faculty member who understands both the campus world and the external world. He stated that he was pleased to make the recommendation and that he hoped her appointment would symbolize the opportunities available to women at the University of Kentucky.

President Wethington stated that he was pleased to support the recommendation of Chancellor Hemenway and asked that the Board approve the appointment of Dr. Byars. Professor Bratt so moved. Mrs. Hayes seconded the motion and it passed. (See PR 5A at the end of the Minutes.)

K. Appointment to University of Kentucky Tobacco and Health Research Foundation (PR 8A)

President Wethington recommended that approval be given to the appointment of Nancy J. Wheatley Haley to membership on the Board of Directors of the University of Kentucky Tobacco and Health Research Foundation through June 30, 1994 to complete the term of Robert D. Krell. Mr. Wilcoxson so moved. His motion, seconded by Mr. Stricker, passed. (See PR 8A at the end of the Minutes.)

L. University Research Professorships (PR 8B)

President Wethington recommended that the Board approve the naming of Professor Daniel Breazeale, Department of Philosophy; Professor Bobby O. Hardin, Department of Civil Engineering; Professor Craig McClain, Department of Medicine; Professor Theda Perdue, Department of History; and Professor Ann Tickamyer, Department of Sociology, as University Research Professors for 1991-92. He stated that the purpose of the professorships is to further enhance the research program at the University. He expressed pleasure in recommending the University Research Professorship appointments. On motion made by Professor Bratt, seconded by Professor Betts and carried, the appointments were approved. (See PR 8B at the end of the Minutes.)

President Wethington noted that Professors Breazeale, Hardin, McClain, Perdue and Tickamyer were in the audience. He asked them to stand and be recognized, following which they were given a round of applause. President Wethington expressed his sincere appreciation to them for their good work.

M. Mr. Sturgill's Comments about the Knight Commission Report

Mr. Sturgill said that he wished to comment on the adoption of the Knight Commission principles at this point in the meeting. He stated that the principles of the Knight Commission are on the minds of all educators today. He said that it is a straightforward position and complimented President Wethington for bringing the recommendation to the Board. He asked that the record show that it is the proper step for the University of Kentucky to take at this particular time, to announce to the world that the University intends to control the athletic program at the University in the proper manner.

Mr. Ockerman said that the Board concurred with Mr. Sturgill's comments. He pointed out that the report was issued in March; however, this is the first Board of Trustees meeting since its issuance. He said that he was pleased that the Board had addressed the question and acted on it in an affirmative manner at its first opportunity.

N. Acceptance of Interim Financial Report for the University of Kentucky for the Eight Months Ended February 28, 1991 (FCR 1)

Mr. Ockerman, Chairman of the Finance Committee, stated that the University of Kentucky consolidated financial report for the eight months ended February 28, 1991 is on target with receipts and expenditures. He entertained a motion to approve FCR 1. Mr. Burnett so moved. His motion, seconded by Mr. Lohman, passed. (See FCR 1 at the end of the Minutes.)

O. Disposal of Personal Property (FCR 2)

With the Finance Committee so recommending, Mr. Ockerman entertained a motion that the Board approve the disposition of surplus equipment as described in FCR 2. Mr. Stricker so moved. The motion

was seconded by Professor Rhoads and carried. (See FCR 2 at the end of the Minutes.)

P. Report of Lease (FCR 3)

Mr. Ockerman reviewed the lease agreement listed in FCR 3 and recommended its approval. On motion made by Mr. Sturgill, seconded by Mr. Stricker and passed, the lease agreement was approved. (See FCR 3 at the end of the Minutes.)

Q. Confirmation of 1991-92 Tuition Schedule (FCR 4)

Upon recommendation of the Finance Committee, Mr. Ockerman said that he would entertain a motion that the Board confirm changes in the tuition schedule as adopted by the Council on Higher Education and establish corresponding part-time and summer school charges under the guidelines of the Council on Higher Education. Mr. Burnett so moved. The motion, seconded by Mr. Farmer, carried. (See FCR 4 at the end of the Minutes.)

R. Adoption of 1991-92 Mandatory Registration Fee Schedule (FCR 5)

With the Finance Committee so recommending, Mr. Ockerman said that he would entertain a motion that the Board approve the Mandatory Registration Fee Schedule for 1991-92. He reported that the Student Health Advisory Committee supports the recommended increase. Senator Huddleston so moved. Mr. Bates seconded the motion and it carried. (See FCR 5 at the end of the Minutes.)

S. International Student Fee (FCR 6)

Mr. Ockerman reminded the Board that the International Student Fee had been previously brought to the Board but was suspended pending a review. The review has been conducted, and the recommendation is that the Board indefinitely suspend the International Student Fee. On motion made by Mr. Burnett, seconded by Professor Bratt and carried, the fee was indefinitely suspended. (See FCR 6 at the end of the Minutes.)

T. A Resolution Authorizing the Issuance of University of Kentucky Consolidated Educational Buildings Revenue Bonds, Series L, Dated May 1, 1991, of the Board of Trustees of the University of Kentucky (FCR 7)

Mr. Ockerman stated that this resolution authorizes the issuance of \$22,300,000 of University of Kentucky Consolidated Educational Buildings Revenue Bonds which will be dated May 1, 1991. He noted that the bids will be received April 30 and the resolution will be brought back to the Board for action at that time. He said that he would entertain a motion that the Board authorize the issuance of these bonds. Mr. Rose so moved. His motion was seconded by Mr. Sturgill and passed. (See FCR 7 at the end of the Minutes.)

U. Academic Affairs Committee Report

Professor Betts, Chairman of the Academic Affairs Committee, reported that the Committee had met and heard reports from representatives from the College of Medicine, the College of Business and Economics, and the Office of International Affairs. He stated that he was delighted to report that the University has cause for celebration for having 1,086 students from other countries on campus. This number has doubled since 1981. He reported that an International Learning Center is being initiated in Jewell Hall and will open in the fall of 1991. A new course in cross-cultural affairs will be introduced and taught by Professor William Adams of the Anthropology Department for residents in that program.

Professor Betts reported that 180 University of Kentucky students are now studying abroad at various institutions. Exchange programs are being initiated with a number of countries for both students and faculty. He cited several existing programs and said the most interesting aspect is the students from the Soviet Union will be coming to this country very soon.

He felt it was worthwhile to mention that the programs need more money for scholarships. The scholarships are one way in which the University can become a global institution in the Twenty-first Century. He expressed hopes that the programs will continue to expand and invited the Trustees to consult with the various groups working hard on the international programs, particularly Professor Angene Wilson and Dean Richard Furst.

V. Meeting Adjourned

There being no further business to come before the Board, the Chairman declared the meeting officially adjourned at 1:34 p.m.

Respectfully submitted,

Edythe Jones Hayes
Secretary
Board of Trustees

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

Office of the President
April 2, 1991

PR 2

Members, Board of Trustees:

PERSONNEL ACTIONS

Recommendation: (1) that approval be given to the attached appointments, actions and/or other staff changes which require Board action; and (2) 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 his 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. This report follows the recommendations requiring Board approval.

Action taken: Approved Disapproved Other

Date: April 2, 1991

0197

COMMUNITY COLLEGE SYSTEM

I. BOARD ACTION

A. ADMINISTRATIVE APPOINTMENTS

Prestonsburg Community College

Matijasic, Thomas D., Associate Professor in the Community College System (with tenure), appointed Chairman, Division of Social Sciences and Related Technologies, 7/1/91 through 6/30/94.

II. ADMINISTRATIVE ACTION

A. ACADEMIC APPOINTMENTS

Elizabethtown Community College

Owens, Rebecca, Instructor in the Community College System, 2/11/91 through 5/10/91.

Henderson Community College

Tapp, Cathy, Instructor in the Community College System (voluntary), 1/1/91 through 12/31/93.

Jefferson Community College

Barry, Martha S., Instructor in the Community College System (voluntary), 1/1/91 through 5/31/92.

Bennett, Martha, Instructor in the Community College System (voluntary), 1/1/91 through 5/31/92.

Long, John P., Instructor in the Community College System, 1/1/91 through 5/31/91.

Lexington Community College

Blacketer, Teresa, Instructor in the Community College System (voluntary), 1/9/91 through 5/31/91.

Pennington, Jesse D., Instructor in the Community College System (voluntary), 1/9/91 through 6/30/93.

Madisonville Community College

Howard, Jeffrey R., Instructor in the Community College System, 2/14/91 through 6/30/91.

B. REAPPOINTMENTS

Jefferson Community College

Canton, Philip, Instructor in the Community College System (voluntary), 3/4/91 through 12/31/93.

Howard, Ed, Instructor in the Community College System (voluntary), 3/4/91 through 12/31/93.

Miller, J. Michael, Instructor in the Community College System (voluntary), 3/4/91 through 12/31/93.

Lexington Community College

Chalkley, Jud, Instructor in the Community College System (voluntary), 1/9/91 through 6/30/91.

C. LEAVES OF ABSENCE

Jefferson Community College

Ebanks, Annalisa L., Associate Professor in the Community College System (with tenure), sabbatical leave at half-salary for the 1991-92 academic year.

Lexington Community College

Crowley, Lillie F., Associate Professor in the Community College System (with tenure), sabbatical leave at half-salary for the 1991-92 academic year.

Marshall, Dennis J., Assistant Professor in the Community College System, sabbatical leave at half-salary for the 1991-92 academic year.

Rutledge, Judith A., Professor in the Community College System (with tenure), sabbatical leave at full salary for the 1992 spring semester.

Webb, Carol T., Professor in the Community College System (with tenure), sabbatical leave at half-salary for the 1991-92 academic year.

Southeast Community College

Buell, Elijah, Associate Professor in the Community College System (with tenure), sabbatical leave at full salary for the 1992 spring semester.

LEXINGTON CAMPUS

I. BOARD ACTION

A. ACADEMIC APPOINTMENTS

College of Agriculture

Xiangbai, Hua, Visiting Professor, Animal Sciences, 3/11/91 through 8/10/91.

College of Arts and Sciences

Barron, Susan, Assistant Professor, Psychology, 8/16/91 through 6/30/92.

Berg, Richard A., Adjunct Associate Professor, Psychology, 1/1/91 through 6/30/92.

Smith, Richard H., Assistant Professor, Psychology, 8/16/91 through 6/30/92.

College of Business and Economics

Kim, Yoonbai, Assistant Professor, Economics, 8/16/91 through 6/30/92.

College of Engineering

Li, Jian, Assistant Professor, Electrical Engineering, 7/1/91 through 6/30/93.

B. ADMINISTRATIVE APPOINTMENTS

College of Arts and Sciences

Lyons, William E., Professor (with tenure) and Acting Chairman, Political Science, appointed Chairman, Political Science, 7/1/91 through 6/30/94.

C. EARLY RETIREMENTS

College of Agriculture

Parker, Mary Betty, County Extension Clerk, Area Extension Programs, after 24.5 consecutive years of service, under Section III.A of AR II-1.6-1, effective 5/3/91.

*Special Title Series

D. POST RETIREMENTS

College of Arts and Sciences

Roland, Charles P., Professor, History, to change from 8/16/91 through 5/15/92 to 7/15/91 through 6/15/92.

College of Education

Bruce, Herbert, Professor, Vocational Education, 1/1/91 through 12/31/91.

II. ADMINISTRATIVE ACTION

A. ACADEMIC APPOINTMENTS

College of Arts and Sciences

Bagley, Peter C., Instructor (part-time), Biological Sciences, 3/1/91 through 5/15/91.

Cox, Bonnie Jean, Instructor (part-time), Women's Studies, 1/1/91 through 5/15/91.

Curry, Carolyn N., Instructor (part-time), Women's Studies, 1/1/91 through 5/15/91.

Hamacher, Paul J., Assistant Professor, Aerospace Studies, 6/1/91 through 5/31/94.

Hysong, David W., Assistant Professor, Aerospace Studies, 6/1/91 through 5/31/94.

Scarry, John F., Adjunct Assistant Professor, Anthropology, 1/1/91 through 6/30/92.

College of Education

Whetsell, Mary, Instructor (part-time), Educational and Counseling Psychology, 1/1/91 through 5/15/91.

B. ADMINISTRATIVE APPOINTMENTS

College of Education

Noland, Melody, Associate Professor (with tenure), Health, Physical Education and Recreation, appointed Acting Chairman, Health, Physical Education and Recreation, 1/1/91 through 6/30/91.

C. REAPPOINTMENTS

College of Arts and Sciences

Leupold, Robert J., Instructor (part-time), History, 1/1/91 through 5/15/91.

Shelby, Anne G., Instructor (part-time), English, 1/1/91 through 5/15/91.

Tunberg, Jennifer, Instructor (part-time), Classics, 1/1/91 through 5/15/91.

College of Business and Economics

Dahlstrom, Robert F., Assistant Professor, Marketing, 7/1/91 through 6/30/92.
Davis, Mark A., Assistant Professor, Management, 7/1/91 through 6/30/92.
Gassenheimer, Jule B., Assistant Professor, Marketing, 7/1/91 through 6/30/92.
Halstead, Diane M., Assistant Professor, Marketing, 7/1/91 through 6/30/92.
Lee-Post, Anita, Assistant Professor, Decision Science and Information Systems, 7/1/91 through 6/30/92.
Tepper, Bennett J., Assistant Professor, Management, 7/1/91 through 6/30/92.
Wang, Weiren, Assistant Professor, Economics, 7/1/91 through 6/30/92.

College of Fine Arts

Wesby, Roger H., Assistant Professor*, Music, 7/1/91 through 6/30/91.

College of Law

Michael, Douglas C., Assistant Professor, 7/1/91 through 6/30/92.

D. CHANGES

College of Arts and Sciences

Nyerges, A. Endre, from Assistant Professor (temporary), Anthropology, to Assistant Professor, Anthropology, 7/1/91 through 6/30/92.
Udvardy, Monica, from Instructor (part-time), Anthropology, to Adjunct Assistant Professor, Anthropology, 1/1/91 through 6/30/92.

E. LEAVES OF ABSENCE

College of Agriculture

Wooten, Glenna Sue, County Extension Agent, Cooperative Extension Service, Study leave with full salary, 7/1/91 through 7/19/91.

College of Arts and Sciences

Barr, Thomas C., Professor (with tenure), Biological Sciences, Sabbatical leave with full salary, Fall Semester 1991.
Blythe, Joan H., Associate Professor (with tenure), English, Sabbatical leave with full salary, Fall Semester 1991.

*Special Title Series

Elitzur, Moshe, Professor (with tenure), Physics and Astronomy,
Sabbatical leave with half salary, Fall Semester 1991 and Leave
without pay, Spring Semester 1992.

Fiedler, Theodore, Associate Professor (with tenure), German, Leave
without pay, Fall Semester 1991 and Spring Semester 1992.

Hislop, Peter D., Assistant Professor (without tenure),
Mathematics, Leave without pay, Fall Semester 1991.

Moon, Chung-in, Associate Professor (with tenure), Political
Science, Sabbatical leave with full salary, Fall Semester 1991.

Rimmer, Susan M., Associate Professor (with tenure), Geological
Sciences, Sabbatical leave with full salary, Fall Semester 1991.

Roeder, Phillip W., Associate Professor (with tenure), Political
Science, Sabbatical leave with full salary, Fall Semester 1991.

Sands, Donald E., Professor (with tenure), Chemistry, Sabbatical
leave with full salary, Fall Semester 1991.

Smith, Daniel B., Associate Professor (with tenure), History,
Sabbatical leave with full salary, Fall Semester 1991.

Watkins, John F., Assistant Professor (without tenure), Geography,
Sick leave with pay, 2/20/91 through 5/15/91.

Yanarella, Ernest J., Professor (with tenure), Political Science,
Sabbatical leave with full salary, Fall Semester 1991.

College of Social Work

Royse, David D., Associate Professor (with tenure), Sabbatical
leave with full salary, Fall Semester 1991.

MEDICAL CENTER

I. BOARD ACTION

A. ACADEMIC APPOINTMENTS

College of Medicine

Stigers, Kimberly B., Clinical Assistant Professor, Surgery,
7/1/91 through 6/30/92.

B. JOINT APPOINTMENTS

College of Medicine

Lai-Fook, Stephen J., Professor (with tenure), Research and
Graduate Studies, Center for Biomedical Engineering,
joint appointment as Professor (without tenure),
Physiology and Biophysics, effective 1/1/91.

C. REAPPOINTMENTS

College of Dentistry

Kaplan, Alan L., Associate Professor (Adjunct Title Series),
Oral Health Science, 7/1/91 through 6/30/92.

College of Pharmacy

Gairola, C. Gary, Associate Research Professor, 7/1/91
through 6/30/92.

Lai, Yih-Loong, Associate Research Professor, 7/1/91 through
6/30/92.

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

Pyrek, Jan S., Associate Professor (without tenure), 7/1/91
through 6/30/92.

D. PROMOTIONS

College of Allied Health Professions

Boissonneault, Gilbert, Assistant Professor, Clinical
Sciences, to Associate Professor (with tenure),
Clinical Sciences, effective 7/1/91.

*Special Title Series

College of Medicine

- Andrykowski, Michael, 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 Science, joint appointment as Associate Professor (without tenure), College of Arts and Sciences, Department of Psychology, effective 7/1/91.
- Curry, Thomas E., Jr., Assistant Research Professor, Obstetrics and Gynecology, joint appointment as Assistant Research Professor, Anatomy and Neurobiology, to Associate Research Professor, Obstetrics and Gynecology, joint appointment as Associate Research Professor, Anatomy and Neurobiology, 7/1/91 through 6/30/92.
- Hager W. David, Associate Professor (without tenure) (part-time), Obstetrics and Gynecology, to Professor (without tenure) (part-time), Obstetrics and Gynecology, 7/1/91 through 6/30/92.
- Metcalfe, Monty S., Assistant Professor*, Medicine, to Associate Professor* (with tenure), Medicine, effective 7/1/91.
- Pulito, Andrew R., Associate Professor* (without tenure), Surgery, to Professor* (with tenure), Surgery, effective 7/1/91.
- Salley, Robert K., Assistant Professor*, Surgery, joint appointment as Assistant Professor*, Pediatrics, to Associate Professor* (with tenure), Surgery, joint appointment as Associate Professor* (without tenure), Pediatrics, effective 7/1/91.

E. LEAVES OF ABSENCE

College of Dentistry

- West, Karen L., Assistant Professor*, Oral Health Practice, special leave with pay, 6/6/91 through 7/17/91.

College of Medicine

- Shelling, Judith, Assistant Professor, Biochemistry, special leave with pay, 4/22/91 through 6/2/91.

F. RETIREMENTS

College of Medicine

- Bobbitt, Martha, Staff Assistant IX, Surgery, after 29.75 consecutive years of service, under AR II-1.6-1 Section III.B, effective 3/8/91.

*Special Title Series

II. ADMINISTRATIVE ACTION

A. ACADEMIC APPOINTMENTS

College of Allied Health Professions

Brashear, Ernestine, Clinical Instructor (voluntary),
Clinical Sciences, 2/18/91 through 6/30/91.
Elswick, Glenda, Clinical Instructor (voluntary), Clinical
Sciences, 2/1/91 through 6/30/91.
Gaddy, Beverly M., Assistant Professor (voluntary), Health
Services, 7/1/91 through 6/30/94.
Hendricks, Paul, Assistant Professor (voluntary), Health
Services, 7/1/91 through 6/30/94.
Loveless, Diana K., Clinical Instructor (voluntary),
Clinical Sciences, 2/11/91 through 6/30/91.
Myhre, L. Gordon, Assistant Professor (voluntary), Health
Services, 7/1/91 through 6/30/94.
Stevens, Jeff, Clinical Instructor (voluntary), Clinical
Sciences, 2/18/91 through 6/30/91.

College of Medicine

Combs, Greta Lea, Assistant Professor (part-time), Family
Practice, 2/1/91 through 6/30/91.
Fuller, Peggy A., Assistant Professor (voluntary), Medicine,
2/1/91 through 6/30/91.
Hamush, Nicolas G., Instructor (part-time), Ophthalmology,
2/1/91 through 6/30/91.
Johnson, Charles E., II, Assistant Professor (voluntary),
Pediatrics, 1/1/91 through 6/30/91.
Prater, Jeffery W., Assistant Professor (voluntary),
Medicine, 2/1/91 through 6/30/91.
Willette, Carolyn S., Instructor (part-time), Pediatrics,
3/1/91 through 6/30/91.
Young, Thomas, Instructor (part-time), Anesthesiology,
2/8/91 through 6/30/91.

College of Nursing

Adkins, Debra Ashbrook, Instructor (part-time), 3/1/91
through 6/30/91.
Powell, Jill, Instructor (part-time), 1/1/91 through
6/30/91.

College of Pharmacy

Scheckelhoff, Douglas J., Clinical Assistant Professor,
1/1/91 through 6/30/91.

B. JOINT APPOINTMENTS

College of Medicine

Lawson, W. Travis, Jr., Assistant Professor (voluntary), Preventive Medicine and Environmental Health, joint appointment as Assistant Professor (voluntary), Medicine, 1/1/91 through 6/30/91.
Sparks, David Lawrence, Assistant Research Professor, Pathology, joint appointment as Assistant Research Professor, College of Pharmacy, 3/1/91 through 6/30/91.

C. REAPPOINTMENTS

College of Dentistry

Beeman, Cynthia S., Assistant Professor, Oral Health Practice, 7/1/91 through 6/30/92.
Kinderknecht, Keith E., Assistant Professor*, Oral Health Practice, 7/1/91 through 6/30/92.
Miller, Craig S., Assistant Professor, Oral Health Science, 7/1/91 through 6/30/92.
Shellhart, William Craig, Assistant Professor, Oral Health Practice, 7/1/91 through 6/30/92.
West, Karen L., Assistant Professor*, Oral Health Practice, 7/1/91 through 6/30/92.

College of Medicine

Colombo, Giovanna, Assistant Professor, Biochemistry, 7/1/91 through 7/31/91.

College of Nursing

Hoefner, Ruthie B., Instructor (part-time), 3/1/91 through 6/30/91.
Warren, Janet K., Instructor (part-time), 1/1/91 through 6/30/91.

College of Pharmacy

Abell, Robert J., Assistant Professor (part-time), 7/1/91 through 6/30/92.
Barnett, Joan B., Clinical Assistant Professor, 7/1/91 through 6/30/92.
Bowdy, Bruce D., Assistant Professor (part-time), 7/1/91 through 6/30/92.
Brandenburg, Jan A., Instructor (part-time), 7/1/91 through 6/30/92.
Bummer, Paul M., Assistant Professor, 7/1/91 through 6/30/92.
Cassis, Lisa A., Assistant Professor 7/1/91 through 6/30/92.

*Special Title Series

Chandler, Mary H. H., Assistant Professor*, 7/1/91 through 6/30/92.
Clarkson, Thomas R., Assistant Professor (part-time), 7/1/91 through 6/30/92.
Dwoskin, Linda P. Assistant Professor, 7/1/91 through 6/30/92.
Fong, Janice M., Clinical Assistant Professor, 7/1/91 through 6/30/92.
German, Teresa C., Clinical Assistant Professor, 7/1/91 through 6/30/92.
Green, Dwaine K., Assistant Professor (Adjunct Title Series), 7/1/91 through 6/30/92.
Hatton, Jimmi C., Assistant Professor*, 7/1/91 through 6/30/92.
Hunt, Max L., Jr., Clinical Assistant Professor, 7/1/91 through 6/30/92.
Jay, Susan M., Instructor (Adjunct Title Series), 7/1/91 through 6/30/92.
Kadaba, Pankaja K., Research Professor (part-time), 7/1/91 through 6/30/92.
LeGrand, Barbara F., Assistant Professor (Adjunct Title Series), 7/1/91 through 6/30/92.
Littrell, Robert A., Assistant Professor (Adjunct Title Series), 7/1/91 through 6/30/92.
Lodder, Robert A., Assistant Professor, joint appointment as Assistant Professor, College of Arts and Sciences, Department of Chemistry, 7/1/91 through 6/30/92.
McIntyre, William J., Assistant Professor*, 7/1/91 through 6/30/92.
Mehta, Rahul C., Assistant Research Professor, 7/1/91 through 6/30/92.
Nerstad, Darrel O., Clinical Assistant Professor, 7/1/91 through 6/30/92.
Parker, Chester L., Associate Professor (without tenure) (part-time), 7/1/91 through 6/30/92.
Piascik, Mary M., Assistant Professor*, 7/1/91 through 6/30/92.
Riggs, Robert M., Assistant Professor, 7/1/91 through 6/30/92.
Scheckelhoff, Douglas J., Clinical Assistant Professor, 7/1/91 through 6/30/92.
Soltis, Edward E., Assistant Professor, 7/1/91 through 6/30/92.
Tiggelaar, John M., Assistant Professor (part-time), 7/1/91 through 6/30/92.
Wermeling, Daniel P., Assistant Research Professor, 7/1/91 through 6/30/92.

*Special Title Series

D. CHANGES

College of Dentistry

Hampton, William E., from Clinical Assistant Professor (voluntary), Oral Health Practice, to Assistant Professor (part-time), Oral Health Practice, 2/1/91 through 6/30/91.

College of Medicine

Freeman, James W., from Assistant Research Professor, Surgery, joint appointment as Assistant Research Professor, Microbiology and Immunology, to Assistant Professor, Surgery, joint appointment as Assistant Professor, Microbiology and Immunology, 2/1/91 through 6/30/91.

Malhotra, Gurdeep, from Instructor (voluntary), Radiation Medicine, to Instructor (part-time) (temporary), Radiation Medicine, 2/1/91 through 6/30/91.

Wrightson, Michelle, from Assistant Professor (part-time), Medicine, to Clinical Assistant Professor, Medicine, 2/1/91 through 6/30/91.

E. TERMINAL REAPPOINTMENTS

College of Medicine

Colombo, Giovanna, Assistant Professor, Biochemistry, 8/1/91 through 7/31/92.

Holtman, Joseph R., Jr., Assistant Professor, Pharmacology, 6/1/91 through 5/31/92.

RESEARCH AND GRADUATE STUDIES

I. BOARD ACTION

A. ADMINISTRATIVE APPOINTMENTS

Interdisciplinary Human Development Institute

Merchant, Debra S., Disability Program Specialist IV,
October 15, 1990

Wheeler, Carolyn A., Disability Program Specialist II,
November 12, 1990

PR 3 A

Members, Board of Trustees:

STATEMENT OF UNIVERSITY PURPOSE AND MISSION

Recommendation: that the Board of Trustees approve the following statement of University of Kentucky purpose and mission.

University Purpose and Mission

As the Commonwealth's only comprehensive land-grant University with a state-wide mission, the University of Kentucky exists to provide the benefits of education and knowledge for the citizens of the Commonwealth of Kentucky and, by extension, the nation and the world.

The University creates, preserves, and disseminates knowledge. It seeks to provide an optimal environment for teaching and learning. The University aspires to develop a community of scholars that promotes cultural understanding, ethical behavior, civic virtue, and international citizenship. All efforts of the University are intended to address the needs of society and, by so doing, improve the human condition.

University Goals

In fulfilling its mission, the University of Kentucky, through its University and Community College Systems, has three interrelated functions: instruction, research, and public service. These activities enable the University to achieve its goals of:

- * Responding to the educational needs of individuals from the Commonwealth of Kentucky, in addition to those from the nation and the world, by offering excellent programs in undergraduate, graduate, and professional education.
- * Advancing the frontiers of knowledge by conducting programs of basic and applied research which seek solutions to human, resource, and environmental problems and further the human good.
- * Improving the well being of citizens of the Commonwealth of Kentucky, as well as all humanity, through application of the knowledge, abilities, and skills of members of the University community.
- * Providing the Commonwealth of Kentucky with a modern, comprehensive university recognized nationally for its overall quality of teaching, research, service, and graduates and internationally for specific areas of strength.

Strategic Plan

The University has adopted a Strategic Plan which includes goals, objectives, and strategies enabling the University to improve its effectiveness in pursuing its mission and fulfilling its purpose. The Plan was adopted on September 19, 1989 by the Board of Trustees and will be reviewed every two years.

Background

An institution should review its statement of purpose in conjunction with its decennial institutional self-study, taking into account internal changes as well as the changing responsibilities to its constituencies. In consultation with the University Senate Committee on Planning and Priorities, the Institutional Self-Study's Steering Committee has reviewed the University's mission and purpose goals and presents this statement to reflect the mission and responsibilities for the decade of the Nineties.

3074A

Action taken: Approved _____ Disapproved _____ Other Withdrawn

Date: April 2, 1991

Office of the President
April 2, 1991

PR 3B

Members, Board of Trustees:

SUPPORT OF KNIGHT COMMISSION PRINCIPLES

Recommendation: that the Board of Trustees supports the following Statement of Principles of the Knight Commission as a guide to the University of Kentucky's participation in intercollegiate athletics:

A STATEMENT OF PRINCIPLES

The University of Kentucky is committed to a philosophy of firm institutional control of athletics, to the unquestioned academic and financial integrity of our athletics program, and to the accountability of the athletics department to the values and goals befitting higher education. In support of that commitment, the Board of Trustees hereby affirms the following general principles as a guide to our participation in intercollegiate athletics:

I. The educational values, practices and mission of this institution determine the standards by which we conduct our intercollegiate athletics program.

II. The responsibility and authority for the administration of the athletics department, including all basic policies, personnel and finances, are vested in the president.

III. The welfare, health and safety of student-athletes are primary concerns of athletics administration on this campus. This institution will provide student-athletes with the opportunity for academic experiences as close as possible to the experiences of their classmates.

IV. Every student-athlete -- male and female, majority and minority, in all sports -- will receive equitable and fair treatment.

V. The admission of student-athletes -- including junior college transfers -- will be based on their showing reasonable promise of being successful in a course of study leading to an academic degree. That judgment will be made by admissions officials.

VI. Continuing eligibility to participate in intercollegiate athletics will be based on students being able to demonstrate each academic term that they will graduate within five years of their enrolling. Students who do not pass this test will not play.

VII. Student-athletes, in each sport, will be graduated in at least the same proportion as non-athletes who have spent comparable time as full-time students.

VIII. All funds raised and spent in connection with intercollegiate athletics programs will be channeled through the institution's general treasury, not through independent groups, whether internal or external. The athletics department budget will be developed and monitored in accordance with general budgeting procedures on campus.

IX. All athletics-related income from non-university sources for coaches and athletics administrators will be reviewed and approved by the university. In cases where the income involves the university's functions, facilities or name, contracts will be negotiated with the institution.

X. We will conduct annual academic and fiscal audits of the athletics program. Moreover, we intend to seek NCAA certification that our athletics program complies with the principles herein. We will promptly correct any deficiencies and

will conduct our athletics program in a manner worthy of this distinction.

Background: The Knight Foundation in 1989 created a Commission on Intercollegiate Athletics to examine the growing abuses in college sports and to propose an agenda for reform. The final report and recommendations of the Commission were adopted in March 1991. Institutions with intercollegiate athletics programs, including the University of Kentucky, have been furnished copies of the report. The report recommends that trustees of institutions endorse and reaffirm presidential authority in all matters of athletics administration.

By this action, the University of Kentucky Board of Trustees, in accordance with its responsibility for the governance of the University, reaffirms the principle that the President is delegated the same degree of authority to administer the athletics program as he has for all other programs in the University, including the authority to hire, evaluate and terminate the athletic director and coaches, and to oversee all financial matters in athletics.

In passing this resolution of support for the Knight Commission Principles, the Board of Trustees proclaims its strong desire for the University of Kentucky to continue its leadership in providing a program of intercollegiate athletics of integrity which exists first and foremost for the student athletes who participate.

Action taken: Approved Disapproved Other

Date: April 2, 1991

2311

Office of the President
April 2, 1991

PR3C

Members, Board of Trustees:

APPOINTMENT OF VICE PRESIDENT FOR RESEARCH AND GRADUATE STUDIES

Recommendation: that Dr. Linda J. (Lee) Magid be appointed Vice President for Research and Graduate Studies, effective July 1, 1991.

Background: Following the retirement of Dr. Wimberly C. Royster as Vice President for Research and Graduate Studies and the appointment of Acting Vice President Leonard K. Peters, a nationwide search was initiated in October 1990 to obtain nominations of and applications from qualified persons for the vice presidential position. Lamalie Associates, Inc., a search consulting firm, provided significant assistance with the search. Also, a committee consisting of the Chancellors for the Lexington Campus and the Medical Center, six faculty members with outstanding records in research, and a graduate student member of the Graduate Council was appointed to advise the President relative to the search.

Seventy-six applications were considered and seven candidates were interviewed by the advisory committee and the President. Two of the seven candidates were selected for an additional visit to meet with the staff officers in Research and Graduate Studies, directors of multidisciplinary research institutes and centers, deans, Graduate Council, University Research Advisory Committee, University Senate Council, the University Senate Research Advisory Committee, and the President. Both group and individual comments were received by the President about these two candidates following their visits. The results of the extensive search and evaluation has led to this recommendation that Dr. Magid be appointed Vice President for Research and Graduate Studies.

Dr. Magid is currently Executive Assistant to the Chancellor and a Professor in the Department of Chemistry at the University of Tennessee - Knoxville. She received her baccalaureate degree from Rice University and doctoral degree from the University of Tennessee. She is recognized nationally and internationally for her contributions in colloid and interface science and related physical chemistry areas. Prior to her appointment as Executive Assistant to the Chancellor, she served for three years as Associate Dean for Research and Resources Development in the College of Liberal Arts, University of Tennessee at Knoxville. Among her honors, Dr. Magid has been a Woodrow Wilson Fellow and in 1986 received the Phi Beta Kappa Award for Creative Achievement in Liberal Arts.

Action taken: Approved Disapproved Other

Date: April 2, 1991

Office of the President
April 2, 1991

PR 3 D

Members, Board of Trustees:

APPOINTMENT OF VICE PRESIDENT FOR ADMINISTRATION

Recommendation: that Donald B. Clapp be appointed Vice President for Administration, effective May 1, 1991.

Background: At its meeting on March 5, 1991, the Board approved some changes in the University of Kentucky central administrative organization. The position of Vice President for Administration was to be retained but with its responsibilities changed. The person now filling this position will be the chief financial and administrative officer reporting to the President as well as the person responsible for managing the Office of the President, for coordinating the offices of the Central Administration, and for exercising the responsibilities of the President in the absence of the President. The Vice President for Administration will have direct responsibility for the offices of the Controller and Treasurer, Employee Benefits, Risk Management, Purchasing, Design and Construction, Real Property, Facilities Management, Affirmative Action, and Personnel Policies, and for other fiscal and administrative responsibilities as assigned by the President.

The search process to fill the position of Vice President for Administration led to the receipt of sixty-seven applications. Donald B. Clapp was determined by the President to be the best qualified among the applicants and, therefore, as the person who should be recommended for appointment to the position.

Mr. Clapp has baccalaureate and law degrees from the University of Kentucky. He previously has served in an outstanding manner in each of several administrative positions at the University of Kentucky: Budget Director (1966-73), Executive Assistant to the President (1973-75), Vice President for Administration (1975-83), and Executive Vice Chancellor for Administration for the Medical Center (1985-87). More recently he served as Executive Vice President of the Southern Baptist Theological Seminary in Louisville (1987-90).

Among the many candidates for this position, Mr. Clapp's experience along with his knowledge of, and dedication to, the University of Kentucky was considered most outstanding. The University of Kentucky is fortunate to have one of its former administrators with such a background who is best qualified and willing to accept this important assignment.

Action taken: Approved Disapproved Other

Date: April 2, 1991

Office of the President
April 2, 1991

PR 4 A

Members, Board of Trustees:

NAMING OF UNIVERSITY BUILDING

Recommendation: that the Board of Trustees approve the name HELEN GARRETT ALLIED HEALTH CENTER for the Allied Health Center which is to be shared jointly with the Western Kentucky State Vocational Technical School and Paducah Community College.

Background: Mrs. Garrett is a former state senator who had great foresight in gaining funding which created the opportunity for Paducah Community College and the Western Kentucky State Vocational Technical School to share a facility which will benefit the entire area. Mrs. Garrett tirelessly gave of her time and effort in support of educational excellence in Western Kentucky. Because of her continuing commitment to Paducah Community College and the education needs of the area, it is only fitting that the Allied Health Center be named the HELEN GARRETT ALLIED HEALTH CENTER.

In accordance with the University policy on naming buildings, the Committee on Naming University Buildings has made its recommendation to the Chancellor of the Community College System who recommends to the President and Board of Trustees that this building be named the HELEN GARRETT ALLIED HEALTH CENTER.

Action taken: Approved Disapproved Other

Date: April 2, 1991

Office of the President
April 2, 1991

PR 5 A

Members, Board of Trustees:

APPOINTMENT OF VICE CHANCELLOR FOR MINORITY AFFAIRS
LEXINGTON CAMPUS

Recommendation: that Dr. Laretta Flynn Byars be named Vice Chancellor for Minority Affairs, effective immediately.

Background: Dr. Byars has served as Acting Vice Chancellor for Minority Affairs since July 1, 1990, replacing Dr. William C. Parker who retired. A national search was begun in Fall 1990 and more than one hundred applications were received. Six finalists visited campus this spring, and Dr. Byars was the top choice of the faculty, staff, and students who met with the finalists. Dr. Byars is an associate professor of social work. She received her bachelor's degree in sociology from Morehead State University and her MSW and Ed.D degrees from the University of Kentucky. Dr. Byars began teaching in the College of Social Work in 1972 and joined the faculty as an assistant professor in 1980. She served as assistant dean for student affairs in the College from 1979-80. She was selected as an "Outstanding Black Achiever" by the YMCA Adult Black Achievers Leadership Program in 1988. She has been a member of the Planned Parenthood Board of Directors, the Equal Educational Opportunity Task Force of the Fayette County Public Schools, the Voluntary Action Center Board of Directors, and the Lexington Fayette County Community Action Headstart Policy Council. At UK, she has served on the Equal Opportunity Panel, the University Self-Study Committee, the Equal Opportunity Panel, and the Cultural Diversity Committee.

The University is fortunate to attract an outstanding faculty member to become Vice Chancellor for Minority Affairs.

Action taken: Approved Disapproved Other

Date: April 2, 1991

Office of the President
April 2, 1991

PR 8 A

Members, Board of Trustees:

APPOINTMENT TO UNIVERSITY OF KENTUCKY
TOBACCO AND HEALTH RESEARCH FOUNDATION

Recommendation: that approval be given to the appointment of Nancy J. Wheatley Haley to membership on the Board of Directors of the University of Kentucky Tobacco and Health Research Foundation through June 30, 1994 to complete the term of Robert D. Krell.

Background: Dr. Krell resigned from the Board due to changes of assignment with his employer and Dr. Haley was nominated for membership on the Board of Directors of the University of Kentucky Tobacco and Health Research Foundation at their January 19, 1991 meeting. Dr. Haley is Director of Laboratories for the Metropolitan Life Insurance Company. This appointment requires approval of the Board of Trustees in accordance with the Articles of Incorporation for the University of Kentucky Tobacco and Health Research Foundation approved by the Board of Trustees at its meeting on May 2, 1989.

Action: Approved Disapproved Other

Date: April 2, 1991

Office of the President
April 2, 1991

PR8B

Members, Board of Trustees:

UNIVERSITY RESEARCH PROFESSORSHIPS

Recommendation: that the Board of Trustees approve the naming of Professor Daniel Breazeale, Department of Philosophy; Professor Bobby O. Hardin, Department of Civil Engineering; Professor Craig McClain, Department of Medicine; Professor Theda Perdue, Department of History; and Professor Ann Tickamyer, Department of Sociology, as University Research Professors for 1991-92.

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

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

Action: Approved Disapproved Other

Date: April 2, 1991

Office of the President
April 2, 1991

FCR 1

Members, Board of Trustees:

ACCEPTANCE OF INTERIM FINANCIAL REPORT FOR THE
UNIVERSITY OF KENTUCKY FOR THE EIGHT MONTHS ENDED
FEBRUARY 28, 1991

Recommendation: that the Board of Trustees accept the University of Kentucky consolidated financial report for the eight months ended February 28, 1991.

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

As of February 28, 1991, the University had realized income of \$560,363,000 representing 75% of the 1990-91 estimate of \$745,022,000. Expenditures and commitments total \$496,316,000 or 67% of the approved budget of \$745,022,000.

Action taken: Approved Disapproved _____ Other _____

Date: April 2, 1991

CONSOLIDATED BALANCE SHEET
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FEBRUARY 28, 1981
with comparative totals for February 28, 1980
(in thousands)

	1980-81					1980-80	
	Current Unrestricted Funds	Current Restricted Funds	Loan Funds	Endowment Funds	Plant Funds	Totals	Totals
ASSETS							
Cash and cash equivalents	\$ 64,601	\$ 28,923	\$ 1,586	\$ 331	\$ 78,270	\$ 173,711	\$ 194,616
Notes, loans, and A/R (less bad debt allowances of \$5,786)	51,104	8,986	17,233		1,517	78,850	70,706
Investments	3,275	40,831		77,186	80,566	201,658	192,705
Property, plant, and equipment					655,237	655,237	789,323
Inventories and other	11,907	96				12,003	11,298
Total Assets	\$ 130,887	\$ 78,846	\$ 18,819	\$ 77,517	\$ 1,015,500	\$ 1,321,659	\$ 1,259,648
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 9,949	\$ 431			\$ 78	\$ 10,458	\$ 10,364
Employee withholdings and deposits		4,960				4,960	4,482
Other liabilities	3,291	2,636			5,761	11,687	7,783
Liability for self insurance	17,018					17,018	14,532
Deferred income	5,304	7,200				12,504	11,891
Bonds payable					271,071	271,071	279,513
Capitalized lease obligation					17,879	17,879	22,578
Net deferred revenues and appropriated fund balances	70,796	(827)				69,969	67,875
Total Liabilities	106,358	14,399			294,789	413,546	418,846
Interfund Balances	(33,847)	37,669			(3,822)		
Fund Balances							
Current Unrestricted							
Working capital	47,627					47,627	46,860
Future operating purposes	7,019					7,019	7,420
Other	3,730					3,730	1,525
Current Restricted							
Loan		26,778	\$ 18,819			26,778	26,586
True Endowments				\$ 45,654		45,654	40,529
Term Endowments				2,238		2,238	1,004
Quasi Endowments				29,615		29,615	29,346
Plant							
Retirement of indebtedness					30,859	30,859	31,688
Renewal and Replacement					27,809	27,809	25,360
Allocated for designated projects					39,676	39,676	52,860
Net investment in plant					826,279	826,279	559,792
Total Fund Balances	58,375	26,778	18,819	77,517	724,623	906,113	840,800
Total Liabilities and Fund Balances	\$ 130,887	\$ 78,846	\$ 18,819	\$ 77,517	\$ 1,015,500	\$ 1,321,659	\$ 1,259,648

CONSOLIDATED STATEMENT OF CURRENT FUNDS REVENUES AND APPROPRIATED FUND BALANCES
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE EIGHT MONTHS ENDED FEBRUARY 28, 1961
with comparative totals for February 28, 1960
(in thousands)

	(A)	(B)	(C)	(D)	(E)	(F)
	1960-61				1960-60	
	ORIGINAL BUDGET	REVISED BUDGET	REALIZED TO DATE	PERCENT REALIZED	REALIZED TO DATE	PERCENT REALIZED
General Fund						
(1) State appropriations	\$ 287,596	\$ 287,596	\$ 213,893	74	\$ 189,060	74
(2) Student fees	72,351	74,714	71,733	96	63,247	97
(3) Federal appropriations	14,372	14,372	9,096	63	10,381	72
(4) County appropriations	4,054	4,701	2,720	58	2,517	62
(5) Endowment income	761	836	413	49	414	48
(6) Investment income	9,372	9,372	6,190	66	5,500	64
Gifts and grants						
(7) Affiliated corporations	5,785	6,121	2,595	42	2,085	40
(8) Other	3,113	3,458	1,605	46	1,900	51
(9) Sales and services	15,091	18,060	11,509	72	9,640	66
(10) Fund balance	6,911	12,773	12,773	100	10,853	100
(11) Total General Fund	419,416	430,013	332,517	77	295,687	78
(12) Auxiliary Enterprises	34,902	35,287	24,689	70	23,220	72
(13) Restricted Funds	47,881	49,853	36,044	72	30,944	72
(14) Affiliated Corporations	77,579	78,562	52,882	67	51,752	66
Hospital						
(15) Revenues	144,777	144,777	107,731	74	88,409	73
(16) Fund balance	5,304	6,300	6,500	100	9,343	100
(17) Total Revenue and Appropriated Fund Balances	\$ 729,949	\$ 745,022	\$ 560,353	75	\$ 409,355	75

CONSOLIDATED STATEMENT OF CURRENT FUNDS EXPENDITURE SUMMARY BY PROGRAM - ALL FUNDS
 UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
 FOR THE EIGHT MONTHS ENDED FEBRUARY 28, 1991
 with comparative totals for February 28, 1990
 (in thousands)

	(A)	(B)	(C)	(D)	(E)	(F)
	1990-91			1989-90		
	ORIGINAL BUDGET	REVISED BUDGET	EXPENDED/ ENCUMBERED TO DATE	PERCENT EXP/ ENCUMB	EXPENDED/ ENCUMBERED TO DATE	PERCENT EXP/ ENCUMB
(1) Instruction	\$ 189,693	\$ 190,201	\$ 120,783	64	\$ 105,365	63
(2) Research	90,068	91,400	51,866	57	48,901	53
(3) Public Service	86,783	85,974	43,846	66	38,461	57
(4) Academic Support	45,422	30,920	32,184	63	28,865	61
(5) Student Services	17,533	16,669	12,075	95	11,493	68
(6) Institutional Support	28,585	33,220	21,267	64	22,186	78
(7) Student Financial Aid	31,110	31,863	34,051	107	27,078	107
(8) Operation and Maintenance	35,449	36,493	23,788	65	21,411	65
(9) Mandatory Transfers (Debt Service)	25,517	25,001	22,225	89	20,082	81
(10) Hospital	149,790	150,895	98,612	65	63,227	64
(11) Auxiliary Enterprises	49,909	50,384	35,641	71	32,843	70
(12) Total Expenditure by Program	<u>\$ 729,949</u>	<u>\$ 745,022</u>	<u>\$ 496,316</u>	67	<u>\$ 437,823</u>	66

EXPENDITURE SUMMARY BY CATEGORY OF EXPENDITURE
 UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
 FOR THE EIGHT MONTHS ENDED FEBRUARY 28, 1991
 with comparative totals for February 28, 1990
 (in thousands)

	(A)	(B)	(C)	(D)	(E)	(F)
	1990-91			1989-90		
	ORIGINAL BUDGET	REVISED BUDGET	EXPENDED/ ENCUMBERED TO DATE	PERCENT EXP/ ENCUMB	EXPENDED/ ENCUMBERED TO DATE	PERCENT EXP/ ENCUMB
(13) Personnel Costs	\$ 423,683	\$ 427,364	\$ 278,957	65	\$ 243,485	65
(14) Operating Expenses	239,736	247,063	171,925	70	153,759	71
(15) Mandatory Transfers (Debt Service)	29,867	29,351	23,373	66	23,060	78
(16) Capital Outlay	36,644	41,214	20,051	49	17,519	41
(17) Total Expenditure by Category	<u>\$ 729,949</u>	<u>\$ 745,022</u>	<u>\$ 496,316</u>	67	<u>\$ 437,823</u>	66

CONSOLIDATED SUMMARY OF NET DEFERRED REVENUES AND APPROPRIATED FUND BALANCES
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE EIGHT MONTHS ENDED FEBRUARY 28, 1991
with comparative totals for February 28, 1990
(in thousands)

	(A)	(B)	(C)
	<u>1990-91</u>		<u>1989-90</u>
(1) Realized Revenue		\$ 541,000	\$ 479,159
Appropriated Fund Balances			
(2) Current unrestricted fund	\$ 12,773		10,653
(3) University Hospital	<u>6,500</u>		<u>9,343</u>
(4) Total Appropriated Fund Balances		<u>19,273</u>	<u>20,196</u>
(5) Total Revenue and Appropriated Fund Balances		560,363	499,355
(6) Expenditures/Encumbrances	406,316		437,823
(7) Less: Reserve for Encumbrances	<u>(5,922)</u>		<u>(6,343)</u>
(8) Total Expenditures		<u>400,364</u>	<u>431,480</u>
(9) Net Deferred Revenue and Appropriated Fund Balances		<u>\$ 60,069</u>	<u>\$ 67,875</u>

Office of the President
April 2, 1991

FCR 2

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: April 2, 1991

UNIVERSITY OF KENTUCKY

TRANSFER OF EQUIPMENT

Institution: Eastern Kentucky University

Type of Disposal: Transfer at no cost.

Reason: Equipment is of older technology and has been replaced.

Item: 38x67x30, Card Catalog UK# 804670

Office of the President
April 2, 1991

FCR 3

Members, Board of Trustees:

Report of Lease

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

A renewal of a lease between the Agronomy Department and Homer Mitchell, Route 2, Box 16-A, Princeton, Kentucky, effective April 1, 1991 through March 31, 1992, for the use of two (2) acres of land for soil research, rental rate of \$200.00, be accepted and made a matter of record.

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

Action taken: Approved Disapproved Other

Date: April 2, 1991

Office of the President
April 2, 1991

FCR 4

Members, Board of Trustees:

CONFIRMATION OF 1991-92 TUITION SCHEDULE

Recommendation: that the Board of Trustees (1) confirm changes in the tuition schedule as adopted by the Council on Higher Education, and (2) establish corresponding part-time and summer school charges under the guidelines of the Council on Higher Education.

Background: Under KRS 164.020, the Council on Higher Education is empowered and charged with the responsibility to determine the tuition for attendance at public institutions of higher education in the Commonwealth. Charges for part-time and summer school students are derived, as the Council has directed, from the semester rate, using the institution's definition of what constitutes a full-time load for each level and program area.

Action taken: Approved Disapproved Other

Date: April 2, 1991

UNIVERSITY OF KENTUCKY
TUITION SCHEDULE
(Effective Fall, 1991)

	<u>Semester Full-Time Tuition</u> ¹	<u>Eight-Week Summer Session Full-Time Tuition</u> ²	<u>Part-Time and Four-Week Intersession Tuition Per Credit Hour</u>
<u>University System</u>			
Undergraduate (Includes Lexington Community College and Pharmacy)			
Resident	\$ 810	\$ 408	\$ 68
Non-Resident	2,430	1,218	203
Graduate			
Resident	890	495	99
Non-Resident	2,670	1,485	297
Law			
Resident	1,330	665	133
Non-Resident	3,850	1,925	385
Medicine ³			
Resident	5,170	-	-
Non-Resident	17,100	-	-
Dentistry ³			
Resident	4,410	-	-
Non-Resident	15,690	-	-
<u>Community College System</u>			
Resident	340	174	29
Non-Resident	1,020	510	85

- 1 For tuition purposes, twelve credit hours or its equivalent constitutes a full load for undergraduate students, nine hours for graduate students, and ten hours for law students.
- 2 For tuition purposes, six credit hours or its equivalent constitutes a full load for undergraduate students and five hours for graduate and law students.
- 3 Annual tuition. A half-time tuition rate of \$2,585 for resident students and \$8,550 for non-residents is established for those medical students who have been approved by the College of Medicine Student Progress and Promotion Committee to take a reduced curriculum load.

Office of the President
April 2, 1991

FLR 5

Members, Board of Trustees:

ADOPTION OF 1991-92 MANDATORY REGISTRATION
FEE SCHEDULE

Recommendation: that the Board of Trustees approve the following
Mandatory Registration Fee Schedule for 1991-92.

Background: These fees will be charged to all students enrolled on the
Lexington Campus, in the Medical Center and at Lexington Community College
in accordance with their status as full-time or part-time students.

The recommended schedule represents a seven percent increase over the
1990-91 mandatory fee schedule. The recommended fee is consistent with
the Board-approved mandatory registration fee policy and remains
considerably lower than the upper limit established in that policy. The
Student Health Advisory Committee supports the recommended increase, the
purpose of which is to maintain the current level of service in the
Student Health Services.

Action taken: Approved Disapproved _____ Other _____

Date: April 2, 1991

UNIVERSITY OF KENTUCKY
MANDATORY REGISTRATION FEE SCHEDULE
(Effective Fall, 1991)

	<u>Semester Full-Time, Fee</u> ¹	<u>Eight-Week Summer Session Full-Time, Fee</u> ²	<u>Part-Time and Four-Week Intersession Fee Per Credit Hour</u>
Mandatory Registration Fee	\$112	\$11.00	\$2.00

- 1 For fee purposes, twelve credit hours or its equivalent constitutes a full load for undergraduate students, nine hours for graduate students, and ten hours for law students.
- 2 For fee purposes, six credit hours or its equivalent constitutes a full load for undergraduate students and five hours for graduate and law students.

FCR 6

Members, Board of Trustees:

INTERNATIONAL STUDENT FEE

Recommendation: that the Board of Trustees indefinitely suspend the International Student Fee.

Background: On May 3, 1988, the Board of Trustees approved the establishment of an International Student Fee applicable to all international students studying in the University System. The established fee was \$50 per semester and \$25 for the summer session (either the four-week intersession, the eight-week session, or both) and was made effective in the Fall 1989 semester. The revenues generated by this fee were to support services to international students provided by the Office of International Affairs.

On August 21, 1990, the Board of Trustees suspended, until May 1991, the university's international student fee, pending a review of the matter. It had been found that students had not participated in the establishment of the fee, other benchmark universities did not charge such a fee, and legal counsel had not had the opportunity to fully study the fee.

A review of the International Student Fee has now been completed and legal counsel has strongly recommended indefinite suspension of the fee, as has the Committee on the International Student Environment. Benchmark institutions do not charge a fee which is assigned to students on the basis of their immigration status. The Committee on the International Student Environment has found that the services paid for by the fee are the normal costs of doing business at a university and are considered to be such by universities comparable to the University of Kentucky.

Action taken: Approved Disapproved Other

Date: April 2, 1991

/6895

FCR 7

Members, Board of Trustees:

A RESOLUTION AUTHORIZING THE ISSUANCE OF \$22,300,000 OF UNIVERSITY OF KENTUCKY CONSOLIDATED EDUCATIONAL BUILDINGS REVENUE BONDS, SERIES L, DATED MAY 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 \$22,300,000 of University of Kentucky Consolidated Educational Buildings Revenue Bonds, Series L, dated May 1, 1991.

The Resolution authorizes the issuance of \$22,300,000 of Series L Bonds for the purpose of financing (i) a new Civil Engineering building, (ii) renovations to the Chemistry and Physics building, and (iii) Cooling Plant repair and replacement Phase 2, constituting the Series L Project upon the main 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 L 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 April on a date to be selected.

Background: The University presently has outstanding twelve 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 and K, 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 L Bonds are issued for the purpose of financing (a) the Series L Project identified above, (b) the funding of the Required Debt Service Reserve, and (c) the cost of issuance of the Series L 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 L Bonds will rank on a parity with the outstanding Series C through K Bonds and the Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds.

Action: Approved Disapproved Other

Dated: April 2, 1991

April 2, 1991

SERIES L PROJECT

Civil Engineering Building	\$11,650,000
Chemistry and Physics Building	2,000,000
Cooling Plant Repair and Replacement Phase 2	6,000,000
Bond Discount	446,000
Cost of Issuance	119,508
Debt Service Reserve	<u>2,084,492</u>
Total	\$22,300,000

RESOLUTION AUTHORIZING THE ISSUANCE

OF

\$22,300,000

OF

UNIVERSITY OF KENTUCKY
CONSOLIDATED EDUCATIONAL BUILDINGS REVENUE BONDS,
SERIES L,
DATED MAY 1, 1991,

OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY

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RESOLUTION

A RESOLUTION AUTHORIZING THE ISSUANCE OF \$22,300,000 OF UNIVERSITY OF KENTUCKY CONSOLIDATED EDUCATIONAL BUILDINGS REVENUE BONDS, SERIES L, DATED MAY 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 twelve 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 and Series K" (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 L 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, and G (Second Series), H (Second Series) and I (Second Series) (hereinafter the "Series C through K 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 L," ranking on a parity with said Series C through K 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 L Resolution. This Resolution (the "Series L 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 L Resolution as such terms are given in said Article of the Basic Resolution.

B. In this Series L 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 K Bonds, plus (b) the Series L 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 L 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 L 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 L Bonds, (b) payment of the principal as same matures upon surrender of the Series L Bonds, (c) authenticating, issuing, and delivering the Series L Bonds to the Original Purchasers of same in accordance with the sale of the Series L 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 L Bonds, as hereinafter set out, and (f) serving as depository of all funds in connection with the Series L 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 Seasongood & 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 November 1, 1991.

"ORIGINAL PURCHASERS" or "PURCHASERS" refers to the original purchasers of the Series L 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 L BONDS" or "THESE BONDS" shall mean the Bonds authorized by Article II of this Series L Resolution.

"SERIES L PROJECT" refers to (i) a new Civil Engineering Building, (ii) renovations to the Chemistry and Physics Building, and (iii) Cooling Plant repair and replacement Phase 2, 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 L RESOLUTION" or "THIS RESOLUTION" refers to this Resolution authorizing the Series L 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 L 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 L BONDS

Section 2.1. Series L 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 thirteenth Series of Bonds in the aggregate principal amount of TWENTY-TWO MILLION THREE HUNDRED THOUSAND DOLLARS (\$22,300,000). Such Bonds shall be designated "University of Kentucky Consolidated Educational Buildings Revenue Bonds, Series L." Said Series L 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 L 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 L Bonds until expended) of establishing and constructing the Series L Project, as defined herein, upon property of the University in Fayette County, Kentucky, which Series L 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 L Bonds.

Section 2.3. Date and Maturities of Bonds. Except as set out in Section 2.5 hereof, the Series L Bonds shall be dated May 1, 1991, and bear interest payable on each Interest Payment Date (May 1 and November 1 of each year), commencing November 1, 1991. The Series L 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	\$590,000	2002	\$1,060,000
1993	625,000	2003	1,130,000
1994	655,000	2004	1,210,000
1995	695,000	2005	1,290,000
1996	735,000	2006	1,380,000
1997	780,000	2007	1,475,000
1998	830,000	2008	1,580,000
1999	880,000	2009	1,695,000
2000	935,000	2010	1,815,000
2001	995,000	2011	1,945,000

Section 2.4. Series L Bonds to be Issued as Fully Registered Bonds. The Series L 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 L Bond shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date on which such Series L Bond is authenticated by the Registrar, unless such Series L 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 L Bond is authenticated prior to the first Interest Payment Date, such Series L Bonds shall bear interest from May 1, 1991. Interest on the Series L Bonds shall be payable commencing November 1, 1991, and on each May 1 and November 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 L Bonds shall be payable in lawful money of the United States of America as same respectively become due. The principal of each Series L Bond is payable upon surrender of same at the main office of the Payee Bank and Bond Registrar. Interest on the Series L 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 L 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 L 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 L 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 L 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 L 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 L 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 L 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 L 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 L 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 May 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>
May 1, 2001 through November 1, 2001	102%
May 1, 2002 through November 1, 2002	101½%
May 1, 2003 through November 1, 2003	101%
May 1, 2004 through November 1, 2004	100½%
May 1, 2005 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 L 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 L 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 L 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 L 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 L Resolution for the owners of all of said Series L Bonds, with the powers and duties set forth in the Basic Resolution and in this Series L Resolution and with no liability in connection with any action or omission to act under the Basic Resolution or under this Series L Resolution except for its own negligence or willful breach of trust. Execution of the Authentication Certificate of the Trustee-Registrar on the respective Series L 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 L Resolution.

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

All of the Series L 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 K Bonds, and the Series L 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 L 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 L Bonds.

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

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

NUMBER R- _____

PRINCIPAL AMOUNT:
(DOLLARS)

DATE OF ORIGINAL ISSUE: INTEREST RATE: CUSIP:

May 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 November 1, 1991, and semiannually thereafter on May 1 and November 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 \$22,300,000 principal amount of Bonds (said Bonds being hereinafter sometimes collectively referred to as "the Bonds," "these Bonds" or "the Series L Bonds"), issued in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including Sections 162.340 to 162.380, and 58.010 through 58.140 of the Kentucky Revised Statutes, now in full force and effect, and under and pursuant to the Resolution adopted by the Board on September 20, 1960 (the "Basic Resolution"), and the Resolution adopted on April 2, 1991, authorizing the Series L Bonds (the "Series L 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 L Project"), upon the property of the University in Fayette County, Kentucky, which Series L 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 L Bonds. Copies of the Basic Resolution and the Series L Resolution are on file at the office of the Trustee.

As provided in the Series L Resolution, these Series L Bonds, together with the outstanding Bonds of Series C, Series D (Refunding), Series E through K 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 K, 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 L 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 L 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 L 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 L 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 L 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 L 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 L 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 L Bonds, (b) for the provisions, among others, with respect to the custody and application of the proceeds of the Series L Bonds, (c) the rights, duties, and obligations of the Board and of the Trustee, and (d) the rights of the owners of these Series L Bonds; and by the acceptance of this Bond, the registered owner hereof assents to all of the provisions of said resolutions.

The Series L Bonds maturing on or after May 1, 2002, are redeemable at the option of the University on or after May 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>
May 1, 2001 through November 1, 2001	102%
May 1, 2002 through November 1, 2002	101½%
May 1, 2003 through November 1, 2003	101%
May 1, 2004 through November 1, 2004	100½%
May 1, 2005 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

L 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 L 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 L 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 May, 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 L 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 L 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 L BONDS; COMPLIANCE WITH PARITY
REQUIREMENTS; THE SERIES L CONSTRUCTION ACCOUNT;
DISPOSITION OF PROCEEDS OF SERIES L BONDS

Section 3.1. Advertisement of Series L Bonds for Sale.
The Series L 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 L 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 L 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 L 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 Seasingood & Mayer, Cincinnati, Ohio, has been employed as Fiscal Agent in connection

with the issuance of these Series L Bonds, that their fee for services rendered with respect to the sale of the Series L Bonds is contingent upon the issuance and delivery of the Series L Bonds, and that they may submit a bid for the purchase of the Series L Bonds at the time of the advertised public sale of the Series L Bonds, either individually or as the member of a syndicate organized to submit a bid for the purchase of the Series L 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 L 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 L 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 L 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 L 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 L 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 L Bonds shall rank and be payable on a parity with the outstanding Series C through K 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 L Construction Account; Disposition of Proceeds of Series L 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 L Construction Account" (the "Series L Construction Account").

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

(d) The balance of the proceeds of the Series L Bonds shall be deposited in the Series L 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 L Project buildings and appurtenances as identified in Section 2.2 of this Series L 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 L 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 L 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 L 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 L 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 L Resolution it is not expected that the proceeds of the Series L 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 L 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 L Bonds.

(1) From and after the issuance and delivery of the Series L 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 L Bonds, and (b) interest and principal, if any, falling due on each May 1 with respect to the Series L 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 K 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 L 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 and Series K Resolutions to serve also as Bond Registrar, Transfer Agent and Payee Bank with respect to the Series J and Series K Bonds, is also designated to serve in all capacities referred to above with respect to the Series L Bonds.

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

The Trustee/Registrar/Payee Bank shall be entitled to the same rights, privileges, and immunities with respect to the Series L Bonds as are specified in the Series J and Series K Resolutions with respect to the Series J and Series K 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 L 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 L 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 L Bonds to become "private activity bonds" within the meaning of the Code, (3) none of the proceeds of the Series L Bonds will be used for any purpose which would cause the interest on the Series L 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 L Bonds.

The Board certifies that the Series L 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 L 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 L 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 L Bonds, or, in the case of a financial institution, that portion of a holder's interest expense allocated to interest on the Series L 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 L Bonds.

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

5. Interest on the Series L 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 L 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 L Bonds.

The Board reserves the right to amend the Resolution authorizing these Series L 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 L 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 L Bonds) to eliminate or reduce any restrictions concerning the Project, the investment of the proceeds of the Series L Bonds, or the application of such proceeds or of the revenues of the Project. The purchasers of the Series L 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 L 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 L 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 L 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 L Bonds. The Board has been advised that, based on the foregoing assumption of compliance, Bond Counsel are of the opinion that the Series L 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 L Resolution shall, from and after the issuance and delivery of the Series L Bonds, constitute a contract between the Board of the University and the owners of the Series L 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 L 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 L Resolution shall be filed with the Trustee, and this Series L 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 April 2, 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 April 2, 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
April 2, 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)

NOTICE OF SALE OF BONDS

\$22,300,000
UNIVERSITY OF KENTUCKY
CONSOLIDATED EDUCATIONAL BUILDINGS REVENUE BONDS
SERIES L
DATED MAY 1, 1991

The Treasurer of the Board of Trustees of the University of Kentucky, Lexington, Kentucky, will until April 30, 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 \$22,300,000 of the above-identified Series of bonds, maturing on May 1, 1992 through 2011. Minimum bid is \$21,854,000 (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 \$223,000. 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 TERMS AND CONDITIONS OF BOND SALE

RE: University of Kentucky Consolidated Educational Buildings Revenue Bonds, Series L, dated May 1, 1991, in the principal amount of \$22,300,000

The Treasurer and the Finance Committee of the Board of Trustees of the University of Kentucky, Lexington, Kentucky (the "Board") will until April 30, 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 L 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 L 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, November 1, 1991), 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	\$590,000	2002	\$1,060,000
1993	625,000	2003	1,130,000
1994	655,000	2004	1,210,000
1995	695,000	2005	1,290,000
1996	735,000	2006	1,380,000
1997	780,000	2007	1,475,000
1998	830,000	2008	1,580,000
1999	880,000	2009	1,695,000
2000	935,000	2010	1,815,000
2001	995,000	2011	1,945,000

The principal of (and redemption price, if any) and interest on the Series L 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 L 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 L 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 L 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 L 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 May 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>
May 1, 2001 through November 1, 2001	102%
May 1, 2002 through November 1, 2002	101½%
May 1, 2003 through November 1, 2003	101%
May 1, 2004 through November 1, 2004	100½%
May 1, 2005 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 L 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 April 2, 1991, authorizing these Bonds (the "Series L 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 Civil Engineering Building, (ii) renovations to the Chemistry and Physics Building, and (iii) Cooling Plant repair and replacement Phase 2, (b) funding the Required Debt Service Reserve, and (c) paying the costs of issuance of the Series L Bonds.

SECURITY

These Series L Bonds, together with the Series C through K 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 L Resolution pursuant to Sections 162.350 and 162.200 of the Kentucky Revised Statutes, in favor of the Series L Bonds and all parity

bonds, including those heretofore issued and those hereafter issued.

BIDDING CONDITIONS AND RESTRICTIONS

The public offering of the Series L 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 \$21,854,000 (98% of par) for the \$22,300,000 of Bonds, plus accrued interest from the date of the Bonds (May 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 \$223,000 (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 May 1, 1991, through the Final Maturity Date, plus discount or less premium, as set forth in the Official Bid Form, for exactly \$22,300,000 of Series L 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 L, dated May 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 May 15, 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 May 15, 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 Seasingood & Mayer, of Cincinnati, Ohio, has been employed as Fiscal Agent in connection with the issuance of these Series L Bonds. Their fee for services rendered with respect to the sale of the Series L Bonds is contingent upon the issuance and delivery of the Series L Bonds. They may submit a bid for the purchase of the Series L Bonds at the time of the advertised public sale of the Series L Bonds, either individually or as members of a syndicate organized to submit a bid for the purchase of the Series L 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 L Bonds, and (ii) the principal amount sold to the public of each principal maturity of the Series L Bonds on the reoffering date.

If, upon the basis of the foregoing, the Board shall accept a purchase bid for these \$22,300,000 of Series L 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 L 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 L 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 L 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 L 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 L Bonds, or, in the case of a financial institution, that portion of a holder's interest expense allocated to interest on the Series L 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 L Bonds.

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

5. Interest on the Series L 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 L 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 L Bonds.

The Board reserves the right to amend the Resolution authorizing these Series L 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 L 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 L Bonds) to eliminate or reduce any restrictions concerning the Project, the investment of the proceeds of the Series L Bonds, or the application of such proceeds or of the revenues of the Project. The purchasers of the Series L 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 L 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 L 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 L 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 L Bonds, including statements concerning the Board and the purpose and security of the Series L 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 L 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 L 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 40506

OFFICIAL BID FORM

\$22,300,000
 UNIVERSITY OF KENTUCKY
 CONSOLIDATED EDUCATIONAL BUILDINGS REVENUE BONDS
 SERIES L
 DATED MAY 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 \$22,300,000 principal amount of Bonds the sum of \$_____ (not less than \$21,854,000), plus accrued interest from May 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	\$590,000	_____ %	2002	\$1,060,000	_____ %
1993	625,000	_____ %	2003	1,130,000	_____ %
1994	655,000	_____ %	2004	1,210,000	_____ %
1995	695,000	_____ %	2005	1,290,000	_____ %
1996	735,000	_____ %	2006	1,380,000	_____ %
1997	780,000	_____ %	2007	1,475,000	_____ %
1998	830,000	_____ %	2008	1,580,000	_____ %
1999	880,000	_____ %	2009	1,695,000	_____ %
2000	935,000	_____ %	2010	1,815,000	_____ %
2001	995,000	_____ %	2011	1,945,000	_____ %

A certified or bank cashier's check in the amount of \$223,000, 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 30th day of April, 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 April 2, 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 2nd day of April, 1991.

Secretary, Board of Trustees
University of Kentucky