

Minutes of the Meeting of the Executive Committee of the Board of Trustees of the University of Kentucky, Tuesday, March 4, 1986.

The Executive Committee of the Board of Trustees of the University of Kentucky met at 1 p.m. (Eastern Standard Time) on Tuesday, March 4, 1986 in the Board Room on the 18th floor of the Patterson Office Tower on the Lexington Campus.

A. Meeting Opened and Roll Called

Mr. Robert T. McCowan, Chairman, called the meeting to order at 1 p.m., and the invocation was pronounced by Mr. William R. Black.

The following members of the Executive Committee of the Board of Trustees answered the call of the roll: Mr. Robert T. McCowan (Chairman), Mr. William R. Black, Mr. Albert G. Clay, Mr. Tracy Farmer and Mr. T. A. Lassetter. Members of the Board of Trustees attending the meeting were Mr. John S. Cain, Professor Timothy A. Cantrell, Professor James D. Kemp, Mr. James L. Rose, and Professor Constance P. Wilson. The University administration was represented by President Otis A. Singletary; Mr. James O. King, Vice President for Administration; Chancellors Peter P. Bosomworth, Art Gallaher, and Charles T. Wethington; Dr. Raymond R. Hornback, Vice President for University Relations; Mr. Edward A. Carter, Associate Vice President for Planning and Budget; Mr. John C. Darsie, General Counsel (Assistant Secretary of the Board of Trustees); Mr. Henry Clay Owen, Controller and Treasurer; and Dr. Paul G. Sears, Special Assistant for Academic Affairs.

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

B. Resolution on Death of Mr. Thomas P. Bell

Mr. McCowan read the following Resolution on the death of Mr. Thomas P. Bell:

The Board of Trustees of the University of Kentucky notes with great sorrow the death of fellow trustee Thomas P. Bell.

WHEREAS, Mr. Bell was a loyal and devoted alumnus of the University; and

WHEREAS, he had served honorably during wartime in the armed forces of his country; and

WHEREAS, he was an able, respected practitioner of law; and

WHEREAS, his manifold services as chairman of fund-raising efforts greatly fostered the work of the Kentucky Heart Association, the Kentucky Easter Seals program, the Fayette County Cancer Crusade, and United Way of the Bluegrass; and

WHEREAS, his unique skills in officiating athletic contests earned him the distinction of being the only individual to have refereed national championship games in both collegiate basketball and professional football; and

WHEREAS, his highly visible role as an exemplar of teamwork and sportsmanship reflected immeasurable credit upon the University, the City of Lexington and the Commonwealth of Kentucky; and

WHEREAS, he served his Alma Mater with notable effect as a member of its Board of Trustees, the governing board of its Athletics Association, and the Development Council as chairman of the Annual Giving Fund and the UK Fellows committee; and

WHEREAS, his associates in these far-ranging activities found their work made consistently easier and more rewarding by his commonsense approach to problem solving and his unfailing good humor; now therefore

BE IT RESOLVED, that the Board of Trustees of the University does herewith express its feeling of profound personal loss at the death of this warmly regarded friend and colleague, and does now convey heartfelt condolences to his wife Leslie and son Bruce.

On motion duly made, seconded and unanimously carried, the Resolution was adopted, ordered spread upon the Minutes of the meeting, and a copy sent to Mr. Bell's family.

C. Minutes Approved

On motion made by Mr. Black, seconded by Mr. Clay and passed, the Minutes of the January 21, 1986 meeting of the Executive Committee of the Board of Trustees were approved as written.

D. Executive Session Called

The Board members, President Singletary, and Mr. Darsie went into Executive Session to discuss a legal matter authorizing Mr. Darsie to waive the potential disqualification of Judge Scott Reed. Following the Executive Session, the members of the Board reconvened at 1:25 p.m.

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

President Singletary called attention to his report to the Trustees, copies of which were distributed earlier, and recommended that the report be accepted. Without objection, it was so ordered.

F. Personnel Actions (PR 2)

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

G. Proposed Amendment to the Governing Regulations (PR 3A)

Mr. Clay moved that the proposed amendment to the Governing Regulations in PR 3A be received for preliminary consideration and included on the agenda at the next regular meeting of the Board. The motion, seconded by Mr. Black, carried. (See PR 3A at the end of the Minutes.)

H. Acceptance of Gift from Mrs. John A. Morris (PR 3B)

President Singletary reminded the Trustees of the policy that requires the Board to accept all gifts in excess of \$100,000. He then recommended acceptance of the gift of \$200,000 from Mrs. John A. Morris. Mr. Black so moved. His motion was seconded by Mr. Clay and unanimously carried. (See PR 3B at the end of the Minutes.)

I. Confirmation of 1986-87 Fee Schedule (PR 3C)

With President Singletary so recommending, Mr. Lassetter moved that the Board (1) confirm changes in the fees 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 as presented in PR 3C. Mr. Lassetter's motion was seconded by Mr. Farmer and unanimously carried. (See PR 3C at the end of the Minutes.)

J. Change in Division Structure (PR 4A)

Upon the recommendation of Chancellor Wethington and with the concurrence of President Singletary, Mr. Lassetter moved that Elizabethtown Community College be reorganized to reflect the creation of two new academic divisions: (1) Physical Sciences and Related Technologies, and (2) Biological Sciences and Related Technologies. The motion was seconded by Mr. Clay and carried. (See PR 4A at the end of the Minutes.)

K. Associate Degree Program--Madisonville Community College (PR 4B)

On motion made by Mr. Black, seconded by Mr. Clay and carried, the Board authorized for submission to the Council on Higher Education a new degree program, Associate Degree in Applied Science, Laser Optics Technology, for the Madisonville Community College. (See PR 4B at the end of the Minutes.)

L. Naming of University Building (PR 5A-1)

President Singletary indicated his pleasure in recommending that the new indoor tennis center be named THE HILARY J. BOONE INDOOR TENNIS CENTER. He noted that Mr. Boone was captain of the tennis team in 1940 and that his financial contribution to the Athletics Association helped make the indoor tennis center a reality. He added that the University of Kentucky Athletics Association Board of Directors at its meeting in January, 1986 voted unanimously to recommend naming the new indoor tennis center in honor of Mr. Boone. The motion, made by Mr. Clay and seconded by Mr. Lassetter, unanimously carried. (See PR 5A-1 at the end of the Minutes.)

M. Naming of University Library (PR 5A-2)

President Singletary also indicated his pleasure in recommending that the Board approve the name THE JOHN A. MORRIS LIBRARY for the library in the Maxwell H. Gluck Equine Research Center. He stated that the gift which the Board accepted today from Mrs. Morris was in honor of her husband, the late John A. Morris, a distinguished senior statesman of racing with close ties to Kentucky. Mr. Clay so moved. His motion was seconded by Mr. Black and unanimously carried. (See PR 5A-2 at the end of the Minutes.)

N. Establishment of Graduate Center for Biomedical Engineering (PR 5B)

With President Singletary so recommending, Mr. Black moved that the Board authorize the establishment of a Graduate Center for Biomedical Engineering. Mr. Black's motion was seconded by Mr. Farmer and carried without dissent. (See PR 5B at the end of the Minutes.)

O. Establishment of Quasi-Endowment for the Otis A. Singletary Graduate and Professional Fellowship Fund (PR 5C)

Mr. McCowan said he was pleased to recommend at the request of the University of Kentucky Athletics Association that the Board authorize the establishment of a quasi-endowment fund in honor of President Singletary, who has contributed so much to the University. The motion, made by Mr. Clay and seconded by Mr. Black, was voted on and unanimously carried.

President Singletary said he was especially pleased with the efforts of the Athletics Association to promote academic excellence in the University. (See PR 5C at the end of the Minutes.)

P. Patent Assignment (PR 5D)

Without discussion, on motion made by Mr. Lassetter, seconded by Mr. Farmer and passed, the patent assignment recommended in PR 5D was approved. (See PR 5D at the end of the Minutes.)

Q. Amendment of Bylaws, Rules and Regulations of the Medical Staff, University Hospital (PR 6A)

Upon the recommendation of Chancellor Bosomworth and with the concurrence of President Singletary, Mr. Black moved that the proposed amendments to the Bylaws, Rules and Regulations of the Medical Staff, University Hospital, be approved. Mr. Black's motion was seconded by Mr. Clay and unanimously carried. (See PR 6A at the end of the Minutes.)

R. Report on NCAA Investigation

President Singletary informed the Board that Mr. John Darsie, University General Counsel, has reported to him on the NCAA investigation that was initiated in October 1985. He stated that 67 individuals have been contacted. Fifty-four of these individuals were interviewed by the University (28 current or former players, 18 current or former U.K. employees, and eight boosters). He also informed the Board that the information obtained in the investigation has been shared with the NCAA and that the University is cooperating fully with the NCAA in this matter.

S. Interim Financial Reports (FCR 1)

Mr. Clay, Chairman of the Finance Committee, reported that the committee met on the morning of March 4 and reviewed six agenda items to be presented for action. He said the Committee found the University to be "on target" and then moved that the interim financial report for the seven months ended January 31, 1986 and the summary report of revenues and expenditures of the University of Kentucky Research Foundation for the six months ended December 31, 1985 be accepted. His motion, seconded by Mr. Farmer, carried and it was so ordered. (See FCR 1 at the end of the Minutes.)

T. Disposal of Personal Property (FCR 2)

On motion made by Mr. Clay, seconded by Mr. Black and passed, approval was given for the disposition of obsolete and surplus equipment as recommended in FCR 2. (See FCR 2 at the end of the Minutes.)

U. External Auditor for Fiscal Year 1985-86 (FCR 3)

With the concurrence of the Finance Committee, Mr. Clay moved that the Board engage the firm of Coopers & Lybrand, Certified Public Accountants, to perform an examination of the accounts of the University of Kentucky and affiliated corporations for the fiscal year ending June 30, 1986, for a fee, including expenses, of not more than \$88,500. His motion was seconded by Mr. Farmer and passed without dissent. (See FCR 3 at the end of the Minutes.)

V. A Resolution Clarifying, Amending, and Restating Provisions of Resolutions Previously Adopted Authorizing the Issuance of \$2,890,000 University of Kentucky Community Colleges Educational Buildings Revenue Bonds, Series E (FCR 4)

Thereupon, a motion was made by Mr. Clay and seconded by Mr. Farmer that the following titled Resolution, which was read in summary form to the Executive Committee, be passed and adopted:

A RESOLUTION CLARIFYING, AMENDING, AND  
RESTATING PROVISIONS OF RESOLUTIONS PREVIOUSLY  
ADOPTED AUTHORIZING THE ISSUANCE OF \$2,890,000  
UNIVERSITY OF KENTUCKY COMMUNITY COLLEGES  
EDUCATIONAL BUILDINGS REVENUE BONDS, SERIES E

(the full Resolution being attached to these  
Minutes as Exhibit 1).

WHEREUPON, a vote being taken on the motion, the result was as follows:

Yeas

Nays

William R. Black  
Albert G. Clay  
Tracy Farmer  
T. A. Lassetter  
Robert T. McCowan

Thereupon, the Chairman declared that the motion had carried and that the Resolution had been passed and adopted and directed that the same be recorded in the Minutes of the Executive Committee of the Board. (See FCR 4 at the end of the Minutes.)

W. Report on Leases (FCR 5)

On motion made by Mr. Clay, seconded by Mr. Black and carried, the report on leases was accepted as recommended. (See FCR 5 at the end of the Minutes.)

X. The Reserve and Lease of an Approximate Three-Acre Tract on the South Farm to the State Department of Parks (FCR 6)

Mr. Clay reported that following an indepth consideration of the request by the State Department of Parks, the Finance Committee recommends approval of the reserve and lease of an approximate three-acre tract on the South Farm to the State Department of Parks as presented in FCR 6. The motion, made by Mr. Clay and seconded by Mr. Lassetter, was voted on and carried without dissent. (See FCR 6 at the end of the Minutes.)

Y. Report of Investments (ICR 1)

Mr. Clay, reporting in the absence of Mr. Ronald G. Geary, recommended and so moved that the report of changes made in investments for the University of Kentucky and its affiliated corporations for the three months ended December 31, 1985 be accepted. His motion was seconded by Mr. Black, and it was so ordered. (See ICR 1 at the end of the Minutes.)

Z. Meeting Adjourned

There being no further business, the meeting was adjourned at 1:45 p.m.

Respectfully submitted,

John C. Darsie  
Assistant Secretary  
Board of Trustees

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

Office of the President  
March 4, 1986

PR 2

Members, Executive Committee, Board of Trustees:

Personnel Actions

Recommendation: (1) that approval be given to the attached appointments 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: March 4, 1986

0197



COMMUNITY COLLEGE SYSTEM

I. BOARD ACTION

A. ADMINISTRATIVE APPOINTMENTS

Prestonsburg Community College

Garrett, Clara N., Associate Professor in the Community College System (with tenure), Chairman, Division of Biological Sciences and Related Technologies, 7/1/86 through 6/30/89.

II. ADMINISTRATIVE ACTION

A. ACADEMIC APPOINTMENTS

Ashland Community College

Davis, Virgil K., Instructor in the Community College System, 1/27/86 through 6/30/86.

Henderson Community College

Bailey, Charlene L., Instructor in the Community College System, 2/1/86 through 6/30/86.

Hopkinsville Community College

James, Mary H., Instructor in the Community College System, 1/1/86 through 6/30/86.

Simmons, Patricia L., Instructor in the Community College System, 1/1/86 through 6/30/86.

Walton, John E., Instructor in the Community College System, 1/1/86 through 6/30/86.

Jefferson Community College

Campbell, Karen, Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.

Senn, Sheila, Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.

Steiden, William A., Instructor in the Community College System, 1/1/86 through 6/30/86.

Taylor, Lisa, Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.

Lexington Community College

Ownby, Harold, Instructor in the Community College System (voluntary), 1/15/86 through 5/9/86.

Madisonville Community College

Smith, LeeClair E., Instructor in the Community College System, 3/17/86 through 6/30/86.

Maysville Community College

Keeton, H. Ray, Instructor in the Community College System, 1/1/86 through 6/30/86.

Somerset Community College

Aaron, Edward M., Instructor in the Community College System, 1/7/86 through 6/30/86.

Armstrong, Anthony L., Instructor in the Community College System, 1/1/86 through 6/30/86.

B. ADMINISTRATIVE APPOINTMENTS

Lexington Community College

Carr, Ben W., Associate Professor in the Community College System and Vice Chancellor for Academic Affairs, Acting Director, Lexington Community College, 2/1/86 through 6/30/86.

C. REAPPOINTMENTS

Jefferson Community College

Anderson, Gladys, Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.

Brooks, Beverly L., Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.

Brown, Delores J., Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.

Brownfield, Wilma, Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.

Constable, Mary J., Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.

Cooper, David L., Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.

Cornett, Martha H., Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.

Davis, Diane C., Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.

Dutton, Patricia, Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.

Fife, Debbie, Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.

Hall, Judith, Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.

Hall, Mary L., Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.  
Henley, Connie W., Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.  
Higdon, Mary A., Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.  
Klein, Karen, Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.  
Lawrence, Elizabeth L., Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.  
Lipscomb, Martha, Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.  
McCreary, Heidi S., Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.  
Mohr, Anna, Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.  
Montoya, Ophelia, Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.  
Nay, Patricia, Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.  
Newkirk, Angela M., Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.  
Payne, Mary A., Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.  
Pedigo, Andrea, Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.  
Pressley, Brenda J., Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.  
Quinn, Wanda S., Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.  
Schuster, Salvia, Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.  
Scrivner, Mabel I., Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.  
Stemmle, Donna, Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.  
Stewart, David, Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.  
Tonegawa, Shelba, Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.  
Veith, Betty, Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.  
Wabner, Nancy, Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.  
Wahl, Jeanette, Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.  
Wertheim, Phyllis, Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.  
Wiedewitsch, Phyllis, Instructor in the Community College System (voluntary), 1/1/86 through 6/30/86.

C. LEAVES OF ABSENCE

Prestonsburg Community College

Rice, Teresa H., Assistant Professor in the Community College System, Leave without pay, 7/1/86 through 6/30/87.

LEXINGTON CAMPUS

I. BOARD ACTION

A. ACADEMIC APPOINTMENTS

College of Agriculture

Murphy, William E., Assistant Extension Professor, Agricultural Engineering, 1/15/86 through 6/30/86.

Vargas, William, Visiting Scholar, Agronomy, 1/13/86 through 5/12/86.

Weston, Leslie A., Assistant Professor, Horticulture and Landscape Architecture, 1/15/86 through 6/30/86.

College of Arts and Sciences

Jaromczyk, Jerzy W., Assistant Professor, Computer Science, 1/1/86 through 6/30/86.

College of Business and Economics

Rhoads, Gary K., Instructor, Marketing, 8/16/86 through 6/30/87.

College of Education

Walton, Ronald E., Professor (voluntary), Administration and Supervision, 1/1/86 through 6/30/87.

College of Engineering

Chung, Tae-Sung, Assistant Professor, Electrical Engineering, 1/2/86 through 6/30/86.

Wang, Yi-Tin, Assistant Professor, Civil Engineering, 1/1/86 through 6/30/87.

B. ADMINISTRATIVE APPOINTMENTS

College of Business and Economics

Ali, M. Mukhtar, Professor (with tenure), Economics, appointed Chairman, Economics, 7/1/86 through 6/30/90.

C. REAPPOINTMENTS

College of Agriculture

Willett, Joseph W., Visiting Professor, Agricultural Economics, 1/1/86 through 6/30/86.

College of Architecture

Bermann, Karen, Visiting Professor (part-time), 1/1/86 through 5/31/86.

Hennessey, Leslie G., Visiting Professor (part-time), 1/1/86 through 5/31/86.

D. PROMOTIONS

College of Agriculture

Olson, James R., from Assistant Professor (without tenure), Forestry, to Associate Professor (with tenure), Forestry, effective 7/1/86.

E. RETIREMENTS

College of Engineering

Cox, Dennis W., Patternmaker, Engineering Services, after 42.5 consecutive years of service, effective 3/31/86.

Morris, Vernon, Electrical Technician III, Civil Engineering, after 21 consecutive years of service, effective 3/31/86.

College of Law

Ham, Willburt D., Professor (with tenure), after 37 consecutive years of service, effective 6/30/86.

Vice Chancellor for Administration

Jewell, Virgil, Disabled Staff, Employee Benefits and Risk Management, after 19 consecutive years of service, effective 4/30/86.

F. EARLY RETIREMENTS

Vice Chancellor for Administration

Ingram, Isaac J., Assistant Maintenance Supervisor, Paint Shop, Physical Plant Division, after 28 consecutive years of service, effective 4/30/86.

McIntyre, Margaret S., Cafeteria Manager, Blazer Cafeteria, Auxiliary Services, after 29.5 consecutive years of service, effective 2/28/86.

Schafer, Jack A., Interior Designer, Design and Construction, Business Services, after 18.5 consecutive years of service, effective 3/7/86.

II. ADMINISTRATIVE ACTION

A. ACADEMIC APPOINTMENTS

College of Agriculture

Naylor, Robert M., Instructor (part-time), Horticulture and Landscape Architecture, 2/1/86 through 5/31/86.  
Sharp, Doug, Instructor (part-time), Horticulture and Landscape Architecture, 1/1/86 through 5/31/86.

College of Architecture

Szerbaty, Michael, Instructor (part-time), 1/1/86 through 5/30/86.

College of Arts and Sciences

Campbell, Julian N., Instructor (part-time), Biological Sciences, 1/1/86 through 5/31/86.  
Crider, Carol, Instructor (part-time), Mathematics, 1/1/86 through 5/31/86.  
Fouquier, Mark A., Assistant Professor/Captain, Military Science, 6/1/86 through 6/1/89.  
Gatton, John S., Instructor (part-time), English, 1/1/86 through 5/31/86.  
Gregory, Howard, Instructor (part-time), French, 1/1/86 through 5/31/86.  
Landgrebe, John, Instructor (part-time), Biological Sciences, 1/1/86 through 5/31/86.  
Meehan, William J., Assistant Adjunct Professor, Psychology, 1/1/86 through 6/30/87.  
Mynear, Daniel D., Instructor (part-time), English, 1/1/86 through 5/31/86.  
Ramsey, Richard, Instructor (part-time), Psychology, 1/1/86 through 5/31/86.  
Shaw, Annapurna, Assistant Professor, Geography, 1/1/86 through 5/31/86.  
Steinkamp, Mary, Instructor (part-time), Mathematics, 1/1/86 through 5/31/86.  
Wachtel, Elizabeth R., Instructor (part-time), Psychology, 1/1/86 through 5/31/86.  
Yu, Hong, Assistant Visiting Professor, Physics and Astronomy, 1/1/86 through 5/31/86.

College of Communications

Alford, Margaret D., Instructor (part-time), Journalism, 1/1/86 through 5/31/86.

---

\*Special Title Series

College of Education

Beal, Rayma K., Instructor (part-time), Health, Physical Education, and Recreation, 1/1/86 through 5/31/86.  
Owen, Harry E., Instructor (part-time), Curriculum and Instruction, 1/1/86 through 5/31/86.  
Wilson, Margo E., Instructor (part-time), Special Education, 1/1/86 through 5/30/86.

College of Engineering

Naishadham, Krishna, Instructor, Electrical Engineering, 1/1/86 through 5/15/86.

College of Fine Arts

Bibbs, Garry, Instructor (part-time), Art, 1/1/86 through 5/31/86.  
Doutt, Margaret E., Instructor (part-time)\*, Music, 1/1/86 through 5/31/86.  
Wagner, Jeffrey, Instructor (part-time), Art, 1/1/86 through 5/31/86.

College of Home Economics

Bastin-Naylor, Martha H., Instructor (part-time), Human Environment: Design, 1/1/86 through 5/31/86.  
Duncan, Ruth H., Instructor (part-time), Human Environment: Textiles, 1/1/86 through 5/31/86.  
Hensley, Stanley, Instructor (part-time), Human Environment: Design, 1/1/86 through 5/31/86.  
Linnenkohl, Susan C., Assistant Professor (part-time), Nutrition and Food Science, 1/1/86 through 5/31/86.  
O'Malley, Angeline J., Instructor (part-time), Family Studies, 1/1/86 through 5/31/86.

College of Social Work

Epperson, Rebecca M., Lecturer (part-time), 1/15/86 through 5/15/86.  
White, Ronald F., Lecturer (part-time), 1/15/86 through 5/15/86.

B. ADMINISTRATIVE APPOINTMENTS

College of Arts and Sciences

Anderson, Roger B., Associate Professor (with tenure), Russian and Eastern Studies, appointed Acting Chairman, Russian and Eastern Studies, 2/1/86 through 6/30/86.

---

\*Special Title Series



C. REAPPOINTMENTS

College of Agriculture

Aten, Lyle D., Instructor (part-time), Horticulture and Landscape Architecture, 1/1/86 through 5/31/86.  
Kovalic, Peter P., Instructor (part-time), Forestry, 1/1/86 through 5/31/86.  
Ray, William H., Instructor (part-time), Horticulture and Landscape Architecture, 1/1/86 through 5/31/86.

College of Arts and Sciences

Allen, Susan, Instructor (part-time), English, 1/1/86 through 5/31/86.  
Baltus-Sih, Marie-Sylvie, Instructor (part-time), French, 1/1/86 through 5/31/86.  
Birkenhauer, Ann F., Instructor (part-time), English, 1/1/86 through 5/31/86.  
Bitetto, Vito, Instructor (part-time), Computer Science, 1/1/86 through 5/31/86.  
Blythe, Marsha J., Instructor (part-time), French, 1/1/86 through 5/31/86.  
Breckinridge, Scott, Instructor (part-time), Political Science, 1/1/86 through 5/31/86.  
Buzdygon, Bruce E., Instructor (part-time), Biological Sciences, 1/1/86 through 5/31/86.  
Campbell, F. Diane, Instructor (part-time), English, 1/1/86 through 5/31/86.  
Carter, Michael W., Instructor (part-time), English, 1/1/86 through 5/31/86.  
Conway, Glenda, Instructor (part-time), English, 1/1/86 through 5/31/86.  
Cooper, John B., Instructor (part-time), English, 1/1/86 through 5/31/86.  
Coventry, Sarah J., Instructor (part-time), English, 1/1/86 through 5/31/86.  
Coz, Sigrid, Instructor (part-time), French, 1/1/86 through 5/31/86.  
Crawley, Bryan S., Instructor (part-time), Computer Science, 1/1/86 through 5/31/86.  
Crocker, Lina, Instructor (part-time), English, 1/1/86 through 5/31/86.  
Davis, Jeffrey K., Instructor (part-time), Computer Science, 1/1/86 through 5/31/86.  
DeSimone, Shirley C., Instructor (part-time), English, 1/1/86 through 5/31/86.  
Duncan, Charles E., Instructor (part-time), Physics and Astronomy, 1/1/86 through 5/31/86.  
Duncan, Mary R., Instructor (part-time), English, 1/1/86 through 5/31/86.

---

\*Special Title Series

Fazey, Mark, Instructor (part-time), Mathematics, 1/1/86 through 5/31/86.  
Fiala, Joseph, Instructor (part-time), Psychology, 1/1/86 through 5/31/86.  
Galloway, Lynn A., Instructor (part-time), English, 1/1/86 through 5/31/86.  
Hobson, Elizabeth C., Instructor (part-time), English, 1/1/86 through 5/31/86.  
Holman, Gaye D., Instructor (part-time), Sociology, 1/1/86 through 5/31/86.  
Isenhour, Janet L., Instructor (part-time), English, 1/1/86 through 5/31/86.  
Jacobs, Linda L., Instructor (part-time), English, 1/1/86 through 5/31/86.  
Lyon, Edmund D., Instructor (part-time), History, 1/1/86 through 5/31/86.  
Lyon, George E., Instructor (part-time), English, 1/1/86 through 5/31/86.  
McHenry-Hepner, Virginia, Instructor (part-time), English, 1/1/86 through 5/31/86.  
Moss, Marvin T., Instructor (part-time), Mathematics, 1/1/86 through 5/31/86.  
Najarzadeh, Reza, Instructor (part-time), Mathematics, 1/1/86 through 5/31/86.  
Oaks, Janice H., Instructor (part-time), English, 1/1/86 through 5/31/86.  
Ralph, Margaret, Instructor (part-time), English, 1/1/86 through 5/31/86.  
Rimmer, Susan M., Assistant Professor, Geology, 1/1/86 through 6/30/87.  
Robinson, Penny, Instructor (part-time), Mathematics, 1/1/86 through 5/31/86.  
Seiler, Michael J., Instructor (part-time), Mathematics, 1/1/86 through 5/31/86.  
Silver, Roy, Instructor (part-time), Sociology, 1/1/86 through 5/31/86.  
Slusher, Kathleen C., Instructor (part-time), English, 1/1/86 through 5/31/86.  
Stonecipher, Mabel A., Instructor (part-time), English, 1/1/86 through 5/31/86.  
Tandy, Caron, Instructor (part-time), English, 1/1/86 through 5/31/86.  
Vass, Frank R., III, Instructor (part-time), English, 1/1/86 through 5/31/86.  
Weber, Deborah, Instructor (part-time), Mathematics, 1/1/86 through 5/31/86.  
Weick, George P., Instructor (part-time), English, 1/1/86 through 5/31/86.  
Willard, Norman, Instructor (part-time), Psychology, 1/1/86 through 5/31/86.  
Zahniser, Ann H., Instructor (part-time), English, 1/1/86 through 5/31/86.

---

\*Special Title Series

College of Communications

Ireland, John W., Instructor (part-time), Journalism, 1/1/86 through 5/31/86.

Miller, Cynthia H., Instructor (part-time), Communication, 1/1/86 through 2/21/86.

College of Education

Curry, Alice, Instructor (part-time), Curriculum and Instruction, 1/1/86 through 5/31/86.

Fox, Joseph, Instructor (part-time), Special Education, 1/1/86 through 5/30/86.

College of Fine Arts

Boyd, Donna, Instructor (part-time)\*, Music, 1/1/86 through 5/31/86.

Hensley, Hunter, Instructor (part-time)\*, Music, 1/1/86 through 5/31/86.

Stuchkus, Leo E., Instructor (part-time), Art, 1/1/86 through 5/31/86.

College of Home Economics

Lantzsch, Susan E., Instructor (part-time), Nutrition and Food Science, 1/1/86 through 5/31/86.

D. PROMOTIONS WITHOUT TENURE

Libraries

Aken, Robert A., from Librarian IV, Reference, to Librarian III, Reference, 7/1/86 through 6/30/87.

McComb, JoEllen, from Librarian IV, Law Library, to Librarian III, Law Library, 7/1/86 through 6/30/87.

E. CHANGES

College of Arts and Sciences

Everett, Percival L., from Assistant Visiting Professor, English, to Assistant Professor (tenure-track), English, 7/1/86 through 6/30/88.

F. LEAVES OF ABSENCE

College of Architecture

Dallerba-Ricci, Maria G., Professor (with tenure), Sabbatical leave with half salary, 7/1/86 through 12/31/86.

---

\*Special Title Series

College of Arts and Sciences

Bardo, Michael T., Assistant Professor, Psychology, Sick leave with pay, 1/1/86 through 3/15/86.  
Caweleti, John G., Professor (with tenure), English, Sabbatical leave with full salary, 7/1/86 through 12/31/86.  
Dillehay, Tom D., Associate Professor (with tenure), Anthropology, Sabbatical leave with half salary, 7/1/86 through 6/30/87.  
Elitzur, Moshe, Associate Professor (with tenure), Physics and Astronomy, Sabbatical leave with half salary, 7/1/86 through 6/30/87.  
Nugent, Donald G., Associate Professor (with tenure), History, Sabbatical leave with half salary, 7/1/86 through 6/30/87.  
Rast, Nicholas, Professor (with tenure), Geology, Sick leave with pay, 1/1/86 through 1/31/86.

College of Business and Economics

Freeman, James W., Associate Professor (with tenure), Management, Sabbatical leave with full salary, 7/1/86 through 12/31/86.  
Gibson, James L., Professor (with tenure), Management, Sabbatical leave with half salary, 7/1/86 through 6/30/87.  
Marsden, James R., Professor (with tenure), Economics, Sabbatical leave with full salary, 1/1/87 through 6/30/87.

College of Education

Middleton, Ernest J., Associate Professor (with tenure), Curriculum and Instruction, Leave without pay, 3/15/86 through 6/30/86.

College of Home Economics

Quick, Donna, Associate Professor (with tenure)\*, Family Studies, Leave without pay, 7/1/86 through 6/30/87.

College of Law

Bratt, Carolyn, Professor (with tenure), Sabbatical leave with full salary, 1/1/86 through 6/30/86.  
Gaetke, Eugene R., Professor (with tenure), Sabbatical leave with full salary, 7/1/86 through 12/31/86.  
McMahon, Martin J., Professor (with tenure), Leave without pay, 7/1/86 through 6/30/87.

Libraries

Birchfield, James D., Librarian II (with tenure), Collection Development, Sabbatical leave with full salary, 7/1/86 through 12/31/86.

---

\*Special Title Series

MEDICAL CENTER

I. BOARD ACTION

A. ACADEMIC APPOINTMENTS

College of Medicine

Pauly, Thomas H., Associate Professor (temporary),  
Pediatrics, 1/1/86 through 6/30/86.

B. ADMINISTRATIVE APPOINTMENTS

College of Dentistry

Douglass, J. Burton, Assistant Professor\* (without tenure),  
Orthodontics, named Acting Chairperson, Orthodontics,  
1/14/86 through 10/31/86.

C. JOINT APPOINTMENTS

College of Medicine

Kraus, Robert F., Professor (with tenure), Psychiatry,  
joint appointment as Professor (without tenure),  
Anthropology, College of Arts and Sciences, effective  
12/1/85.

D. PROMOTIONS

College of Medicine

Moore, Kenneth B., from Associate Clinical Professor  
(voluntary), Psychiatry, to Clinical Professor  
(Emeritus), Psychiatry, 2/1/86 through 6/30/88.  
Whitley, Ronald J., from Assistant Professor\* (without  
tenure), Pathology, to Associate Professor\* (with  
tenure), Pathology, effective 6/1/86.

College of Nursing

Sisler, Nancy, from Assistant Professor\* (without tenure),  
to Associate Professor\* (with tenure), effective  
2/1/86.

College of Pharmacy

Olson, Jack, from Assistant Professor (without tenure),  
to Associate Professor (with tenure), effective  
12/1/85.

---

\*Special Title Series

E. CHANGES

College of Medicine

Scott, Samuel R., from Professor\* (with tenure), Medicine, joint as Professor\* (without tenure), Allied Health Education & Research, College of Allied Health Professions, to Professor\* (with tenure), Medicine, joint as Professor\* (without tenure), Physician Assistant Studies, College of Allied Health Professions, effective 1/1/86.

Kielar, Richard A., from Associate Clinical Professor (voluntary), Ophthalmology, to Associate Clinical Professor (part-time), Ophthalmology, 1/1/86 through 6/30/86.

F. RETIREMENTS

College of Medicine

Dowell, Jane S., Anesthesia Equipment Technologist, Anesthesiology, after 16.7 consecutive years of service, effective 2/10/86.

Fowler, Ira, Professor (with tenure), Anatomy, after 20.1 consecutive years of service, effective 6/30/86.

Woods, Frances H., Staff Assistant, Diagnostic Radiology, after 24.3 consecutive years of service, effective 3/12/86.

Support Units

Tucker, Harry Burgess, Maintenance Mechanic, Physical Plant Division, after 17.9 consecutive years of service, effective 3/28/86.

University Hospital

Schafer, Lila J., Clinical Nurse Manager, Nursing Services, after 15.6 consecutive years of service, effective 3/16/86.

II. ADMINISTRATIVE ACTION

A. ACADEMIC APPOINTMENTS

College of Allied Health Professions

Boissonneault, Gilbert A., Assistant Professor, Clinical Nutrition, 1/2/86 through 6/30/86.

---

\*Special Title Series

College of Dentistry

Armstrong, Paul J., Jr., Assistant Clinical Professor  
(voluntary), Periodontics, 12/1/85 through 6/30/86.  
Dalmasso, Matteo, Assistant Clinical Professor (voluntary),  
Restorative Dentistry, 11/1/85 through 6/30/86.  
Rodriguez, Carla M., Assistant Clinical Professor  
(voluntary), Restorative Dentistry, 1/1/86 through  
6/30/86.  
Thompson, John A., Assistant Professor (part-time),  
Community Dentistry, 2/1/86 through 6/30/86.

College of Medicine

Cooper, J. Gregory, Assistant Clinical Professor  
(voluntary), Family Practice, 1/1/86 through 6/30/88.  
Davis, William, Assistant Clinical Professor (voluntary),  
Family Practice, 1/1/86 through 6/30/88.  
Ireland, Mary L., Assistant Clinical Professor (voluntary),  
Surgery, 1/1/86 through 6/30/88.  
Kolkin, Jon, Assistant Clinical Professor (voluntary),  
Surgery, 1/1/86 through 6/30/88.  
Olson, Margaret A., Assistant Clinical Professor  
(temporary), (part-time), Diagnostic Radiology, 1/1/86  
through 6/30/86.  
Ramirez, Benjamin, Assistant Clinical Professor  
(voluntary), Preventive Medicine & Environmental  
Health, 2/1/86 through 6/30/88.  
Spalding, Charles B., Assistant Clinical Professor  
(voluntary), Family Practice, 1/1/86 through 6/30/88.  
Walmsley, Paul N., Clinical Instructor (part-time),  
Anesthesiology, 2/1/86 through 6/30/86.

College of Nursing

Brown, Sandra G., Instructor\* (part-time), 1/1/86 through  
6/30/86.  
Kiehl, Kay, Instructor\* (temporary), 1/1/86 through  
6/30/86.  
Peden, Ann R., Instructor\* (temporary), 1/1/86 through  
6/30/86.  
Storat, Betty A., Assistant Professor\* (part-time),  
1/1/86 through 6/30/86.

College of Pharmacy

Lai, Por-Hsiung (Paul), Assistant Adjunct Professor  
(voluntary), 10/1/85 through 6/30/88.

B. JOINT APPOINTMENTS

College of Medicine

Kibler, William B., Assistant Clinical Professor  
(voluntary), Family Practice, joint appointment as  
Assistant Clinical Professor, Rehabilitation Medicine,  
1/1/86 though 6/30/88.

C. CHANGES

College of Allied Health Professions

Rapp, Doris A., from Assistant Professor\*, Physician  
Assistant Studies, to Assistant Professor (part-time),  
Physician Assistant Studies, 1/16/86 through 6/30/86.

Robillard, Helen, from Assistant Professor\*, Community  
Health, to Assistant Professor (part-time), Community  
Health, 1/21/86 through 6/30/86.

College of Medicine

Maguire, Grace F., from Assistant Clinical Professor  
(temporary), (part-time), Pediatrics, to Assistant  
Clinical Professor (part-time), Pediatrics, 1/1/86  
through 6/30/86.



Office of the President  
March 4, 1986

PR 3A

Members, Executive Committee, Board of Trustees:

PROPOSED AMENDMENT TO THE GOVERNING REGULATIONS

Recommendation: that the following amendment to the Governing Regulations of the University of Kentucky be received at this time for preliminary consideration and, at the next regular meeting of the Board of Trustees, be included on the agenda for action:

(Note: Proposed additions are underlined; proposed deletions are bracketed.)

Amendment -- Change Part XIII, second and third paragraphs, to read:

The membership may include: men and women, alumni and non-alumni, residents of Kentucky and non-residents, and one University of Kentucky student. Qualifications for membership are: (1) positions of leadership in their chosen communities whether regional, state, national, or professional; (2) a commitment to the University of Kentucky's aspiration to develop into one of the nation's strongest universities; and (3) a willingness to support this aspiration.

The University of Kentucky Development Council shall be headed by a Board of Directors consisting of up to [30] 31 members. The Chairman of the Board of Trustees, the President of the University, the Vice President for University Relations, [and] the Director of Development, and the Chairman of the Student Development Council shall serve as ex officio members of the Council's Board of Directors. The elected members of the Board of Directors shall include at least fourteen alumni and at least two members of the Board of Trustees.

Background: The intent of this proposed amendment, which has been recommended by the Director of Development and the Vice President for University Relations, is to make the Chairman of the Student Development Council a member of the Board of Directors of the University of Kentucky Development Council. The Student Development Council is a registered student organization affiliated with the Office of Development.

1408A

---

Action taken: Approved  Disapproved  Other

Date: March 4, 1986

Office of the President  
March 4, 1986

PR 3B

Members, Executive Committee, Board of Trustees:

ACCEPTANCE OF GIFT FROM MRS. JOHN A. MORRIS

Recommendation: that the Board of Trustees accept the gift of \$200,000 from Mrs. John A. Morris.

Background: A gift of \$200,000 has been received by the Equine Research Foundation from Mrs. John A. Morris in honor of her husband, the late John A. Morris. Mr. Morris was a distinguished senior statesman of racing with close ties to Kentucky. The gift will be used to establish a library reference room where books, periodicals and other literature will be maintained, and a computer terminal will be available for abstracting articles.

Under the policy adopted by the Board of Trustees on November 19, 1965, gifts in excess of \$100,000 are required to be accepted by the Board of Trustees.

---

Action taken: Approved  Disapproved \_\_\_\_\_ Other \_\_\_\_\_

Date: March 4, 1986.

1186D

Office of the President  
March 4, 1986

PR 3C

Members, Executive Committee, Board of Trustees:

CONFIRMATION OF 1986-87 FEES SCHEDULE

Recommendation: That the Board of Trustees (1) confirm changes in the fees 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 charged with the duty of determining the amount of entrance and/or registration fees for enrollment at Kentucky public institutions of higher education.

The complete schedule recommended for adoption follows. 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: March 4, 1986

UNIVERSITY OF KENTUCKY  
FEES SCHEDULE  
(Effective Fall, 1986)

	Semester Full-Time Charge <sup>1</sup>	Eight-Week Summer Session Full-Time Charge <sup>2</sup>	Part-Time and Four-Week Intersession Charge Per Credit Hour
<u>Lexington Campus and Medical Center</u>			
Undergraduate (Includes Lexington Community College)			
Resident	666	312	52
Non-Resident	1,906	936	156
Graduate			
Resident	726	380	76
Non-Resident	2,086	1,140	228
Law			
Resident	911	435	87
Non-Resident	2,896	1,430	286
Pharmacy			
Resident	696	330	55
Non-Resident	1,996	978	163
Medicine <sup>3</sup>			
Resident	4,011	-	-
Non-Resident	11,731	-	-
Dentistry <sup>3</sup>			
Resident	3,321	-	-
Non-Resident	10,541	-	-
<u>Community Colleges</u>			
Resident	270	138	23
Non-Resident	810	408	68

- 1 For fee payment purposes twelve credit hours or its equivalent constitutes a full load for undergraduate and pharmacy students, nine hours for graduate students, and ten hours for law students. Charges for the Lexington Campus include a Student Center Fee of \$22.00, an Activity Fee of \$16.75, and a Health Fee of \$25.00.
- 2 For fee payment purposes six credit hours or its equivalent constitutes a full load for undergraduate and pharmacy students, five hours for graduate and law students. Charges for Lexington Campus include a Student Center Fee of \$11.00.
- 3 Annual charges. Student Center Fee of \$44.00, Activity Fee of \$33.50, and Health Fee of \$50.00 are included.

Office of the President  
March 4, 1986

PR 4A

Members, Executive Committee, Board of Trustees:

CHANGE IN DIVISION STRUCTURE

Recommendation: that Elizabethtown Community College be reorganized to reflect the creation of two new academic divisions: Physical Sciences and Related Technologies and Biological Sciences and Related Technologies.

Background: Elizabethtown Community College is currently organized and operates as three divisions. The size of the faculty and number of programs at Elizabethtown justify dividing the Division of Natural Sciences and Related Technologies into two new divisions: Physical Sciences and Related Technologies and Biological Sciences and Related Technologies. This proposed change in division structure, recommended by the Director of Elizabethtown Community College and the Chancellor for the Community College System, has been reviewed and recommended for approval by the Elizabethtown Community College faculty.

---

Action Taken: Approved  Disapproved \_\_\_\_\_ Other \_\_\_\_\_

Date: March 4, 1986

Office of the President  
March 4, 1986

PR 4B

Members, Executive Committee, Board of Trustees:

ASSOCIATE DEGREE PROGRAM IN THE  
COMMUNITY COLLEGE SYSTEM  
MADISONVILLE COMMUNITY COLLEGE

Recommendation: that the Board of Trustees authorize for submission to the Council on Higher Education a new degree program, Associate Degree in Applied Science, Laser Optics Technology, for the Madisonville Community College.

Background: The Council on Higher Education is empowered to define and approve all higher education associate degree programs.

Madisonville Community College has worked with the local Advisory Board and other appropriate individuals and groups in determining the need for graduates from the program. This program will help meet the need for laser optics technicians in Madisonville and the surrounding region.

Approval by the Board of Trustees is required prior to submission to the Council on Higher Education.

---

Action Taken: Approved  Disapproved \_\_\_\_\_ Other \_\_\_\_\_

Date: March 4, 1986

Office of the President  
March 4, 1986

PR 5A-1

Members, Executive Committee, Board of Trustees:

NAMING OF UNIVERSITY BUILDING

Recommendation: that the Board of Trustees approve the name THE HILARY J. BOONE INDOOR TENNIS CENTER for the new indoor tennis center.

Background: Mr. Hilary J. Boone was captain of the tennis team in 1940. His contribution of \$250,000 to the University of Kentucky Athletics Association helped make the indoor tennis center a reality. To recognize this gift the University of Kentucky Athletics Association Board of Directors at their January 21, 1986 meeting voted unanimously to recommend naming the new indoor tennis center in his honor.

In accordance with University Policy, the Committee for Naming University Buildings has made its recommendation to the Chancellor of the Lexington Campus who recommends to the President and Board of Trustees that the indoor tennis center be named THE HILARY J. BOONE INDOOR TENNIS CENTER.

---

Action taken: Approved  Disapproved  Other

Date: March 4, 1986.

Office of the President  
March 4, 1986

PR 5A-2

Members, Executive Committee, Board of Trustees:

NAMING OF UNIVERSITY LIBRARY

Recommendation: that the Board of Trustees approve the name THE JOHN A. MORRIS LIBRARY for the library in the Maxwell H. Gluck Equine Research Center.

Background: The Equine Research Foundation, Inc. recently received a gift of \$200,000 from Mrs. John A. Morris in honor of her husband, the late John A. Morris. Mr. Morris was a distinguished senior statesman of racing with close ties to Kentucky. To recognize this gift we feel it would be appropriate to name the library in the Gluck Center for Mr. Morris.

In accordance with University Policy, the Committee for Naming University Buildings has made its recommendation to the Chancellor of the Lexington Campus who recommends to the President and Board of Trustees that the library be named the JOHN A. MORRIS LIBRARY.

---

Action taken: Approved  Disapproved  Other

Date: March 4, 1986.



Office of the President  
March 4, 1986

PR 5B

Members, Executive Committee, Board of Trustees:

ESTABLISHMENT OF GRADUATE CENTER FOR BIOMEDICAL ENGINEERING

Recommendation: that the Executive Committee of the Board of Trustees authorize the establishment of a Graduate Center for Biomedical Engineering.

Background: Biomedical engineering is an inherently broadly-based, multidisciplinary field which involves the application of diverse engineering concepts, methodologies, and technologies to a wide range of problems in the life sciences and medicine. It also is a field of expanding growth and increasing significance because of the diversity of its research foci and their technical applications, e.g., aerospace medicine, sports medicine, industrial and vehicular safety, bioinstrumentation, rehabilitation engineering, cardiovascular biodynamics, and exercise and stress physiology.

The first biomedical engineering activity at the University of Kentucky began in the mid-1950s under the auspices of the Wenner-Gren Research Laboratory. As such, it was one of the first programs in the nation, and research and graduate education thrusts in biomedical engineering have expanded steadily since that time. The current Biomedical Engineering program at the University of Kentucky is centered logistically in the Wenner-Gren Research Laboratory and is administered organizationally as a component of the Department of Mechanical Engineering in the College of Engineering. Its programs have involved faculty from the Medical Center and from the Colleges of Engineering, Arts and Sciences, and Education.

In 1980 the Deans of the University of Kentucky Colleges of Engineering and Medicine jointly sponsored an external evaluation of the status and future prospects of biomedical engineering activities on campus. This study concluded that there was significant potential for expanding substantive work in biomedical engineering, but that the current organization of the effort was "constricting." The establishment of a free standing Center for Biomedical Engineering was recommended, one which would have balanced support and participation from both the College of Engineering and the College of Medicine. Representatives of these Colleges, the Chancellor for the Lexington Campus, the Chancellor for the Medical Center, the Vice Chancellor for Research and Dean of the Graduate School, and the Director of the Wenner-Gren Research Laboratory have worked together over the last several years to develop a plan for such a Center.

The proposal for the establishment of a Graduate Center for Biomedical Engineering has been reviewed and approved by appropriate faculty bodies and administrators, the Graduate Council, the University Senate Council's Academic Organization and Structure Committee, the Senate Council, and the University Senate. If authorized, the Center will operate under the auspices of the Graduate School, and extramural funding shall be sought to complement University support.

1387A

---

Action taken: Approved  Disapproved  Other

Date: March 4, 1986

Office of the President  
March 4, 1986

PR 5C

Members, Executive Committee, Board of Trustees:

ESTABLISHMENT OF QUASI-ENDOWMENT  
FOR THE  
OTIS A. SINGLETARY GRADUATE AND PROFESSIONAL FELLOWSHIP FUND

Recommendation: that the University of Kentucky Board of Trustees authorize the establishment of a quasi-endowment for the Otis A. Singletary Graduate and Professional Fellowship Fund.

Background: The University of Kentucky Athletic Association requests the establishment of a quasi-endowment fund in honor of President Otis A. Singletary. The fund, which will initially consist of \$250,000, will be invested by the University and the income therefrom used annually to award fellowships based on excellence to graduate and professional students enrolled in the University. The fellowships shall be known as the Otis A. Singletary Fellowships.

---

Action taken: Approved  Disapproved  Other

Date: March 4, 1986

1277

Office of the President  
March 4, 1986

PR 5D

Members, Executive Committee, Board of Trustees:

PATENT ASSIGNMENT  
LEXINGTON CAMPUS

Recommendation: that authorization be given to the proper officials of the University of Kentucky Board of Trustees to execute an assignment on behalf of the Board of Trustees to the University of Kentucky Research Foundation of the following application for Letters Patent of the United States and the invention represented thereby: P. M. Zavos and K. M. Dawson, Serial No. (to be assigned), filed (to be filed).

Background: P. M. Zavos and K. M. Dawson have invented METHOD FOR X AND Y SPERMATOZOA SEPARATION. They have assigned their rights to the invention to the University of Kentucky. In accord with usual practice, it is recommended that the University assign the patent to the University of Kentucky Research Foundation.

---

Action: Approved  Disapproved \_\_\_\_\_ Other \_\_\_\_\_

Date: March 4, 1985.

PR 6A

Members, Executive Committee, Board of Trustees:

AMENDMENT OF BYLAWS, RULES AND REGULATIONS  
MEDICAL STAFF, UNIVERSITY HOSPITAL

Recommendation: that the following proposed amendments to the Bylaws, Rules and Regulations of the Medical Staff, University Hospital, be approved.

(Proposed additions are underlined.)

ARTICLE VI CLINICAL PRIVILEGES

SECTION 1. Delineation of Privileges in General

a - e to remain unchanged

- f. Medical staff members who hold active or associate appointments desiring to hospitalize and manage patients in the Lucille Markey Cancer Center will accept and abide by the "Lucille Parker Markey Cancer Center In Patient Unit Attending Physician Guidelines".
- g. Medical staff members who hold voluntary staff appointments must request Cancer Center privileges as categorized.

CATEGORY I Admitting privileges and ability to follow patient. The management of patient care will be under the direction of the oncology consultant and management team.

CATEGORY II Admitting privileges, management responsibility within the physicians field of expertise. Oncology care under direction of consulting oncologist. Active participation in educational program and team.

CATEGORY III Admitting privileges. Full patient management authority. Active participation in educational programs and teams.

---

Action taken: Approved  Disapproved \_\_\_\_\_ Other \_\_\_\_\_

Date: March 4, 1986

Voluntary staff members will accept and abide by the "Lucille Markey Cancer Center In Patient Unit Attending Physician Guidelines".

Background: The proposed changes have been approved, in conformance with the Bylaws, by a two-thirds vote of the Clinical Board and by the Council of Supervisors, University Hospital. They become effective upon approval of the Board of Trustees.

Office of the President  
March 4, 1986

FCR 1

Members, Executive Committee, Board of Trustees:

INTERIM FINANCIAL REPORTS

Recommendation: that the Board of Trustees accept the University of Kentucky financial report for the seven months ended January 31, 1986, and the summary report of revenues and expenditures of the University of Kentucky Research Foundation for the six months ended December 31, 1985.

Background: As of January 31, 1986, the University had realized income of \$264,374,677, representing 60% of the 1985-86 estimate of \$440,871,786. Expenditures and commitments total \$230,218,577 or 52% of the approved budget of \$440,871,786.

The University of Kentucky Research Foundation summary report reflects income from grants and contracts of \$14,908,170, direct costs of \$12,500,334, and indirect cost recovery of \$2,407,836. A new section of KRS Chapter 164A, enacted under House Bill 622, requires periodic reporting of grants and contracts activities to the Board of Trustees.

---

Action taken: Approved  Disapproved  Other

Date: March 4, 1986

UNIVERSITY OF KENTUCKY RESEARCH FOUNDATION  
 Summary of Current Revenues, Expenditures and Transfers  
 For the Six Months Ended December 31, 1985

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Revenues			
Grants and Contracts	\$ 2,407,836	\$12,500,334	\$14,908,170
Unrestricted Current			
Investment Income	127,769		127,769
Patent Income	76,457		76,457
Miscellaneous Income	33,353		33,353
Less: Fixed Price Contracts			
Cost of Education Allowance			
Restricted Current	<u>                    </u>	<u>60,368</u>	<u>60,368</u>
Total Revenues	\$ 2,645,415	\$12,560,702	\$15,206,117
Expenditures			
Grants and Contracts		\$12,500,334	\$12,500,334
Equipment and Supplies	\$ 5,912		5,912
Foreign Travel	56,235		56,235
Insurance	15,498		15,498
Computer Services & Equipment	83,775		83,775
Travel and Promotion			
Patent Costs and Fees	51,137		51,137
Sector Support	32,523		32,523
Other Unrestricted	94,728		94,728
Other Restricted	<u>                    </u>	<u>63,940</u>	<u>63,940</u>
Total Expenditures	\$ 339,808	\$12,564,274	\$12,904,082
Grants to the University of Kentucky			
Transfer of Prior Year Fund Balance	\$ 539,127	\$	\$ 539,127
Net Recovery Current Year Revenue	<u>2,138,169</u>	<u>                    </u>	<u>2,138,169</u>
Total Transfers	2,677,296		2,677,296
Total Expenditures and Transfers	<u>3,017,104</u>	<u>12,564,274</u>	<u>15,581,378</u>
Net Increase (Decrease) in Fund Balances	<u>\$ (371,689)</u>	<u>\$ (3,572)</u>	<u>\$ (375,261)</u>



Statement 1

University of Kentucky  
Balance Sheet  
January 31, 1986  
With Comparative Figures for 1984-85

ASSETS

	1985-86	1984-85
<b>Current Funds</b>		
<b>Unrestricted</b>		
Cash and cash equivalents	\$ 21,741,695	\$ 58,322,818
Total cash and cash equivalents	21,741,695	58,322,818
Petty cash	455,168	650,881
Investments	1,538,060	1,215,982
Accounts receivable	7,157,447	4,831,751
Accrued interest	1,026,152	1,332,122
Inventories	5,470,472	5,936,178
Unrealized income (Statement 3)	119,146,288	66,814,587
Total unrestricted	156,535,282	139,104,319
<b>Restricted</b>		
Cash in banks and cash equivalents	24,048,926	8,300,232
Cash on deposit with State Treasurer	889,544	1,905,113
Total cash and cash equivalents	24,938,470	10,205,345
Accrued interest receivable	769,271	504,245
Inventory	112,511	113,489
Investments		
Short term (Schedule 1)	33,113,189	32,700,665
Other	6,492	5,430
Unrealized income		
Restricted (Statement 3)	17,775,455	13,604,014
Tobacco Research Trust Fund (Statement 3)	2,693,077	1,466,282
Total restricted	79,408,465	58,599,470

Statement 1

University of Kentucky  
Balance Sheet  
January 31, 1986  
With Comparative Figures for 1984-85

LIABILITIES AND FUND BALANCES

	1985-86	1984-85
<b>Current Funds</b>		
<b>Unrestricted</b>		
Outstanding encumbrances	\$ 4,759,965	\$ 6,393,798
Due to other funds and affiliated corporations	4,217,701	1,660,821
Accounts payable - county funds		48,230
Accrued expenses - disability, w/c, unemployment	5,658,882	2,185,882
Deferred income	1,440,100	76,911
Accrued vacation	4,513,900	4,243,900
Unencumbered balance, departmental appropriations (Statement 4)	128,302,422	117,755,170
Fund balances		
Allocated for working capital (Statement 2)	7,642,312	6,789,607
Total unrestricted	156,535,282	139,104,319
<b>Restricted</b>		
Payroll deposits	9,646,307	7,433,451
General fund collections	12,358,613	9,064,963
Outstanding encumbrances	447,883	424,040
Due to other funds and affiliated corporations	17,048,770	15,550,306
Deferred income		30,933
Refundable deposits	95,197	132,607
Other liabilities	101,623	107,271
Accrued interest		
Realized income in excess of estimate/Mining & Mineral Trust Fund	748,127	102,570
Unencumbered balance, departmental appropriations (Statement 4)	16,859,905	9,849,306
Unencumbered balance, Tobacco Research Trust Fund		
appropriation (Statement 4)	2,116,623	2,819,097
Fund balances		
Restricted fund (Statement 2)	17,167,157	12,139,928
Contracts and grants	595,476	
Tobacco Research Trust Fund - unallocated funds (Statement 2)	1,465,795	582,490
Mining and Minerals Trust Fund (Statement 2)	756,989	362,508
Total restricted	79,408,465	58,599,470

Statement 1

University of Kentucky  
Balance Sheet  
January 31, 1986  
With Comparative Figures for 1984-85

	1985-86	1984-85
ASSETS		
<b>Hospitals and Clinics</b>		
Due from other funds and affiliated corporations	27,035,675	22,712,727
Accounts receivable, net of allowance for doubtful accounts of \$2,711,970 in 1985-86 and \$11,017,580 in 1984-85	21,207,644	18,447,686
Inventories	1,354,832	944,640
Unrealized income	28,040,343	23,454,901
	77,638,494	65,559,954
Total hospital and clinics	77,638,494	65,559,954
<b>Housing and dining system</b>		
Cash and cash equivalents	2,267,951	3,448,733
Total cash	2,267,951	3,448,733
<b>Accrued interest receivable</b>		
Accounts receivable	204,382	292,417
Inventories	5,518,751	5,593,715
Prepaid expenses	617,517	732,811
Unrealized income (Statement 3)	103,782	205,764
	7,135,330	9,746,637
Total housing and dining system	15,847,713	20,020,077
<b>Other auxiliary enterprises</b>		
Cash and cash equivalents	1,297,265	2,263,727
Total cash	1,297,265	2,263,727
<b>Accounts receivable</b>		
Inventories	114,651	159,598
Unrealized income (Statement 3)	744,509	759,974
	2,454,743	2,948,697
Total auxiliary enterprises	4,611,168	6,131,996
<b>TOTAL CURRENT FUNDS</b>	\$ 334,041,122	\$ 289,415,816

Statement 1

University of Kentucky  
Balance Sheet  
January 31, 1986  
With Comparative Figures for 1984-85

LIABILITIES AND FUND BALANCES

	1985-86	1984-85
<b>Hospitals and clinics</b>		
Outstanding encumbrances	9,944	103,595
Accounts payable	4,029,570	5,485,945
Accrued vacation	1,056,111	1,057,693
Unexpended balance, departmental appropriation (Statement 4)	52,460,252	37,190,489
Fund balances - allocated (Statement 2)		
Working capital	16,036,641	19,643,940
Future operating purposes	4,045,976	2,078,292
Total fund balance (Statement 2)	20,082,617	21,722,232
Total hospital and clinics	77,638,494	65,559,954
<b>Housing and dining system</b>		
Accrued expenses	144,648	144,648
Accrued wages	173,472	173,472
Accrued vacation	215,000	215,000
Accounts payable	48,789	274,234
Due to other funds and affiliated corporations	118,744	2,413,904
Refundable deposits	81,389	87,042
Deferred income	5,361,657	4,963,091
Unexpended balance, departmental appropriation (Statement 4)	8,523,236	10,650,568
Fund balance		
Allocated for future operations - scholarships	400,000	1,098,118
Allocated for future operations - other	365,353	365,353
Allocated for working capital	733,545	733,545
Total fund balances	1,498,898	1,098,118
Total housing and dining system	15,847,713	20,020,077
<b>Other auxiliary enterprises</b>		
Outstanding encumbrances	29,978	89,253
Due to other funds and affiliated corporations	0	959,630
Refundable deposits	2,355	2,355
Unencumbered balance, departmental appropriation (Statement 4)	2,390,771	3,090,954
Fund balances - allocated		
Working capital	941,225	974,346
Future operating purposes	1,246,839	1,017,813
Total fund balance (Statement 2)	2,188,064	1,992,159
Total other auxiliary enterprises	4,611,168	6,131,996
<b>TOTAL CURRENT FUNDS</b>	\$ 334,041,122	\$ 289,415,816

Statement 1

University of Kentucky  
 Balance Sheet  
 January 31, 1986  
 With Comparative Figures for 1984-85

	1985-86	1984-85
ASSETS		
Loan funds		
Cash in bank	\$ 1,481,140	\$ 1,103,250
Notes receivable, net allowance for doubtful accounts of \$2,231,193 in 1985-86 and \$2,489,679 in 1984-85	14,359,862	13,193,939
Due from other funds and affiliated corporations	2,000	2,000
Due from United Student Aid loan fund	\$ 15,843,002	\$ 14,299,189
TOTAL LOAN FUNDS	\$ 26,837,825	\$ 23,277,800
Endowment funds		
Investments	\$ 26,837,825	\$ 23,277,800
TOTAL ENDOWMENT FUNDS	\$ 49,025,727	\$ 34,186,285
Plant funds		
Unexpended	49,025,727	34,186,285
Cash on deposit with State Treasurer	24,363,975	12,490,121
Cash and cash equivalents	7,440,450	8,349,366
Total cash on deposit with State Treasurer	80,830,152	55,025,772
Construction in progress		
Due from other funds and affiliated corporations		
Total unexpended plant funds		

Statement 1

University of Kentucky  
Balance Sheet  
January 31, 1986  
With Comparative Figures for 1984-85

LIABILITIES AND FUND BALANCES

	1985-86	1984-85
<b>Loan funds</b>		
Accumulated interest income	1,576,907	2,151,697
Total liabilities	1,576,907	2,151,697
Fund balances		
U. S. Government grants refundable	11,040,937	9,282,839
University funds	3,225,158	2,864,653
Total university loan funds	\$ 15,843,002	\$ 14,299,189
<b>Endowment funds</b>		
Fund balances	\$ 26,837,825	\$ 23,277,800
<b>TOTAL ENDOWMENT FUNDS</b>	\$ 26,837,825	\$ 23,277,800
<b>Plant funds</b>		
Unexpended		
Outstanding encumbrances	\$ 19,934,070	\$ 7,450,904
Bonds payable	24,600,000	13,364,412
Bond anticipation notes payable	36,296,082	3,500,000
Fund balances allocated for construction - renovation	80,830,152	30,710,456
Total unexpended plant funds	\$ 141,660,304	\$ 55,025,772

Statement 1

University of Kentucky  
Balance Sheet  
January 31, 1986  
With Comparative Figures for 1984-85

ASSETS

	1985-86	1984-85
Renewal and replacement Cash and cash equivalents	\$ 3,509,217	\$ 2,913,447
Total cash	3,509,217	2,913,447
Accrued interest receivable Investments held by Trustees	61,339	27,737
	1,480,902	1,625,119
Total renewal and replacements	5,051,458	4,566,303
Retirement of indebtedness Cash on deposit with State Treasurer	91,072	112,992
Total cash	91,072	112,992
Accrued interest receivable Investments held by Trustees Due from other funds and affiliated corporations	305,381	251,392
	19,325,557	18,552,613
	172,500	172,500
Total retirement of indebtedness	19,722,010	19,039,497
Investment in plant Land Buildings Equipment	23,830,543	25,251,981
	321,087,674	310,857,071
	143,217,283	130,073,463
Total investment in plant	488,135,500	466,182,515
TOTAL PLANT FUNDS	\$ 593,739,120	\$ 544,814,087
Agency funds Cash in bank Accounts receivable Due from other funds and affiliated corporations Investments short - term (Schedule 1)	\$ 181,221	\$ 326,216
	15,000	149
	15,000	15,000
TOTAL AGENCY FUNDS	\$ 196,221	\$ 341,365

University of Kentucky  
Balance Sheet  
January 31, 1986  
With Comparative Figures for 1984-85

LIABILITIES AND FUND BALANCES

	1985-86	1984-85
<b>Renewal and replacement</b>		
Outstanding encumbrances		4,475
Due to other funds and affiliated corporations		77,927
Fund balances		
Restricted (Schedule 4)	1,154,000	1,154,000
Unrestricted (Schedule 4)	3,897,458	3,329,901
Total fund balances	5,051,458	4,483,901
Total renewal and replacements	5,051,458	4,566,303
<b>Retirement of indebtedness</b>		
Bonds payable (Schedule 3)	1,078,000	1,168,000
Fund balances (Schedule 3)	18,644,010	17,871,497
Total retirement of indebtedness	19,722,010	19,039,497
<b>Investment in plant</b>		
Bonds payable	116,608,000	115,419,589
Notes payable	185,624	371,248
Bonds Anticipation Notes Payable	7,700,000	4,200,000
Lease purchase obligation	3,835,000	4,060,000
Net investment in plant	359,806,876	342,131,678
Total investment in plant	488,135,500	466,182,515
<b>TOTAL PLANT FUNDS</b>	\$ 593,739,120	\$ 544,814,087
<b>Agency funds</b>		
Due to other funds and affiliated corporations		10,890
Outstanding encumbrances	196,221	330,475
Funds held in custody for others		
<b>TOTAL AGENCY FUNDS</b>	\$ 196,221	\$ 341,365



Statement 2

University of Kentucky  
 Statement of Changes in Fund Balances-Current Funds  
 Seven Months Ended January 31, 1986

	Unrestricted Allocated	Other Restricted	Tobacco Research Trust Fund	Mining and Minerals Trust Fund	Hospitals and Clinics	Housing Dining System Funds for Future Operating Purposes	Other Auxiliary Enterprises
Fund balances July 1, 1985	\$ 22,213,612	\$ 17,762,633	\$ 1,465,795	\$ 756,989	\$ 32,617,617	\$ 1,498,898	\$ 2,188,064
Realized income	168,678,679	17,248,183	1,606,923	748,127	61,817,569	11,202,433	3,072,763
Realized income in excess of estimate				(748,127)			
Unrealized income	119,146,288	17,775,455	2,693,077		28,040,343	7,135,330	2,454,743
Total estimated income	287,824,967	35,023,638	4,300,000	0	89,857,912	18,337,763	5,527,506
Less fund balance appropriated	14,571,300				12,535,000		
Net current estimated income	273,253,667	35,023,638	4,300,000		77,322,912	18,337,763	5,527,506
Total available	295,467,279	52,786,271	5,765,795	756,989	109,940,529	19,836,661	7,715,570
Current year expenditures/encumbrances	159,522,545	18,163,733	2,183,377		37,397,660	9,814,527	3,136,735
Unencumbered balances, appropriations	128,302,422	16,859,905	2,116,623		52,460,252	8,523,236	2,390,771
Total authorized appropriations	287,824,967	35,023,638	4,300,000	0	89,857,912	18,337,763	5,527,506
Fund balances January 31, 1986	\$ 7,642,312	\$ 17,762,633	\$ 1,465,795	\$ 756,989	\$ 20,082,617	\$ 1,498,898	\$ 2,188,064

University of Kentucky  
 Summary of Current Funds Revenues and Appropriated Balances  
 Seven Months Ended January 31, 1986 With Comparative Figures for 1984-85

Fund and Source	1985-86		1984-85	
	Estimated for the Year	Realized to Date	Estimated for the Year	Realized to Date
<b>Unrestricted</b>				
Student Fees	\$ 43,535,161	\$ 39,833,386	\$ 40,972,200	\$ 36,336,577
Federal appropriations	14,159,136	7,618,230	13,727,230	8,048,935
County appropriations	3,185,100	963,834	3,168,464	3,929,065
Endowment and trust fund income	679,200	334,159	279,200	289,989
Investment income	9,225,400	5,304,414	7,806,200	5,016,122
Gifts and grants				
UKRF	2,634,000		4,346,200	259,742
The Fund	861,300			6
Other funds	175,000	20,634	349,100	
Other	2,811,050	435,682	1,197,558	747,775
Sales, services, other income	9,671,320	6,438,981	8,806,777	4,762,887
Subtotal	86,936,667	60,948,920	80,652,929	56,391,092
State appropriations	186,317,100	93,158,559	170,376,300	127,823,550
Fund balance appropriated	14,571,200	14,571,200	12,876,746	12,876,746
Total unrestricted	287,824,967	168,678,679	263,905,975	197,091,388
<b>Restricted</b>				
Tobacco Research Trust Fund				
Appropriations	4,300,000	1,606,923	3,200,000	1,733,718
Fund balance appropriated			1,604,000	1,604,000
Total Tobacco Research Trust Fund	4,300,000	1,606,923	4,804,000	3,337,718
Mining & Minerals Trust Fund				
Other Restricted	35,023,638	748,127		102,570
Hospitals and clinics				
State appropriations	1,017,000	508,500	7,281,800	5,461,350
Hospital earned income-net	76,305,912	48,774,069	66,682,090	45,047,639
Appropriated fund balance	12,535,000	12,535,000		
Total hospital and clinics	89,857,912	61,817,569	73,963,890	50,508,989
Housing and dining system	18,337,763	11,202,433	21,326,720	11,580,083
Auxiliary Enterprises	5,527,506	3,072,763	6,799,913	3,851,216
<b>TOTAL CURRENT FUNDS AND APPROPRIATED BALANCES</b>	<b>\$ 440,871,786</b>	<b>\$ 264,374,677</b>	<b>\$ 395,253,708</b>	<b>\$ 277,321,160</b>

University of Kentucky  
 Summary of Current Funds Expenditures  
 Seven Months Ended January 31, 1986  
 With Comparative Figures for 1984-85

Fund or Function	1985-86		1984-85	
	Appropriation for the Year	Expended Encumbered to Date	Appropriation for the Year	Expended Encumbered to Date
Unrestricted				
Instruction	122,301,857	62,486,401	102,207,040	60,225,972
Summer Session - 1985	2,227,973	1,695,584	2,286,446	1,744,665
Research	23,696,519	13,678,499	18,706,916	11,595,331
Public service	30,339,945	17,744,902	29,350,746	16,437,890
Academic support	29,406,944	16,990,409	22,568,924	12,915,810
Student services	8,675,989	4,920,480	7,415,418	4,106,611
Staff Benefits	7,333,052	3,263,091	17,852,818	4,060,211
Institutional support	18,812,937	11,037,270	16,119,344	8,576,625
Maintenance and operation of plant	26,068,934	14,227,763	22,931,050	12,391,348
Renovation, office furniture, etc.	1,726,268	1,496,746	2,112,155	2,074,542
Debt service	12,426,700	8,918,916	10,407,400	9,445,410
Scholarships and fellowships	4,807,849	3,062,484	4,157,669	2,465,390
Reserves			7,792,049	111,000
	-----	-----	-----	-----
Total unrestricted	287,824,967	159,522,545	263,905,975	146,150,805
	-----	-----	-----	-----
		55		55

Statement 4

University of Kentucky  
 Summary of Current Funds Expenditures  
 Seven Months Ended January 31, 1986  
 With Comparative Figures for 1984-85

Fund or Function Restricted	1985-86		1984-85	
	Appropriation for the Year	Expended Encumbered to Date	Appropriation for the Year	Expended Encumbered to Date
Tobacco Research Trust Fund	4,300,000	2,183,377	4,804,000	1,984,903
Other Restricted				
Instruction	2,300,780	771,424	3,576,929	972,710
Research	14,047,973	4,002,266	8,249,826	2,579,016
Public service	3,502,652	626,362	551,676	170,471
Academic support	1,011,762	514,838	94,846	29,698
Maintenance and operations	24,000	14,031		
Student services	11,690,880	11,362,648	271,424	57,863
Institutional support	91,684	12,432	10,314,773	7,403,217
Student aid	2,285,347	844,848		
Service enterprises	68,560	14,884		
Total other restricted	35,023,638	18,163,733	23,059,474	11,212,975
Hospitals and clinics	89,857,912	37,397,660	73,963,890	36,773,401
Housing and dining system	18,337,763	9,814,527	21,326,720	10,676,152
Other auxiliary enterprises	5,527,506	3,136,735	6,799,913	3,708,959
<b>TOTAL CURRENT FUNDS EXPENDITURES</b>	<b>\$ 440,871,786</b>	<b>\$ 230,218,577</b>	<b>\$ 393,859,972</b>	<b>\$ 210,507,195</b>

Schedule 1

University of Kentucky  
Schedule of Short Term Investments  
January 31, 1986

	Maturity Value	Cost
<b>Restricted Current Funds</b>		
<b>Government securities</b>		
U.S. Treasury Notes, 7.875%, 5/15/86	\$ 685,000	\$ 685,000
U.S. Treasury Notes, 11.375%, 8/15/86	4,000,000	4,100,000
U.S. Treasury Notes, 11.625%, 10/31/86	4,000,000	4,107,500
U.S. Treasury Notes, 10.0%, 2/28/87	5,000,000	5,104,688
U.S. Treasury Notes, 10.75%, 3/31/87	3,000,000	3,079,688
U.S. Treasury Notes, 12.0%, 5/15/87	5,250,000	5,506,758
U.S. Treasury Notes, 12.5%, 5/15/87	4,750,000	5,023,867
U.S. Treasury Notes, 9.125%, 5/31/87	4,950,000	5,005,688
<b>Total government securities</b>	31,635,000	32,613,189
<b>Certificates of deposit</b>		
Bank of Commerce, 9.40%, 6/25/86	500,000	500,000
	500,000	500,000
	\$ 32,135,000	\$ 33,113,189
<b>TOTAL RESTRICTED FUNDS</b>		
<b>Agency Funds</b>		
<b>Government securities</b>		
U.S. Treasury Notes, 7.875%, 5/15/86	\$ 15,000	\$ 15,000
<b>TOTAL AGENCY FUNDS</b>	\$ 15,000	\$ 15,000

University of Kentucky  
 Schedule of Retirement of Indebtedness Funds  
 For the Seven Months Ended January 31, 1986

Source of Funds	Estimated	Realized	% Realized
Unrestricted current funds	\$ 12,426,700	\$ 8,918,916	72
Housing and dining system	2,484,992	1,246,869	50
Auxiliary enterprises current funds	116,688	23,431	20
<b>TOTAL RETIREMENT OF INDEBTEDNESS FUNDS</b>	<b>\$ 15,028,380</b>	<b>\$ 10,189,216</b>	<b>68</b>
<b>Debt Service</b>	<b>Appropriated</b>	<b>Expanded</b>	<b>% Expanded</b>
Current unrestricted funds debt			
Consolidated Educational Buildings-Series A	509,600	489,785	96
Consolidated Educational Buildings-Series B	483,960	466,398	96
Consolidated Educational Buildings-Series C	234,800	231,527	99
Consolidated Educational Buildings-Series D	2,413,255	2,347,147	97
Consolidated Educational Buildings-Series E	291,628	282,889	97
Consolidated Educational Buildings-Series F	525,330	511,731	97
Consolidated Educational Buildings-Series G	2,219,747	1,080,032	49
Consolidated Educational Buildings-Series H	1,122,865	1,077,454	96
Consolidated Educational Buildings-Series I	1,851,111		
Community Colleges Educational Buildings-Series A-E	2,774,404	2,431,954	88
<b>Subtotal</b>	<b>12,426,700</b>	<b>8,918,917</b>	<b>72</b>
Housing and Dining System Revenue Bonds-Series A-L	2,484,992	1,158,948	47
<b>Other Auxiliary Enterprises</b>			
Alpha Delta Pi	7,529	1,330	18
Dorms G-L	48,953	10,949	22
Phi Delta Theta	7,945	1,614	20
Alpha Iau Omega	8,228		
Housing Bonds of 1960	14,094	2,548	18
Student Housing Bonds of 1964	29,939	6,969	23
<b>Subtotal</b>	<b>116,688</b>	<b>23,410</b>	<b>20</b>
<b>TOTAL RETIREMENT OF INDEBTEDNESS FUNDS</b>	<b>\$ 15,028,380</b>	<b>\$ 10,101,275</b>	<b>67</b>

Schedule 3

University of Kentucky  
 Schedule of Retirement of Indebtedness Sinking Funds  
 January 31, 1986

	Total Sinking Funds	Bonds Payable	Fund Balances
<b>Bond Issue with Reserves Fully Funded</b>			
<b>Consolidated Educational Buildings Project and Interest Sinking Fund</b>			
Series A	\$ 1,108,941		\$ 1,108,941
Series B	1,062,813		1,062,813
Series C	421,190		421,190
Series D	3,838,467		3,838,467
Series E	425,389		425,389
Series F	827,464		827,464
Series G	1,748,426		1,748,426
Series H	1,588,827		1,588,827
<b>Community College Educational Buildings Project Bond and Interest Sinking Fund</b>			
Series A-E	3,821,245		3,821,245
<b>Housing and Dining System Revenue Bond and Interest Sinking Fund</b>			
Student Housing Bond and Interest Sinking Fund of 1964	3,218,990		3,218,990
Student Housing Bond and Interest Sinking Fund of 1960	208,880		208,880
Dormitory Revenue Bonds of 1956	151,170		151,170
	50,000		50,000
	-----		-----
<b>Total Bond Issues with Reserves Fully Funded</b>	<b>18,471,802</b>		<b>18,471,802</b>
	-----		-----
<b>Bonds Fully Funded by Escrow Accounts</b>			
<b>Cooperstown Future Bond and Interest Fund</b>	1,250,208	1,078,000	172,208
	-----	-----	-----
<b>TOTAL SINKING FUNDS</b>	<b>\$ 19,722,010</b>	<b>\$ 1,078,000</b>	<b>\$ 18,644,010</b>
	-----	-----	-----

Schedule 4

University of Kentucky  
 Schedule of Renewal and Replacement  
 For the Seven Months Ended January 31, 1986

	Restricted	Unrestricted	Total Fund Balances
<b>Repair and Maintenance Reserves</b>			
Housing and Dining System	\$ 1,074,000	\$ 775,594	\$ 1,849,594
Student Housing Buildings of 1964	50,000	28,087	78,087
Student Housing Buildings of 1960	30,000	12,693	42,693
	-----	-----	-----
Total repair and maintenance reserves	1,154,000	816,374	1,970,374
	-----	-----	-----
<b>Renewal and Replacement Funds</b>			
Housing and Dining Funds		2,801,476	2,801,476
Other Auxiliary Enterprises		279,608	279,608
	-----	-----	-----
Total renewal and replacement funds		3,081,084	3,081,084
	-----	-----	-----
<b>GRAND TOTAL</b>	\$ 1,154,000	\$ 3,897,458	\$ 5,051,458
	-----	-----	-----



Office of the President  
March 4, 1986

FCR 2

Members, Executive Committee, Board of Trustees:

Disposal of Personal Property

Recommendation: that the Board of Trustees approve the disposition of obsolete and surplus equipment.

Background: KRS 164A.575 requires that the governing board sell or otherwise dispose of all personal property which is not needed by the institution.

Exhibit I is the sale of library books by fixed price.

---

Action taken: Approved  Disapproved \_\_\_\_\_ Other \_\_\_\_\_

Date: March 4, 1986

UNIVERSITY OF KENTUCKY  
Annual Library Book Sale

TYPE OF DISPOSAL: Fixed Price.

REASON: Obsolete, outdated and damaged.

ITEMS: The annual sale of approximately 12,000 library books.

SALE DATES: April 24-25, 1986.

Office of the President  
March 4, 1986

FCR 3

Members, Executive Committee, Board of Trustees:

EXTERNAL AUDITOR FOR FISCAL YEAR 1985-86

Recommendation: that the Board of Trustees engage the firm of Coopers & Lybrand, Certified Public Accountants, to perform an examination of the accounts of the University of Kentucky and affiliated corporations for the fiscal year ending June 30, 1986, for a fee, including expenses, of not more than \$88,500. Exhibit I lists the entities and programs to be audited and other reports required.

Background: Coopers & Lybrand previously served as independent auditors for the University of Kentucky for the year ended June 30, 1985. Their performance was highly satisfactory, and their knowledge of the University's financial accounting and management systems will insure a thorough and adequate examination.

KRS 164A.570 and 164A.610 (enacted under House Bill 622) requires an external audit for the purposes of rendering an independent opinion of the financial statements, preparing a report of findings and recommendations concerning internal accounting controls and procedures, and compliance with provisions of KRS 164A.555 to 164A.630 (House Bill 622). OMB Circular A-110 requires an independent audit of federal funds received by the University of Kentucky including student financial aid funds.

---

Action taken: Approved  Disapproved  Other

Date: March 4, 1986

SUMMARY OF WORK

The Certified Public Accountants will make an examination of the financial statements of the following entities and programs for the year ending June 30, 1986:

University of Kentucky (consolidated and  
unconsolidated)  
University of Kentucky Research Foundation  
University of Kentucky Athletic Association  
The Fund for Advancement of Education and  
Research in the University of Kentucky  
Medical Center  
Health Care Collection Service, Inc.  
University of Kentucky Mining Engineering  
Foundation, Inc.  
University of Kentucky Business Partnership  
Foundation, Inc.  
University of Kentucky Housing and Dining  
System  
University of Kentucky Tobacco and Health  
Research Institute  
University of Kentucky Alumni Association  
University of Kentucky Hospital Auxiliary  
University of Kentucky Credit Union (year  
ended December 31, 1986)  
Federally sponsored programs (A-110 Audit)  
including Basic Education Opportunity  
Grant Program (Pell Grants), National  
Direct Student Loan, College Work Study,  
Supplemental Educational Opportunity  
Grant Programs, and Health Profession  
Student Loan Programs  
WBKY-FM Radio  
University of Kentucky Equine Research  
Foundation, Inc.  
University of Kentucky Humanities Foundation  
University of Kentucky Center on Aging  
Foundation, Inc.

Examination of the entities and programs financial statements will be made in accordance with generally accepted auditing standards and will include such tests of the accounting records and such other auditing procedures as are considered necessary in the circumstances. The objective of such an examination is to enable the Certified Public Accountants to express an independent opinion on whether the statements present fairly the financial position, changes in fund balances and the current funds revenues, expenditures and transfers in conformity with generally accepted accounting principles applied on a consistent basis.

As a part of the examination, the Certified Public Accountants will make a study and evaluation of the University's system of internal accounting control to the extent they consider necessary to evaluate the system as required by generally accepted auditing standards. Under these standards, the purpose of such evaluation is to establish a basis for reliance on the system of internal accounting control in determining the nature, timing, and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements and to assist the auditor in planning and performing the examination of the financial statements.

In addition to the examination of the basic financial statements as listed on the preceding page, the following reports will be provided by the Certified Public Accountants:

1. Letter report expressing an opinion as to the Reconciliation of Appropriations and Trust and Agency Balances, as reported on the University's financial statements with balances reported by the Commonwealth Department of Finance.
2. Letter report expressing an opinion as to the University's compliance with KRS 164A.555 to 164A.630 based upon the minimum audit scope as established by the Finance and Administration Cabinet Secretary.

The following details the nature and scope of the examination in regard to federally sponsored programs (A-110 Audit):

1. The Auditor shall, in a professional manner, perform the following services:
  - A. The Auditor shall in accordance with Standards for Audit of Governmental Organizations, Programs, Activities, & Functions examine the financial statements and records of the University as they relate to the federally sponsored research programs for the grant year ended June 30, 1986 and shall perform such other audit steps and examine such other activities as set forth in the Guide for Audits of Federal Awards to Education Institutions, (Draft dated September, 1983).

The examination will include an evaluation of the institution's policies, procedures and practices used to administer sponsored programs, a determination of compliance with applicable regulations, during which statistical and judgmental samples of sponsored research transactions will be selected and tested.

The examination is designed to permit the auditor to conclude as to whether the institution's control procedures were operating properly during the year ended June 30, 1986 to permit the institution to comply with applicable laws, regulations, terms of agreements, and directives set forth in the regulations of the audit guide; and to provide positive assurance on the effect on federal reimbursement of any significant areas of non-compliance.

- B. The Auditor shall familiarize himself with applicable requirements as set forth in the audit guide prescribed in "A" above.

Office of the President  
March 4, 1986

FCR 4

Members, Executive Committee, Board of Trustees:

A RESOLUTION CLARIFYING, AMENDING, AND RESTATING  
PROVISIONS OF RESOLUTIONS PREVIOUSLY ADOPTED  
AUTHORIZING THE ISSUANCE OF \$2,890,000 UNIVERSITY  
OF KENTUCKY COMMUNITY COLLEGES EDUCATIONAL BUILD-  
INGS REVENUE BONDS, SERIES E

Recommendation: that the Executive Committee approve a Resolu-  
tion authorizing the issuance of \$2,890,000 Community Colleges  
Consolidated Educational Buildings Revenue Bonds, Series E,  
dated April 1, 1986.

The Resolution further authorizes the Treasurer of the University  
to publish a Notice of Bond Sale for the Series E Bonds in com-  
pliance with KRS Chapters 162.340 through 162.380, and, further,  
to disseminate copies of a Statement of Terms and Conditions of  
Bond Sale, an Official Bid Form and an Official Statement for the  
purpose of providing adequate information to prospective bidders.

The Notice of Bond Sale, prepared by Bond Counsel, establishes  
date for receipt of sealed, competitive bids for the bonds at  
10:30 a.m., EST, on April 1, 1986, such bids to be considered  
by the Finance Committee of the Board and a recommendation to  
be submitted to the full Board at its meeting at 1:00 p.m. on  
April 1, 1986.

Background: \$3,500,000 Community Colleges Consolidated Educa-  
tional Buildings Revenue Bond Anticipation Notes, Series E, were  
issued and delivered on October 11, 1983, and will mature on  
May 1, 1986. Proceeds of the Series E Bonds, in the principal  
amount of \$2,890,000, will provide funds for the payment at  
maturity of the Series E Notes (to the extent not otherwise  
paid) and for the cost of issuance of the bonds.

Proceeds of the Series E Notes provided funds for the payment of  
costs of construction of an addition to the Student Center at  
Paducah Community College and the Academic Technical Building at  
Somerset Community College.

---

Action: Approved  Disapproved  Other

Date: March 4, 1986

A RESOLUTION CLARIFYING, AMENDING, AND RESTATING PROVISIONS OF RESOLUTIONS PREVIOUSLY ADOPTED AUTHORIZING THE ISSUANCE OF \$2,890,000 UNIVERSITY OF KENTUCKY COMMUNITY COLLEGES EDUCATIONAL BUILDINGS REVENUE BONDS, SERIES E

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

A RESOLUTION creating and establishing a Community Colleges Educational Buildings Project of the University of Kentucky; creating and establishing an issue of Community Colleges Educational Buildings Revenue Bonds of the Board of Trustees of the University of Kentucky; providing for the issuance from time to time of said bonds; providing for the payment of the principal of and interest on said bonds and repealing all resolutions or parts of resolutions in conflict with this resolution.

heretofore adopted on May 6, 1969, as thereafter clarified, amended, and restated by resolutions adopted by the Board on May 5, 1970, November 17, 1970, and December 11, 1973, respectively (collectively hereinafter referred to as the "Basic Resolution") has created and established an issue of University of Kentucky Community Colleges Educational Buildings Revenue Bonds (the "Bonds"); and

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

WHEREAS, the Board, by Resolution entitled:

RESOLUTION AUTHORIZING THE ISSUANCE OF \$3,500,000 UNIVERSITY OF KENTUCKY COMMUNITY COLLEGES EDUCATIONAL BUILDINGS REVENUE BONDS, SERIES E, AND THE ISSUANCE OF \$3,500,000 UNIVERSITY OF KENTUCKY COMMUNITY COLLEGES EDUCATIONAL BUILDINGS REVENUE BOND ANTICIPATION NOTES, SERIES E, IN ANTICIPATION THEREOF.

heretofore adopted on August 26, 1983, as thereafter affirmed by the Finance Committee of the Board on September 6, 1983, and as thereafter amended by resolution adopted by the Board on September 20, 1983, respectively (collectively

SERIES E RESOLUTION



hereinafter referred to as the "1983 Resolution") has authorized an additional series of Bonds to be designated "University of Kentucky Community Colleges Educational Buildings Revenue Bonds, Series E"; the Board having previously authorized, sold, issued and delivered four prior issues of Bonds respectively designated "University of Kentucky Community Colleges Educational Buildings Revenue Bonds, Series A, Series B, Series C, and Series D;" and

WHEREAS, the Board, acting by and through its Executive Committee, has determined that sound financial administration of the Community Colleges Educational Buildings Project requires that the 1983 Resolution be clarified, amended and restated insofar as it authorized the issuance of the Series E Bonds;

NOW, THEREFORE, the Board hereby resolves as follows:

## ARTICLE 1

### DEFINITIONS AND AUTHORITY

SECTION 1.1. Series E Resolution. This resolution (hereinafter referred to as the "Series E Resolution") is adopted in accordance with Article II, Section 2.03, and Article VIII, Section 8.01, 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 E Resolution as such terms are given in said Article of the Basic Resolution.

B. In this Series E Resolution, "Series E Bonds" shall mean the Bonds authorized by Article 2 of this Series E Resolution.

C. In this Series E Resolution, "Series E Notes" shall mean the \$3,500,000 "University of Kentucky Community Colleges Educational Buildings Revenue Bond Anticipation Notes, Series E," dated October 1, 1983.

SECTION 1.3. Authority. This Series E Resolution is adopted pursuant to the provisions of Sections 162.340, et seq., of the Kentucky Revised Statutes and the Basic Resolution.

## ARTICLE 2

### AUTHORIZATION OF SERIES E BONDS

SECTION 2.1. Series E Bonds Authorized. Pursuant to the provisions of the Basic Resolution, there is hereby authorized to be issued by the Board, in its corporate capacity, a further series of Bonds in the aggregate principal amount of Two Million Eight Hundred and Ninety Thousand Dollars (\$2,890,000). Such Bonds shall be designated as "University of Kentucky Community Colleges Educational Buildings Revenue Bonds, Series E." The Series E Bonds are hereby declared to have been authorized under the Basic Resolution and in conformity with the provisions of Section 7.10 of the Basic Resolution. The Series E Bonds shall be issued in conformity with the terms and provisions of this Series E Resolution, and any conflicting terms or provisions in the 1983 Resolution are hereby repealed.

SECTION 2.2. Purpose of Issue. The Series E Bonds are being issued for the purpose of paying the principal (to the extent not otherwise paid) of and retiring the Series E Notes, which were issued for the purpose of financing the costs (to the extent not otherwise provided) of the construction of new buildings and necessary appurtenances on the property owned by the University of Kentucky in Pulaski and McCracken Counties, Kentucky ("the Series E Project") as parts of the Community Colleges Educational Buildings Project.

SECTION 2.3. Bond Maturities. The Series E Bonds shall be dated April 1, 1986, and bear interest payable semiannually on May 1 and November 1 of each year, commencing November 1, 1986, at an interest rate or rates to be fixed as a result of advertised sale and competitive bidding for the Series E Bonds as hereinafter provided. The Series E Bonds shall be scheduled to become due and payable on May 1 of the respective years, as follows:

<u>Aggregate Principal Amount</u>	<u>Date of Maturity May 1</u>
\$ 75,000	1987
80,000	1988
80,000	1989
85,000	1990
90,000	1991
95,000	1992
105,000	1993
110,000	1994
115,000	1995
125,000	1996
135,000	1997
145,000	1998
155,000	1999
165,000	2000
180,000	2001
200,000	2002
210,000	2003
225,000	2004
250,000	2005
265,000	2006

SECTION 2.4. Type of Bonds. The Series E Bonds shall be issued in fully registered form in denominations designated by the purchasers thereof in multiples of \$5,000.

SECTION 2.5. Registration and Transfer. Liberty National Bank and Trust Company of Louisville, Louisville, Kentucky, is hereby designated as Registrar and Paying Agent for the Series E Bonds. Each of the Series E Bonds shall be dated by the Registrar and Paying Agent as of the date of original issue of the Series E Bonds or as of the last interest payment date with respect to such Bond preceding the date of authentication to which interest on the Bond has been paid or made available for payment, unless the date of authentication is an interest payment date to which interest has been paid or made available for payment, in which case the Bond shall be dated as of the date of authentication. The Registrar and Paying Agent shall establish and maintain at its principal office books for the registration and transfer of the Series E Bonds. Each of the Series E Bonds may be transferred or exchanged only upon payment of any required tax, fee, or other governmental charge and upon an assignment duly executed by the registered owner or his duly authorized attorney in such form and with such guarantee of signatures as shall be satisfactory to the Registrar and Paying Agent, such transfer to be made on such books by the

Registrar and Paying Agent. Upon such transfer or exchange, a new fully registered Bond or Bonds of the same maturity, of authorized denomination or denominations, for the same aggregate principal amount, shall be issued to the transferee in exchange therefor. The Board and the Registrar and Paying Agent shall not be required to issue, transfer, or exchange any of the Series E Bonds after the mailing of a notice calling such Bond for redemption as provided herein, nor to transfer or exchange any such Bond selected, called or being called for redemption in whole or in part. The person in whose name each of the Series E Bonds shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of either principal of or interest on such Bond shall be made only upon the order of the registered owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

SECTION 2.6. Payment. The principal of each of the Series E Bonds shall be payable to the registered owner or his legal representative in any coin or currency which at the time of the payment thereof shall be legal tender for the payment of public and private debts at the principal office of the Registrar and Paying Agent on the maturity thereof or the date fixed for mandatory redemption thereof as provided in this Series E Resolution.

The interest on each of the Series E Bonds shall be payable on the interest payment dates provided in Section 2.3 to the registered owners or their legal representatives as the same appears on the records of the Registrar and Paying Agent at the close of business on the fifteenth day of the month preceding each interest payment date (April 15 and October 15, respectively).

SECTION 2.7. Provisions for Prior Redemption. The Series E Bonds maturing May 1, 1997 and thereafter shall be subject to redemption at the option of the Board in whole or from time to time in part in the inverse order of their maturities (less than all of a single maturity to be selected by lot), on any interest payment date on or after May 1, 1996, at the redemption prices, expressed in percentages of principal amount with respect to each Bond as set forth below, plus in each case accrued interest to the date of redemption:

<u>If Redeemed:</u>	<u>Redemption Price</u>
On or after May 1, 1996 and prior to May 1, 1999	102%
On or after May 1, 1999 and prior to May 1, 2002	101%
On or after May 1, 2002 and prior to final maturity	100%

Notice of any such optional redemption shall be given at least thirty (30) days prior to the redemption date by mailing to the owners of the Bonds to be redeemed, by registered mail, a notice fixing the redemption date and the premium, if any, to be paid. The Series E Bonds called for redemption and for the payment of which funds are deposited with the Registrar and Paying Agent on the specified redemption date shall cease to bear interest on said redemption date. Any of the Series E Bonds that are to be redeemed only in part shall be surrendered to the Registrar and Paying Agent (with, if the Registrar and Paying Agent so requires, due endorsement by, or a written instrument of transfer in form and with guarantee of signatures satisfactory to the Registrar and Paying Agent duly executed by, the holder or his duly authorized attorney) and the Registrar and Paying Agent shall authenticate and deliver to the holder of such Bond a new fully registered Bond or Bonds of the same maturity, of authorized denomination or denominations, for an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

SECTION 2.8. Execution and Authentication of Bonds. The Series E Bonds shall be executed on behalf of the Board with the reproduced facsimile signature of the Chairman of the Board and shall be attested by the reproduced facsimile signature or by the manual signature of the Secretary or an Assistant Secretary of the Board, and the facsimile of the corporate seal of the Board shall be imprinted thereon. The officials whose reproduced facsimile signatures or manual signatures may appear on the Series E Bonds shall by appropriate certification adopt such signatures as their proper and official signatures, and such signatures shall be deemed to all intents and purposes to be their own proper and official signatures. The Series E Bonds shall be authenticated by the manual signature of a duly authorized officer of the Registrar and Paying Agent.

The Series E Bonds may be initially delivered in the form of a single, fully registered, typewritten "Master Bond," registered in the name of the original purchaser thereof and in substantially the form set forth as Exhibit A to this Series E Resolution. The Master Bond, if so delivered, shall be convertible to printed Series E Bond certificates registered in the names of the persons designated by the original purchaser in accordance with the terms and provisions set forth in Exhibit A. The Master Bond, if so delivered, shall be executed on behalf of the Board with the manual signature of the Chairman of the Board and attested by the manual signature of the Secretary or an Assistant Secretary of the Board, and the corporate seal of the Board shall be impressed thereon. The Master Bond, if so delivered, shall be authenticated by the manual signature of a duly authorized officer of the Registrar and Paying Agent.

SECTION 2.9. Security for Bonds; Trustee. For the purpose of securing the payment of both the principal of and interest on all the Series E Bonds (and any additional parity bonds which may hereafter be issued and outstanding pursuant to the conditions and restrictions set forth in Section 7.10 of the Basic Resolution), and to secure for the benefit of all the holders of the Series E Bonds the faithful performance of the covenants and provisions contained in the Basic Resolution in the manner and to the extent as permitted and provided in the Basic Resolution and in Sections 162.340 et seq., of the Kentucky Revised Statutes, as amended, The Second National Bank and Trust Company of Lexington, Lexington, Kentucky, is hereby designated as Trustee under the Basic Resolution for the holders of all of the Bonds authorized under the Basic Resolution, including the Series E Bonds, with the powers and duties set forth in the Basic Resolution and with no liability in connection with any action or omission to act under the Basic Resolution except for its own negligence or willful breach of trust. Execution of a Certificate of the Trustee in connection with the delivery of the Series E Bonds shall conclusively establish the acceptance as to the Series E Bonds by the Trustee of the trusts and provisions with respect thereto as set forth in the Basic Resolution.

SECTION 2.10. Form of Bonds. If the Series E Bonds are initially delivered in the form of a single Master Bond pursuant to Section 2.8 hereof, then the Master Bond and the certificate of the Registrar and Paying Agent to be endorsed on the Master Bond shall be in substantially the form set forth as Exhibit A to this Series E Resolution. The Series E Bond certificates and the certificate of the Registrar and Paying Agent to be endorsed on the Series E Bonds shall be

in substantially the forms set forth as Exhibit B to this Series E Resolution.

SECTION 2.11. Conditions of Sale of Bonds. The Series E Bonds shall be offered at public sale or public sales upon sealed bids. The Treasurer of the University of Kentucky (who is hereby recognized and designated as the Treasurer of the Board for all purposes of this Series E Resolution and who is hereinafter referred to as the "Treasurer") is hereby authorized and directed to cause an appropriate form or forms of a Notice of Bond Sale of the Series E Bonds to be published in The Courier-Journal, a legal newspaper published in the City of Louisville, Kentucky, which will afford state-wide notice of the sale, and in The Daily 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 notices for the Board within the meaning and provisions of KRS Chapter 424. Such notice or notices shall be published in said newspaper and financial journal at least once and shall appear not less than seven days nor more than twenty-one days prior to the scheduled date of sale of the Series E Bonds. Such notice shall be in substantially the form prepared by Wyatt, Tarrant & Combs, Bond Counsel to the Board, as set forth in Exhibit C to this Series E Resolution.

The Series E Bonds shall be offered as a whole, at not less than 98% of par, plus accrued interest, in multiples of 1/8 or 1/20 of 1%. Interest rates shall be on an ascending scale, with the difference between the highest and lowest rate not to exceed 5%. Only bids submitted on the Official Bid Form shall be given favorable consideration. The Official Bid Form shall be in substantially the form prepared by Bond Counsel, as set forth in Exhibit D to this Series E Resolution.

The right to reject any or all bids shall be expressly reserved in the Board. On the occasion set forth in such notice the Board, or its Executive Committee, or its Finance Committee, as the case may be, shall consider all proposals made pursuant to such notice, and if acceptable bids are received, award the Series E Bonds in the manner and for the purposes herein provided, establish the interest rate or rates which the Series E Bonds shall bear, and take all other necessary and proper steps in the sale and issuance of the Series E Bonds.

The Treasurer, in conjunction with Dupree & Company, Inc., Financial Advisor to the Board, and Bond

Counsel, may cause to be prepared multiple copies of the Official Terms and Conditions of Bond Sale giving more complete and particular descriptions of the Series E Bonds, provisions for the security and payment thereof, disposition of bond proceeds and other information that it is not feasible to give within the limits of the Notice or Notices of Bond Sale, and may furnish copies of such Official Terms and Conditions of Bond Sale to all interested bidders upon request in substantially the form prepared by Bond Counsel, as set forth in Exhibit E to this Series E Resolution.

The Financial Advisor to the Board shall prepare an "Official Statement" for the purpose of providing adequate information to prospective bidders, and the same shall be examined on behalf of the Board by the Treasurer, shall be approved by said officer prior to the use thereof in connection with the sale of the Series E Bonds, and shall be executed on behalf of the Board by the Chairman.

SECTION 2.12. Disposition of Proceeds of Bonds; Construction Account. Upon the delivery of the Series E Bonds, the proceeds thereof, together with interest accrued thereon to the date of their delivery, if any, shall be transferred to the Trustee and deposited as follows:

A. a sum equal to the interest accrued, if any, on the Series E Bonds from April 1, 1986 to the date the Series E Bonds are delivered shall be deposited in the "Community Colleges Educational Buildings Project Bond and Interest Sinking Fund" (the "Bond Fund" established by the Basic Resolution) and applied to the payment of the interest becoming due on the Series E Bonds on November 1, 1986; and

B. a sum sufficient to pay the principal balance (to the extent not otherwise provided for from amounts previously deposited for the payment of principal) of the Series E Notes becoming due on May 1, 1986, shall be deposited in the Bond Fund and applied, together with amounts previously deposited thereto for the payment of principal and interest, to the complete payment and retirement of the Series E Notes; and

C. the entire balance of the proceeds of the Series E Bonds remaining after the deposit of accrued interest thereon and an amount sufficient to retire the Series E Notes on May 1, 1986, shall be transferred to the State Treasury of the Commonwealth, for deposit in a separate and special account hereby created and established and designated as the "University of Kentucky Community Colleges Educational Buildings Project - Series E Bond Proceeds Construction Account" (the "Construction Account").



From the balance of the proceeds of the Series E Bonds deposited in the Construction Account there shall be paid to Dupree & Company, Inc. as Financial Advisor to the Board, the contractual compensation which shall then be due and payable for its professional services in connection with the authorization, issuance, sale and delivery of the Series E Bonds.

The Engineers having supervision of the Series E Project having heretofore certified that the Series E Project has been completed, and the Treasurer having certified that all project costs have been paid, any balance remaining in the Construction Account after the payment of the Financial Advisor shall be deposited in the Bond Fund and applied to the payment of interest next becoming due on the Series E Bonds (after accrued interest thereon has been paid as provided in Paragraph A of this Section 2.12).

### ARTICLE 3

#### NON-ARBITRAGE PROVISIONS

SECTION 3.1. Duties of the Treasurer. It shall be the duty of the Treasurer to file with the Trustee a statement indicating that the annual Revenues from the Project, adjusted as provided in Section 7.10 of the Basic Resolution, for the two fiscal years immediately preceding the issuance of the Series E Bonds were equal to not less than 1.25 times the maximum Aggregate Principal, Interest and Bond Fund Charges payable out of the Revenues of the Project in any succeeding twelve month period ending May 1 on the Bonds then outstanding and the Series E Bonds proposed to be issued hereunder.

SECTION 3.2. Covenant Against Arbitrage. Neither the Board, nor the Treasurer acting on behalf of the Board, shall permit any of the proceeds of the Series E Bonds to be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any Series E Bond, or any other Bond issued under the Basic Resolution, to be an "arbitrage bond" as defined in Section 103(c)(2) of the Internal Revenue Code of 1954, as amended, and the Board covenants that it will perform all acts and things permitted by law and necessary or desirable in order to assure that the interest paid by the Board on the Series E Bonds shall be exempt from Federal income taxation.

SECTION 3.3. Treasurer to Deliver Bonds. The Treasurer is hereby charged with the responsibility for issuing and delivering the Series E Bonds and shall have responsibility

for the receipt, disbursement, use and investments of the proceeds of the Series E Bonds and shall certify at the time the Series E Bonds are delivered that on the basis of the facts, estimates and circumstances in existence on the date the Series E Bonds are delivered that it is not expected that the proceeds thereof will be used in any manner that would cause the Series E Bonds, or any of the Bonds, to be "arbitrage bonds."

#### ARTICLE 4

##### MISCELLANEOUS

SECTION 4.1. Severability. If any one or more of the covenants or agreements provided in this Series E Resolution on the part of the Board or of the Trustee or of the Registrar and Paying Agent to be performed shall be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements shall be deemed severable from the remaining covenants and agreements herein contained and the invalidity thereof shall in no way affect the validity of the other provisions of this Series E Resolution.

SECTION 4.2. Conflicts Repealed. All resolutions or parts of resolutions, including the terms and provisions of the 1983 Resolution, in conflict herewith shall be and the same are hereby repealed insofar as such conflict exists.

SECTION 4.3. Effective Date of Resolution. This Series E Resolution shall take effect immediately upon its adoption by the Executive Committee of the Board.

SECTION 4.4. Privilege Waived. On the advice of the Financial Adviser to the Board that provision for the first payment of interest on the Series E Bonds on May 1, 1986 would unduly burden the initial purchaser of the Series E Bonds and the purchasers thereof on initial distribution thereof, the Board hereby surrenders, solely with respect to the Series E Bonds, the right, power, and privilege reserved to and conferred upon it by the terms of the Basic Resolution to compel such purchasers to accept the first payment of interest on the Series E Bonds on May 1, 1986, such first payment of interest to be made on November 1, 1986 as in this Series E Resolution elsewhere provided.

SECTION 4.5. Compliance with Pending Federal Tax  
Legislation.

A. This Section 4.5 is intended to comply with proposed amendments to the Internal Revenue Code of 1954, as amended (the "1954 Code"), presently pending before the U.S. Senate as the Tax Reform Act of 1985 (H.R. 3838, 99th Congress, 1st Session, adopted by the House of Representatives on December 17, 1985), which have a proposed effective date retroactive to January 1, 1986 and therefore might affect the exemption from Federal income tax of the interest on the Series E Bonds. References below to the "1985 Code" are to the Internal Revenue Code of 1985, as would be enacted by the Tax Reform Act of 1985, or to the corresponding provisions of any similar Federal tax legislation hereafter enacted with an effective date retroactive to the date of issue of the Bonds. If the Tax Reform Act of 1985 or any similar legislation with an effective date retroactive to the date of issue of the Series E Bonds is not hereafter enacted, the Trustee shall request an opinion of Bond Counsel that a failure to comply with any or all of the following provisions of this Section 4.5 would not adversely affect the exemption from Federal income tax of the interest on the Series E Bonds, and, upon receipt of such an opinion, any such provisions or provisions of this Section 4.5 specified in such opinion of Bond Counsel to be inapplicable to the Series E Bonds shall thereafter be ineffective and shall be disregarded.

B. The Board shall take all such reasonable actions as may be requested by the Trustee or as may be required in order to comply with the requirements of the Tax Reform Act of 1985 or any similar legislation hereafter enacted with an effective date retroactive to the date of issuance of the Series E Bonds, to the end that the interest on the Series E Bonds will be and remain exempt from Federal income taxation.

C. Arbitrage Covenant.

1. None of the proceeds of the Series E Bonds shall be used directly or indirectly [i] to acquire "higher yielding investments" (hereinafter defined) or [ii] to replace funds which were used directly or indirectly to acquire higher yielding investments.

2. All of the "gross proceeds" (hereinafter defined) of the Series E Bonds, other than gross proceeds held in a "bona fide debt service fund"

(hereinafter defined), will be expended for the governmental purpose for which such Bonds were issued within six (6) months of the date of issuance and delivery of the Series E Bonds; or

3. If any part of the gross proceeds of the Series E Bonds has not been expended for the governmental purpose for which such Bonds were issued within six (6) months of the date of issuance of the Series E Bonds, the Board shall invest or cause such gross proceeds to be invested in the manner described in Subparagraph [a] below and shall pay or cause to be paid to the United States the amounts described in Subparagraph [b] below in accordance with the terms and conditions set forth therein.

[a] Except during any "temporary period" (hereinafter defined), the aggregate amount of gross proceeds of the Series E Bonds which are invested in "nonpurpose investments" (hereinafter defined) having a "yield" (hereinafter defined) higher than the yield on the Series E Bonds shall at no time during any "bond year" (hereinafter defined) exceed one hundred fifty per cent (150%) of the "debt service" (hereinafter defined) on the Series E Bonds for such bond year. In addition, the aggregate amount of gross proceeds of the Series E Bonds invested hereunder in nonpurpose investments having a yield higher than the yield on the Series E Bonds shall be promptly and appropriately reduced as the amount of outstanding Series E Bonds is reduced (whether by payment at maturity, mandatory sinking fund redemption, redemption prior to maturity, or otherwise). The Board shall not be required to sell or dispose of nonpurpose investments if such sale or disposition would result in the realization of a loss, for Federal income tax purposes, that exceeds the amount that would be rebated to the United States pursuant to the provisions of Subparagraph [b] below (but for such sale or disposition) at the time of such sale or disposition if a rebate were due at such time. The provisions of the foregoing sentence shall not apply to the extent that other nonpurpose investments acquired with the gross proceeds of the Series E Bonds may be sold or disposed of without incurring the loss described above, and in any event the provisions of the foregoing sentence shall cease to apply thirty (30) days after the

last day of the first "computation period" (hereinafter defined) ending thereafter on which such nonpurpose investments can be sold or disposed of without incurring the loss described above. The provisions of this Subparagraph [a] shall not apply to gross proceeds of the Series E Bonds which are invested for an initial temporary period as follows:

[1] to the extent the proceeds of the Series E Bonds are to be used in connection with the acquisition of tangible property, a period not in excess of thirty (30) days;

[2] to the extent the proceeds of the Series E Bonds are to be used for construction (including reconstruction or rehabilitation) of the Series E Project, a period ending not later than whichever of the following occurs first:

[A] the date on which construction of the Series E Project is substantially (i.e., 90 percent) completed, or the date on which construction of the Series E Project is, at any time, delayed (other than brief delays occurring in the ordinary course of business) or abandoned;

[B] the date on which an amount (whether of the proceeds of the Series E Bonds or other funds) equal to the amount of the Series E Bonds has been spent on the Series E Project; or

[C] the date which is three (3) years after the earlier of the date of issue of the Series E Bonds or the date construction of the Series E Project commenced;

[3] to the extent the proceeds of the Series E Bonds are to be used to refund another issue of obligations, a temporary period ending not later than thirty (30) days after the date of issue of the Series E Bonds; or

[4] to the extent the proceeds of the Series E Bonds are not to be used for purposes described in [1], [2], or [3] above, the initial temporary period provided in Section 1.103-14 (b)(1) of the Income Tax Regulations;

[5] held in a bona fide debt service fund for the Series E Bonds and invested for the 13-month temporary period provided in Section 1.103-14 (b)(10) of the Income Tax Regulations;

[6] invested for either of the temporary periods provided for a sinking fund for the Series E Bonds in Sections 1.103-14(b)(8) and 1.103-14(b)(12) of the Income Tax Regulations;

[7] invested during the one-year temporary period provided for investment earnings derived from invested proceeds of the Series E Bonds and from the investment of amounts held in a sinking fund for the Series E Bonds under Sections 1.103-14(b)(6) and 1.103-14(b)(9) of the Income Tax Regulations;  
or

[8] held in a "revolving fund" (within the meaning of Section 1.103-14(b)(11) of the Income Tax Regulations) and invested during the three-year temporary period set forth therein.

[b] At the time or times hereinafter set forth, the Board shall pay or shall cause the Trustee to pay to the United States an amount, hereinafter referred to as the "Rebate Amount", which is equal to the sum of:

[1] the excess of --

[A] the aggregate amounts earned from the date of issuance of the Series E Bonds on all nonpurpose investments in which gross proceeds of the Series E Bonds have been invested (other than nonpurpose investments attributable to an excess described herein) over

[B] the aggregate amounts which would have been earned if the yield on such nonpurpose investments (other than nonpurpose investments attributable to an excess described herein) had been equal to the yield on the Series E Bonds, plus

[2] any income attributable to the excess described in the Clause [1] above.

[c] The Rebate Amount payable to the United States shall be determined annually by the Board for each bond year during which any of the Series E Bonds remain outstanding and upon retirement of the last of the Series E Bonds (each such period is hereinafter referred to as a "computation period"). Upon such determination, that portion of the Rebate Amount described in [b][1] above, if any, shall be deposited in the Principal Subaccount of the Excess Investment Earnings Account established under Paragraph 8 below. That portion of the Rebate Amount described in [b][2] above shall be deposited, as it is earned, in the Income Subaccount of the Excess Investment Earnings Account. The Rebate Amount shall be paid to the United States in installments, as follows:

[1] subject to Clause [3] below, the first such installment shall be paid no later than thirty (30) days after the end of the fifth (5th) bond year;

[2] subject to Clause [3] below, an additional installment shall be paid on or prior to the last day of each additional installment payment period during which any of the Series E Bonds remain outstanding. For purposes of this Clause [2], an installment payment period shall commence on the last day on which a preceding installment of the Rebate Amount was required to be paid, and shall end on the day preceding the fifth (5th) anniversary of such payment date;

[3] anything herein to the contrary notwithstanding, the last installment shall be paid no later than thirty (30) days after the last of the Series E Bonds has been retired; and

[4] each installment shall be in an amount which, when aggregated with the amount of any prior installments paid to the United States hereunder, will equal at least ninety per cent (90%) of the total Rebate Amount payable to the United States hereunder as of the date such installment is paid; provided, however, that the last installment shall be in an amount equal to the entire remaining balance of the Rebate Amount payable to the United States hereunder.

[d] The Board shall maintain or cause to be maintained records of such determinations for each computation period until six (6) years after payment in full of the Series E Bonds and shall make such records available to the Trustee and its representatives upon reasonable request therefor.

4. For purposes of Clause [1] of Subparagraph 3.[b] above, the Board, in determining the aggregate amounts earned on all nonpurpose investments acquired with gross proceeds of the Series E Bonds,

[a] will take into account any gain or loss incurred on the disposition of any such nonpurpose investment, and

[b] unless the Board otherwise elects, will not take into account any amounts earned on nonpurpose investments held in a bona fide debt service fund for the Series E Bonds during any bond year in which the gross earnings on such fund do not exceed One Hundred Thousand Dollars (\$100,000).

5. Except as provided in Section 1.103-15AT(d)(6) of the Temporary Income Tax Regulations with respect to the purchase of obligations of the United States Treasury directly from the United States Treasury, at no time shall any of the gross proceeds of the Series E Bonds be invested [a] in nonpurpose investments having a purchase price which is not equal to the purchase price of comparable investments or producing a yield which is not equal to the fair market yield of comparable investments, or [b] in any other manner resulting in a "prohibited payment" (within the meaning of Section 1.103-15AT(d)(6) of the Temporary Income Tax Regulations) of any portion of the Rebate Amount,



directly or indirectly, to a person other than the United States.

6. Notwithstanding the provisions of Paragraph 2. above, if gross proceeds of the Series E Bonds subsequently arise following the end of the six-month period commencing on the date of issuance of the Series E Bonds (whether due to sale of the Series E Project, condemnation of the Series E Project, damage or destruction to the Series E Project, or otherwise) the provisions of such Paragraph 2. shall cease to apply and the Board shall be obligated to [i] make the payments to the United States set forth in Subparagraph 3.[b] above with respect to the gross proceeds of the Series E Bonds which arise following the end of such six-month period (but not with respect to gross proceeds of the Series E Bonds expended during such six-month period) and perform the other duties set forth in Subparagraph 3.[b] above, and [ii] limit the amount of gross proceeds of the issue and perform the other duties set forth in Paragraph 3. above.

7. For purposes of construing this Section 4.5C., the following definitions shall apply:

[a] "bona fide debt service fund" shall have the meaning set forth in Income Tax Regulation Section 1.103-13(b)(12);

[b] "bond year" shall mean the one-year period commencing on the date of issuance and delivery of the Series E Bonds and ending one year later, and each one-year period thereafter until payment in full of the Series E Bonds;

[c] "debt service" shall have the meaning set forth in Section 147(d)(3)(D) of the 1985 Code and Temporary Income Tax Regulation Sections 1.103-15AT(b)(5) and 1.103-15AT(c)(4);

[d] "gross proceeds" shall have the meaning set forth in Section 147(e)(6)(B) of the 1985 Code and Temporary Income Tax Regulation Section 1.103-15AT(b)(6) and shall include:

[1] original proceeds of the Series E Bonds;

[2] investment proceeds of the Series E Bonds;

[3] transferred proceeds of the Series E Bonds;

[4] amounts held in a sinking fund for the Series E Bonds;

[5] amounts held in a reasonably required reserve or replacement fund for the Series E Bonds;

[6] securities or obligations pledged as security for the payment of debt service on the Series E Bonds;

[7] amounts received with respect to acquired purpose investments acquired with the proceeds of the Series E Bonds;

[8] any other amount to be used to pay debt service on the Series E Bonds; and

[9] any amounts received as a result of investing any amounts described in [1] through [8] above;

[e] "higher yielding investments" means any investment property (hereinafter defined) which could reasonably be expected, at the time of issuance of the Series E Bonds, to produce a yield over the term of the issue which is materially higher (taking into account any discount or premium) than the yield on the Series E Bonds;

[f] "investment property" means [1] any security (within the meaning of Section 165(g)(2)(A) or (B) of the 1985 Code), [2] any obligation, [3] any annuity contract, or [4] any investment type property, but shall not include any obligation the interest on which is exempt from Federal income tax under Section 103(a) of the 1985 Code.

[g] "nonpurpose investment" means any investment property which [1] is acquired with the gross proceeds of the Series E Bonds and [2] is not acquired in order to carry out the governmental purpose of the Series E Bonds.

[h] "temporary period" means the temporary periods described in Clauses [1] through [8] of Subparagraph 3.[a] above; and

[i] "yield" shall be determined as provided in Section 147(g) of the 1985 Code and Temporary Income Tax Regulation Section 1.103-15AT(b) (3) and Temporary Income Tax Regulation Section 1.103-15AT(c)(40).

8. Excess Investment Earnings Account.

[a] A special trust fund is hereby established with the Trustee and designated as the "University of Kentucky Community Colleges Educational Buildings Project - Series E Excess Investment Earnings Account." There are hereby established within the Excess Investment Earnings Account two separate subaccounts, designated as the "Principal Subaccount" and the "Interest Subaccount."

[b] The Board hereby covenants and agrees that it will [i] prepare and file with the Trustee a report setting forth the "Rebate Amount" determined in accordance with Paragraph 3[b] above and [ii] deposit or cause to be deposited into the Excess Investment Earnings Account any and all Rebate Amounts promptly following a determination of any such Rebate Amount.

[c] The Trustee shall, on or before each anniversary of the date of issuance of the Series E Bonds, prepare and file with the Board a report with respect to the Bond Fund setting forth the total amount invested therein during the preceding bond year, the amount of such investments attributable to the Series E Bonds, and the investment earnings (and losses) resulting from such investments, together with such additional information concerning the Bond Fund and the investments therein as the Board shall reasonably request.

[d] The Trustee shall, to the extent practicable, keep all moneys in the Excess Investment Earnings Account fully invested in obligations of, or unconditionally guaranteed by, the United States and maturing not later than the respective dates such moneys are needed to make the payments required under Paragraph 3[c] of this Section 4.5C. The Trustee shall disburse all moneys in the Excess Investment Earnings Account

to the United States at the times and in the manner set forth in said Paragraph 3[c].

[e] Moneys in the Excess Investment Earnings Account, including investment earnings thereon, if any, shall not be subject to the pledge of the Basic Resolution and shall not constitute part of any of the funds held thereunder for the benefit and security of the holders of the Bonds.

9. References in this Section 4.5C. to the Income Tax Regulations and the Temporary income Tax Regulations are to the regulations promulgated under Section 103(c) of the 1954 Code and any regulations promulgated in lieu thereof under Section 147 of the 1985 Code.

D. Use of Proceeds. The Board covenants that not more than ten percent (10%) of the proceeds of the Series E Bonds will be used directly or indirectly in any trade or business carried on by any person other than a governmental unit, and none of the proceeds of the Series E Bonds will be loaned directly or indirectly to any person other than a governmental unit. For this purpose, [i] any activity carried on by a person other than a natural person shall be treated as a trade or business, [ii] the United States and any agency or instrumentality thereof shall not be regarded as a governmental unit, and [iii] the use of any facilities financed from the proceeds of the Series E Bonds shall be treated as the use of proceeds of the Series E Bonds, but the use of facilities on an equal basis by members of the general public shall not be treated as use in the trade of business of any person other than a governmental unit. However, use of facilities by a particular person or a limited group of persons pursuant to a lease, contract, management agreement, or other arrangement that differentiates that person's or group's use of the facilities from use by the public at large shall be treated as use in the trade or business of a person other than a governmental unit, unless the Board submits to the Trustee an opinion of Bond Counsel that such use is not, within the meaning of Section 141(a) of the 1985 Code, use in a trade or business carried on by a person other than a governmental unit.

SECTION 4.6. Effect of Covenants in Section 4.5. Notwithstanding any other provisions of this Series E Resolution to the contrary, upon the Board's failure to observe or cause to be observed, or refusal to comply with, the above covenants in Section 4.5 (unless and to the extent that any of such covenants have been declared inapplicable

and ineffective as provided in Section 4.5A.), the registered owners of the Series E Bonds, the holders of the Bonds of any other Series, or the Trustee acting on their behalf, shall be entitled to the rights and remedies provided to them under the Act and the Basic Resolution, other than the right (which is hereby abrogated solely as to the Board's failure to observe or cause to be observed, or refusal to comply with, the covenants in Section 4.5) to declare the principal of all Bonds then outstanding, and the interest accrued thereon, to be due and payable by reason of an Event of Default under Article IX of the Basic Resolution or under the Series E Resolution.

ADOPTED MARCH 4, 1986

\_\_\_\_\_  
Chairman, Board of Trustees

(SEAL)

ATTEST:

\_\_\_\_\_  
Secretary, Board of Trustees

UKE1/400

(FORM OF MASTER BOND)  
 UNITED STATES OF AMERICA  
 COMMONWEALTH OF KENTUCKY  
 UNIVERSITY OF KENTUCKY  
 COMMUNITY COLLEGES EDUCATIONAL BUILDINGS REVENUE BOND  
 SERIES E

No. MB-1

\$2,890,000

The Board of Trustees of the University of Kentucky, a body corporate and an educational institution and agency of the Commonwealth of Kentucky (hereinafter called the "Board of Trustees"), for value received, hereby promises to pay, solely from the special fund provided therefor, as hereinafter set forth, to \_\_\_\_\_, or registered assigns, the principal sum of Two Million Eight Hundred Ninety Thousand Dollars (\$2,890,000) in the installments set forth below, and to pay, solely from said special fund, interest with respect to each installment from the date hereof until payment of such installment at the interest rate per annum set forth below, semiannually on May 1 and November 1 in each year, commencing November 1, 1986, except as the provisions hereinafter set forth with respect to prior redemption may be and become applicable hereto:

<u>Principal Installment</u>	<u>Due May 1,</u>	<u>Applicable Interest Rate</u>
\$ 75,000	1987	_____ %
80,000	1988	_____
80,000	1989	_____
85,000	1990	_____
90,000	1991	_____
95,000	1992	_____
105,000	1993	_____
110,000	1994	_____
115,000	1995	_____
125,000	1996	_____
135,000	1997	_____
145,000	1998	_____
155,000	1999	_____
165,000	2000	_____
180,000	2001	_____
200,000	2002	_____
210,000	2003	_____
225,000	2004	_____
250,000	2005	_____
265,000	2006	_____

Both principal and interest are payable in any coin or currency which at the time of payment thereof is legal tender for the payment of public and private debts at the principal office of the Registrar and Paying Agent, Liberty National Bank and Trust Company of Louisville, in the City of Louisville, Kentucky (or any successor appointed pursuant to the provisions of the Basic Resolution herein mentioned). Payment of interest hereon shall be made to the registered holder hereof as the same appears from the registration books of the Registrar and Paying Agent at the close of business on the fifteenth day of the month preceding each interest payment date by check or draft mailed to such registered holder at his address as it appears on such books or at such other address as is timely furnished in writing by such registered holder to the Registrar and Paying Agent.

This Bond is one of a duly authorized issue of Bonds designated as "University of Kentucky Community Colleges Educational Buildings Revenue Bonds" (hereinafter referred to as the "Bonds") issued and to be issued under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including among others, Sections 162.350 to 162.380, inclusive, of the Kentucky Revised Statutes now in full force and effect, and under and pursuant to the resolution adopted by the Board of Trustees on May 6, 1969, as clarified, amended, and restated pursuant to resolutions adopted on May 5, 1970, November 17, 1970, and December 11, 1973, respectively (collectively hereinafter referred to as the "Basic Resolution"), and the Series E Resolution adopted by the Board of Trustees, acting by and through its Executive Committee, on March 4, 1986.

As provided in the Basic Resolution, the Bonds may be issued from time to time pursuant to separate resolutions in one or more series, in various principal amounts, may bear interest at different rates and may otherwise vary as in the Basic Resolution provided. The aggregate principal amount of Bonds which may be issued under the Basic Resolution is not limited except as provided in the 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.

This Bond is a temporary Master Bond representing the entire series of Bonds designated as "University of Kentucky Community Colleges Educational Buildings Revenue Bonds, Series E" (herein called the "Series E Bonds") issued in the aggregate principal amount of \$2,890,000 under the Basic Resolution and the Series E Resolution for the purpose

of paying (to the extent not otherwise paid) and retiring \$3,500,000 of "University of Kentucky Community Colleges Educational Buildings Revenue Bond Anticipation Notes, Series E," which were issued for the purpose of financing the costs (to the extent not otherwise provided) of erecting and completing educational buildings and necessary appurtenances as parts of the Community Colleges Educational Buildings Project of the University (herein referred to as the "Project").

Following the initial delivery of this Master Bond, the Series E Bonds shall ultimately be issued in the form of fully registered Bond Certificates in substantially the same form as set forth in the Series E Resolution, which, when issued, shall be deemed to all intents and purposes to be Series E Bonds. All of the terms and conditions of the Bond Certificates are incorporated in this Master Bond by reference and shall apply fully to this Master Bond. It is acknowledged that this Master Bond is a temporary bond and that it is intended that this Master Bond shall be exchanged for printed fully registered Bond Certificates within ten (10) days from the date the Participants hereinafter identified deliver Participation Certificates to the Registrar and Paying Agent. Such Bond Certificates shall be issued in the denominations of \$5,000 or any integral multiple thereof.

The registered owner of this Master Bond is entitled to issue Participation Certificates representing a complete or partial assignment of the Series E Bonds represented by this Master Bond to initial purchasers of the Series E Bonds ("Participants"), in the same form as that attached hereto, with respect to any or all of the principal installments set out above, in denominations of \$5,000 or any integral multiple thereof, in an aggregate amount equal to the principal amount of Bonds purchased by each Participant. A copy of each such executed Participation Certificate shall accompany the delivery of this Master Bond, as endorsed, and shall be delivered by the registered owner of this Master Bond to the Registrar and Paying Agent in order to enable the Registrar and Paying Agent to verify such respective assignments as same are presented. Upon, but only upon, the delivery of this Master Bond to the registered owner hereof by the Board, and the concurrent endorsement by the registered owner hereof to the Registrar and Paying Agent, each Participant shall be entitled to receive or to have designees receive fully registered Bond Certificates totaling the amount of each Participation Certificate, within (10) days from the date of presentation to the Registrar and Paying Agent. Such Bond Certificates shall be



registered by the Registrar and Paying Agent in such names as shall be specified by the respective Participants.

In order to effect the exchange of Participation Certificates for Bond Certificates immediately following the delivery of this Master Bond, each Participant must submit to the Registrar and Paying Agent, not less than seven (7) days prior to the delivery of this Master Bond, a schedule of designees indicating the name(s) and taxpayer identification number(s), and the denomination of each such Bond Certificate, for each party in whose name Bond Certificates are to be registered. Failure of a Participant to fully designate the owners of Bond Certificates shall result in the issuance of Bond Certificates by the Registrar and Paying Agent in the "street name" of the Participant to the extent the Participant fails to so designate. Unless otherwise designated by the Participant, the Registrar and Paying Agent shall issue and deliver only one Bond Certificate for each Bondholder for each principal maturity. The initial issuance of Bond Certificates in exchange for Participation Certificates and all subsequent transfers of ownership of Bond Certificates shall be accomplished without expense to Bondholders.

Notwithstanding anything herein contained to the contrary, if the registered owner of this Master Bond fails to indicate to the Registrar and Paying Agent the assignment of Participation Certificates totaling the full principal amount hereof or if any Participant fails to present a Participation Certificate to the Registrar and Paying Agent at least seven (7) days prior to the delivery of this Master Bond by the Board to the registered owner hereof, the Registrar and Paying Agent shall be entitled to issue Bond Certificates in the "street name" of the registered owner of this Master Bond for the principal balance not assigned or presented.

Copies of the Basic Resolution and the Series E Resolution are on file at the office of the Trustee. Reference is hereby made to the Basic Resolution pursuant to which The Second National Bank and Trust Company of Lexington, in the City of Lexington, Kentucky, has been designated as Trustee for the holders of the Bonds of which this Bond is one and for the provisions, among others, with respect to the custody and application of the proceeds of the Bonds; the rights, duties and obligations of the Board of Trustees, and of the Trustee, and the rights of the holders of the Bonds; and by the acceptance of this Bond, the holder hereof assents to all of the provisions of the Basic Resolution and the Series E Resolution.

The holder of this Bond shall have no right to enforce the provisions of the Basic Resolution or the Series E Resolution or to institute action to enforce the covenants therein, or to take any action with respect to any default under the Basic Resolution or the Series E Resolution, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Basic Resolution. 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 the Bonds payable out of the Revenues of the Project as the same become due and provide reserves for such purposes and also to pay the costs of operation and maintenance of the Project to the extent the same are not otherwise provided. The Basic Resolution provides for the creation of a special account designated "Community Colleges Educational Buildings Project Bond and Interest Sinking Fund" (herein called the "Bond Fund") and for the deposit to the credit of the Bond Fund of a fixed amount of the gross revenues of the Project to pay interest on the Bonds as the same becomes due, and to pay or retire the principal of the 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 issue of Series E Bonds of which this Bond is one and all other Bonds outstanding from time to time under the Basic Resolution, are payable only from a fixed amount of the gross revenues derived from the operation of the Project which will be set aside in said Bond Fund, and this Bond does not constitute an indebtedness of the University of Kentucky or of the 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.

The Board of Trustees and the Registrar and Paying Agent may deem and treat the registered holder hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the Issuer nor the Registrar and Paying Agent shall be affected by any notice to the contrary.

The Series E Bonds maturing May 1, 1997, and thereafter shall be subject to redemption at the option of the Board of Trustees in whole or from time to time in part in the inverse order of their maturities (less than all of a single maturity to be selected by lot), on any interest payment date on or after May 1, 1996, at the redemption

prices, expressed in percentages of principal amount, with respect to each Bond as set forth below, plus in each case accrued interest to the date of redemption:

<u>If Redeemed:</u>	<u>Redemption Price</u>
On or after May 1, 1996, and prior to May 1, 1999	102%
On or after May 1, 1999, and prior to May 1, 2002	101%
On or after May 1, 2002, and prior to final maturity	100%

Notice of any such optional redemption shall be given at least thirty (30) days prior to the redemption date by mailing to the registered owner of this Bond, by registered mail, a notice fixing such redemption date, and the premium, if any, to be paid. If funds for the payment of this Bond are deposited on the specified redemption date, this Bond shall cease to bear interest on said redemption date. If this Bond is redeemed only in part, upon its surrender the Registrar and Paying Agent shall authenticate and deliver to the holder of this Bond a new fully registered Bond or Bonds of the same maturity, of authorized denomination or denominations, for the aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so redeemed.

A statutory mortgage lien, which is hereby recognized as valid and binding on the Project, is created and granted to and in favor of the holder or holders of this Bond and the issue of Bonds of which it is one, and the Project shall remain subject to such statutory mortgage lien until the payment in full of the principal of and interest on this Bond and the issue of Bonds of which it is one.

Neither this Master Bond nor any Bond Certificate shall be valid or become obligatory for any purpose, or be entitled to any security or benefit, under the Basic Resolution, until it shall have been authenticated by manual execution by the Registrar and Paying Agent.

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

the amount of this Bond, together with all other obligations of the Board of Trustees and of the University of Kentucky, does not violate any provisions or exceed any limit prescribed by the Constitution or Statutes of Kentucky; that the Project herein mentioned 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 herein mentioned for the payment of the principal of and interest on this Bond and the issue of which it is one, and all other bonds which by their terms and the terms of the Basic Resolution 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 manual signature of its Chairman and attested by the manual signature of its Secretary, and its corporate seal to be impressed hereon, and such execution shall be deemed also to constitute manual execution by such University officials of each of the printed Bond Certificates (with manual or printed facsimile signatures) issued in exchange for this Master Bond (subject to manual authentication by the Registrar and Paying Agent), all being done as of the 1st day of April, 1986.

This Bond is dated April \_\_\_\_\_, 1986.

\_\_\_\_\_  
Chairman  
Board of Trustees  
University of Kentucky

[SEAL]

ATTEST:

\_\_\_\_\_  
Secretary  
Board of Trustees  
University of Kentucky

AUTHENTICATION CERTIFICATE

This Bond is one of the Series E Bonds described or provided for in the within-mentioned Series E Resolution.

LIBERTY NATIONAL BANK AND  
TRUST COMPANY OF LOUISVILLE,  
REGISTRAR AND PAYING AGENT,  
Louisville, Kentucky

By \_\_\_\_\_  
Authorized Officer

ENDORSEMENT OF REGISTERED OWNER

The undersigned as the registered owner of this Master Bond hereby transfers and surrenders unto Liberty National Bank and Trust Company of Louisville, Louisville, Kentucky, as Registrar and Paying Agent, this Master Bond and directs that said Registrar and Paying Agent honor the attached Participation Certificates executed by the registered owner of this Master Bond under the authority hereof upon presentation by the respective Participants.

Dated this \_\_\_\_ day of \_\_\_\_\_, 1986.

\_\_\_\_\_

\_\_\_\_\_  
Registered Owner

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Title

Attest:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

PARTICIPATION CERTIFICATES

(On file with Registrar and Paying Agent)

UKE1/405

FRONT

(FORM OF SERIES E BOND)

UNITED STATES OF AMERICA  
COMMONWEALTH OF KENTUCKY  
UNIVERSITY OF KENTUCKY  
COMMUNITY COLLEGES EDUCATIONAL BUILDINGS REVENUE BOND  
SERIES E

No. R- \_\_\_\_\_

\$ \_\_\_\_\_

INTEREST RATE

MATURITY DATE

CUSIP

The Board of Trustees of the University of Kentucky, a body corporate and an educational institution and agency of the Commonwealth of Kentucky (hereinafter called the "Board of Trustees"), for value received, hereby promises to pay, solely from the special fund provided therefor, as hereinafter set forth, to \_\_\_\_\_ or registered assigns, on the Maturity Date set forth above, the principal sum of \_\_\_\_\_ Dollars, and to pay, solely from said special fund, interest thereon from the date hereof until payment of principal at the Interest Rate per annum set forth above, semiannually on May 1 and November 1 in each year, commencing November 1, 1986, except as the provisions hereinafter set forth with respect to prior redemption may be and become applicable hereto, both principal and interest being payable in any coin or currency which at the time of payment thereof is legal tender for the payment of public and private debts at the principal office of the Registrar and Paying Agent, Liberty National Bank and Trust Company of Louisville, in the City of Louisville, Kentucky, (or any successor appointed pursuant to the provisions of the Basic Resolution herein mentioned). Payment of interest hereon shall be made to the registered holder hereof as the same appears from the registration books of the Registrar and Paying Agent at the close of business on the fifteenth day of the month preceding each interest payment date by check or draft mailed to such registered holder at his address as it appears on such books or at such other address as is timely furnished in writing by such registered holder to the Registrar and Paying Agent.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

SERIES E RESOLUTION  
EXHIBIT B



This Bond shall not be valid or become obligatory for any purpose, or be entitled to any security or benefit, under the Basic Resolution, until it shall have been authenticated by the execution by the Registrar and Paying Agent of the certificate hereon endorsed.

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 the amount of this Bond, together with all other obligations of the Board of Trustees and of the University of Kentucky, does not violate any provisions or exceed any limit prescribed by the Constitution or Statutes of Kentucky; that the Project herein mentioned 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 herein mentioned for the payment of the principal of and interest on this Bond and the issue of which it is one, and all other bonds which by their terms and the terms of the Basic Resolution 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 attested by the manual [or by the reproduced facsimile] signature of its Secretary or Assistant Secretary, and the facsimile of its corporate seal to be imprinted hereon, all being done as of the 1st day of April, 1986.

This Bond is dated \_\_\_\_\_.

[Facsimile of Seal]

[Facsimile Signature]

Chairman  
Board of Trustees  
University of Kentucky

ATTEST:

[Manual or Facsimile Signature]  
Secretary or Assistant Secretary  
Board of Trustees  
University of Kentucky

AUTHENTICATION CERTIFICATE

This Bond is one of the Series E Bonds described or provided for in the within-mentioned Series E Resolution. Printed on the reverse hereof is the complete text of the opinion of Wyatt, Tarrant & Combs, Louisville, Kentucky, Bond Counsel, dated the date of the original delivery of and payment for such Bonds, a signed counterpart of which opinion is on file with the undersigned Registrar and Paying Agent.

LIBERTY NATIONAL BANK AND  
TRUST COMPANY OF LOUISVILLE  
REGISTRAR AND PAYING AGENT  
Louisville, Kentucky

By           [Manual Signature]            
Authorized Officer

REVERSE

This Bond is one of a duly authorized issue of Bonds designated as "University of Kentucky Community Colleges Educational Buildings Revenue Bonds" (hereinafter referred to as the "Bonds") issued and to be issued under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including among others, Sections 162.350 to 162.380, inclusive, of the Kentucky Revised Statutes now in full force and effect, and under and pursuant to the resolution adopted by the Board of Trustees on May 6, 1969, as clarified, amended, and restated pursuant to resolutions adopted on May 5, 1970, November 17, 1970, and December 11, 1973, respectively (collectively hereinafter referred to as the "Basic Resolution"), and the Series E Resolution adopted by the Board of Trustees, acting by and through its Executive Committee, on March 4, 1986.

As provided in the Basic Resolution, the Bonds may be issued from time to time pursuant to separate resolutions in one or more series, in various principal amounts, may bear interest at different rates and may otherwise vary as in the Basic Resolution provided. The aggregate principal amount of Bonds which may be issued under the Basic Resolution is not limited except as provided in the 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.

This Bond is one of a series of Bonds of various maturities designated as "University of Kentucky Community Colleges Educational Buildings Revenue Bonds, Series E" (herein called the "Series E Bonds") issued in the aggregate principal amount of \$2,890,000 under the Basic Resolution and the Series E Resolution for the purpose of paying (to the extent not otherwise paid) and retiring \$3,500,000 of "University of Kentucky Community Colleges Educational Buildings Revenue Bond Anticipation Notes, Series E," which were issued for the purpose of financing the costs (to the extent not otherwise provided) of erecting and completing educational buildings and necessary appurtenances as parts of the Community Colleges Educational Buildings Project of the University (herein referred to as the "Project"). Copies of the Basic Resolution and the Series E Resolution are on file at the office of the Trustee. Reference is hereby made to the Basic Resolution pursuant to which The Second National Bank and Trust Company, in the City of Lexington, Kentucky, has been designated as Trustee for the holders of the Bonds of which this Bond is one and for the provisions, among others, with respect to the

custody and application of the proceeds of the Bonds; the rights, duties and obligations of the Board of Trustees, and of the Trustee, and the rights of the holders of the Bonds; and by the acceptance of this Bond, the holder hereof assents to all of the provisions of the Basic Resolution and the Series E Resolution.

The holder of this Bond shall have no right to enforce the provisions of the Basic Resolution or the Series E Resolution or to institute action to enforce the covenants therein, or to take any action with respect to any default under the Basic Resolution or the Series E Resolution, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Basic Resolution. 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 the Bonds payable out of the Revenues of the Project as the same become due and provide reserves for such purposes and also to pay the costs of operation and maintenance of the Project to the extent the same are not otherwise provided. The Basic Resolution provides for the creation of a special account designated "Community Colleges Educational Buildings Project Bond and Interest Sinking Fund" (herein called the "Bond Fund") and for the deposit to the credit of the Bond Fund of a fixed amount of the gross revenues of the Project to pay interest on the Bonds as the same becomes due, and to pay or retire the principal of the 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 issue of Series E Bonds of which this Bond is one and all other Bonds outstanding from time to time under the Basic Resolution, are payable only from a fixed amount of the gross revenues derived from the operation of the Project which will be set aside in said Bond Fund, and this Bond does not constitute an indebtedness of the University of Kentucky or of the 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.

This Bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing, at the principal office of the Registrar and Paying Agent, but only in a manner and subject to the limitations provided in the Basic Resolution and the Series E Resolution, and upon surrender and cancellation of this Bond. Upon such transfer, a new registered Bond or Bonds of the same maturity and of authorized denomination or denomi-

nations, for the same aggregate principal amount, will be issued to the transferee in exchange therefor.

The Board of Trustees and the Registrar and Paying Agent may deem and treat the registered holder hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the Issuer nor the Registrar and Paying Agent shall be affected by any notice to the contrary.

This Bond may, at the option of the registered holder thereof, be exchanged for an equal aggregate principal amount of registered Bonds of the same maturity and interest rate and of any other authorized denomination at the principal office of the Registrar and Paying Agent, but only in a manner and subject to the limitations provided in the Basic Resolution and the Series E Resolution, and upon surrender and cancellation of this Bond. The Board of Trustees and the Registrar and Paying Agent shall not be required to issue, transfer, or exchange any of the Bonds after the mailing of a notice calling such Bond for redemption as provided in the Series E Resolution, nor to transfer or exchange any Bonds selected, called or being called for redemption in whole or in part.

The Series E Bonds maturing May 1, 1997, and thereafter shall be subject to redemption at the option of the Board of Trustees in whole or from time to time in part in the inverse order of their maturities (less than all of a single maturity to be selected by lot), on any interest payment date on or after May 1, 1996, at the redemption prices, expressed in percentages of principal amount, with respect to each Bond as set forth below, plus in each case accrued interest to the date of redemption:

<u>If Redeemed:</u>	<u>Redemption Price</u>
On or after May 1, 1996, and prior to May 1, 1999	102%
On or after May 1, 1999, and prior to May 1, 2002	101%
On or after May 1, 2002, and prior to final maturity	100%

Notice of any such optional redemption shall be given at least thirty (30) days prior to the redemption date by mailing to the registered owner of this Bond, by registered mail, a notice fixing such redemption date, and the premium, if any, to be paid. If funds for the payment of this Bond are deposited on the specified redemption date, this Bond shall cease to bear interest on said redemption date. If this Bond is redeemed only in part, upon its surrender the Registrar and Paying Agent shall authenticate and deliver to the holder of this Bond a new fully registered Bond or Bonds of the same maturity, of authorized denomination or denominations, for the aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so redeemed.

A statutory mortgage lien, which is hereby recognized as valid and binding on the Project, is created and granted to and in favor of the holder or holders of this Bond and the issue of Bonds of which it is one, and the Project shall remain subject to such statutory mortgage lien until the payment in full of the principal of and interest on this Bond and the issue of Bonds of which it is one.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ (please print or typewrite name, address and tax identification number of transferee) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ Attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date \_\_\_\_\_

Signature guaranteed:

\_\_\_\_\_

UKE1/401

NOTICE OF BOND SALE

UNIVERSITY OF KENTUCKY  
Lexington, Kentucky

\$2,890,000 University of Kentucky Community Colleges  
Educational Buildings Revenue Bonds, Series E

The Treasurer of the Board of Trustees of the University of Kentucky (the "Board") hereby gives notice that the Board will until the hour of 10:30 A.M., E.S.T., on April 1, 1986 receive in the Office of the President, Administration Building, University of Kentucky Campus, Lexington, Kentucky 40506, sealed competitive bids for the purchase of \$2,890,000 of its University of Kentucky Community Colleges Educational Buildings Revenue Bonds, Series E, dated April 1, 1986 (the "Bonds"). Proposals for the purchase of the Bonds will be considered by the Finance Committee of the Board and thereafter referred to the Board for acceptance or rejection at its meeting at 1:00 p.m. on April 1, 1986.

The Bonds are issued pursuant to the provisions of a Resolution of the Board dated May 5, 1969, as clarified, amended and restated by resolutions of the Board dated May 6, 1970, November 17, 1970, and December 11, 1973, respectively, a Series Resolution of the Board, acting by and through its Executive Committee, dated March 4, 1986, and Sections 162.340 through 162.380 of the Kentucky Revised Statutes as fully registered Bonds in denominations of \$5,000 and integral multiples thereof, maturing serially on May 1 in each of the years 1987 through 2006; subject to prior redemption on and after May 1, 1996.

The Bonds are not general obligations of the Board, the University or the Commonwealth of Kentucky but are special obligations payable from a first lien and charge upon the defined Revenues of the Community Colleges Educational Buildings Project.

Bids must be on Official Bid Form contained in Information for Bidders available from the undersigned or Dupree & Company, Inc., 600 First National Bank Building, 167 West Main Street, Post Office Box 1149, Lexington, Kentucky 40589. Reference should be made to Official Terms and Conditions of Bond Sale and the Official Statement for details and bidding conditions.

SERIES E RESOLUTION  
EXHIBIT C

Sale on usual tax exempt basis, subject to approving Legal Opinion of Wyatt, Tarrant & Combs, Louisville, Kentucky, Bond Counsel. The right to reject bids or waive informality is reserved. Delivery on or prior to April 29, 1986 anticipated.

Henry Clay Owen  
Treasurer, Board of Trustees  
University of Kentucky

UKE1/402



OFFICIAL BID FORM

To the Honorable Chairman and Members of  
 The Board of Trustees of the  
 University of Kentucky  
 c/o Mr. Henry Clay Owen  
 University Treasurer  
 Office of the President  
 Administration Building  
 Lexington, Kentucky 40506

Gentlemen:

Pursuant to your "Official Terms and Conditions of Bond Sale," the undersigned offers to purchase your "University of Kentucky Community Colleges Educational Buildings Revenue Bonds, Series E," dated April 1, 1986, in accordance with and subject to the terms set forth in the Official Terms and Conditions of Bond Sale.

We hereby bid for said \$2,890,000 principal amount of Bonds the sum of \$\_\_\_\_\_ (not less than \$2,832,200); plus accrued interest from April 1, 1986, at the following rates (interest on ascending scale; rates in multiples of 1/8 or 1/20 of 1%; difference between highest and lowest rate not to exceed 5%):

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
1987	\$ 75,000	___%	1997	\$135,000	___%
1988	80,000	___%	1998	145,000	___%
1989	80,000	___%	1999	155,000	___%
1990	85,000	___%	2000	165,000	___%
1991	90,000	___%	2001	180,000	___%
1992	95,000	___%	2002	200,000	___%
1993	105,000	___%	2003	210,000	___%
1994	110,000	___%	2004	225,000	___%
1995	115,000	___%	2005	250,000	___%
1996	125,000	___%	2006	265,000	___%

It is understood that such Bonds are offered for sale subject to the principal and interest on such Bonds not being subject to Federal or Kentucky ad valorem or income taxation on the date of their delivery to the successful bidder. It is also understood that the Board of Trustees of the University of Kentucky will furnish a final approving legal opinion of Wyatt, Tarrant & Combs, Louisville, Kentucky, Bond Counsel, subject to whose approving legal opinion such Bonds are sold, and will furnish printed bond

SERIES E RESOLUTION  
 EXHIBIT D

forms and the usual closing proofs, including the customary no-litigation certificate, to the successful bidder.

The successful bidder shall not be required to take up and pay for such Bonds unless delivery is made within forty-five days from the date said bid is accepted. Upon delivery the successful bidder shall take up and pay for such Bonds in FEDERAL FUNDS. It is anticipated that such Bonds will be tendered for delivery on or prior to April 29, 1986.

A certified check or bank cashier's check in the amount of \$28,900, payable to the University of Kentucky, is enclosed in accordance with the Official Terms and Conditions of Bond Sale.

Respectfully submitted,

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Name of Bidder

\_\_\_\_\_  
Address

The foregoing is our purchase bid. We submit our own computation thereof only for your information and convenience:

- |     |   |          |
|-----|---|----------|
| (a) | Total interest cost at stated interest rates from April 1, 1986 to final maturity | \$ _____ |
| (b) | Plus discount or less premium   | \$ _____ |
| (c) | Net Interest Cost   | \$ _____ |
| (d) | Equivalent to   | _____ %  |

Accepted this \_\_\_\_\_ day of April, 1986, by Resolution of the Board of Trustees of the University of Kentucky.

BOARD OF TRUSTEES  
UNIVERSITY OF KENTUCKY  
Lexington, Kentucky

By \_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary, Board of Trustees

Return of Bid deposit hereby  
acknowledged:

\_\_\_\_\_  
Authorized Representative

OFFICIAL TERMS AND CONDITIONS OF BOND SALE  
UNIVERSITY OF KENTUCKY  
Lexington, Kentucky

\$2,890,000 University of Kentucky  
Community Colleges Educational  
Buildings Revenue Bonds, Series E

The Board of Trustees of the University of Kentucky (the "Board"), a public body corporate, educational agency and instrumentality, and a political subdivision of the Commonwealth of Kentucky, hereby gives notice that until April 1, 1986, at the hour of 10:30 A.M., E.S.T., the Board will receive in the Office of the President, in the Administration Building on the Campus of the University at Lexington, Kentucky 40506, sealed competitive bids for the purchase of its \$2,890,000 University of Kentucky Community Colleges Educational Buildings Revenue Bonds, Series E (the "Bonds"), dated April 1, 1986. Proposals for the purchase of the Bonds will be considered by the Finance Committee of the Board and thereafter referred to the Board for acceptance or rejection at its meeting at 1:00 p.m. on April 1, 1986.

The Bonds are to be issued in the form of fully registered bonds in the denomination of \$5,000 or integral multiples thereof. The Bonds bear interest from their date payable on November 1, 1986 and semiannually thereafter by check or draft mailed to registered holders as of the 15th day of the month preceding each interest payment date and mature as to principal on November 1 in each of the years 1987 through 2006 as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1987	\$ 75,000	1997	\$ 135,000
1988	80,000	1998	145,000
1989	80,000	1999	155,000
1990	85,000	2000	165,000
1991	90,000	2001	180,000
1992	95,000	2002	200,000
1993	105,000	2003	210,000
1994	110,000	2004	225,000
1995	115,000	2005	250,000
1996	125,000	2006	265,000

The Bonds are subject to redemption prior to their stated maturities on or after May 1, 1996 at the premiums set forth below:

SERIES E RESOLUTION  
EXHIBIT E

<u>If Redeemed:</u>	<u>Redemption Price</u>
On or after May 1, 1996, and prior to May 1, 1999	102%
On or after May 1, 1999, and prior to May 1, 2002	101%
On or after May 1, 2002, and prior to final maturity	100%

The Bonds are issued for the purpose of providing funds to pay and retire the University of Kentucky Community Colleges Educational Buildings Revenue Bond Anticipation Notes, Series E, which were issued for the purpose of providing funds to construct new buildings and related improvements located in Pulaski and McCracken Counties, Kentucky for the use of the Somerset Community College and the Paducah Community College, respectively. The Bonds are being issued pursuant to the provisions of Sections 162.340 et seq. of the Kentucky Revised Statutes and the Resolution adopted by the Board on May 5, 1969, as clarified, amended, and restated by resolutions adopted by the Board on May 6, 1970, November 17, 1970, and December 11, 1973, respectively (collectively the "Basic Resolution"), as amended by the Series E Resolution adopted by the Executive Committee of the Board on March 4, 1986. The Bonds are secured pursuant to the terms of the Basic Resolution whereunder The Second National Bank and Trust Company of Lexington, Lexington, Kentucky, is named Trustee for the holders of all Bonds issued under the Basic Resolution and by a statutory mortgage lien upon the buildings and appurtenances constituting the Community Colleges Educational Buildings Project. In addition, the Bonds are secured by a pledge of the revenues derived from the operation of the Community Colleges Educational Buildings Project. The Bonds will rank on the basis of parity as to security and source of payment with four previous issues, Series A, B, C, and D now outstanding, and any subsequent issues under the Basic Resolution.

The Bonds are not general obligations of the Board, the University, or the Commonwealth of Kentucky, but are special obligations payable solely from a first lien and charge upon the defined Revenues of the Community Colleges Educational Buildings Project to which the Revenues derived from all Student Registration Fees of the Community Colleges are pledged and made subject to a first lien and paramount charge (subject to a prior pledge of revenues of one

Community College prior to its joining the Community College System) for the security and source of payment of the University of Kentucky Community Colleges Educational Buildings Revenue Bonds.

The purchasers of the Bonds will be furnished at delivery, at the cost of the Board, the unqualified approving opinion of Wyatt, Tarrant & Combs, Louisville, Kentucky, Bond Counsel, which will contain a statement that in Bond Counsel's opinion, based upon existing statutes, regulations, court decisions and administrative rulings as interpreted and applied at that date, interest on the Bonds will be exempt from federal income taxation and that the Bonds and interest thereon are exempt from all Kentucky ad valorem and income taxation.

The Board expressly reserves the right to reject all bids and to waive informalities and irregularities which in the judgment of the Board do not impair the integrity of the bidding process. Delivery is guaranteed within forty-five days after awards are made and it is now anticipated that delivery will be made on or prior to April 29, 1986. The Board will tender the Bonds to the purchasers thereof, at any bank or trust company in Lexington or Louisville, Kentucky, or Cincinnati, Ohio, at the Board's expense, or at any bank or trust company anywhere else in the continental United States (exclusive of Alaska) desired by the purchaser at the purchaser's expense (including the cost of insurance during transit); provided, however, that the purchaser shall bear any bank service charge for processing the delivery of the Bonds and closing the transaction. Payment for the Bonds must be made in FEDERAL FUNDS.

BIDDING CONDITIONS: The Bonds shall be offered as a whole, at not less than 98% of par (not less than \$2,832,200), plus accrued interest. Interest rates shall be on an ascending scale, with the difference between the highest and lowest rate not to exceed 5%. Interest rates must be in multiples of 1/8 or 1/20 of 1%. A good faith check in the amount of \$28,900 is required. Only bids submitted on the Official Bid Form shall be given favorable consideration. CUSIP identification numbers shall be printed on the Bonds at the expense of the Board. Neither the improper imprintation nor the failure to imprint CUSIP numbers shall constitute a cause for failure or refusal by the purchaser to accept delivery and pay for the Bonds.

The purchasers of the Bonds must supply the name(s) and tax identification number(s) of the registered holder(s) of the Bonds to be delivered, and the denomination of each such Bond, not later than seven days prior to the

date of delivery, by written direction to the Registrar and Paying Agent for the Bonds, Liberty National Bank and Trust Company of Louisville, Louisville, Kentucky.

If, prior to their delivery, the interest on the Bonds should by act of Congress or otherwise become subject to federal income taxes, or any act of Congress should provide that the interest income on the Bonds shall be taxable at a future date for federal income tax purposes, whether directly or indirectly, the successful bidder may refuse to accept delivery and in that event its bid deposit shall be returned without interest.

Details regarding the Bonds, the Official Bid Form and financial and other pertinent information concerning the University and the Community Colleges Educational Buildings Project are contained in the "Official Statement" which may be obtained by addressing Mr. Henry Clay Owen, Treasurer of the Board, Peterson Service Building, University of Kentucky Campus, Lexington, Kentucky 40506, or the Financial Advisor, Dupree & Company, Inc., 600 First National Bank Building, 167 West Main Street, Post Office Box 1149, Lexington, Kentucky 40589.

BY ORDER OF THE BOARD:

Henry Clay Owen  
Treasurer, Board of Trustees  
University of Kentucky

Office of the President  
March 4, 1986

FCR 5

Members, Executive Committee, Board of Trustees:

Report on Leases

Recommendation: that the President report the following lease agreements in accordance with Board policy:

The execution of a lease between the McDowell Cancer Network, Inc., and Northern Kentucky University, Highland Heights, Kentucky, effective August 19, 1985 through June 30, 1986, for office space, annual rental rate \$1,428.00, be accepted and made a matter of record;

The execution of a lease between University of Kentucky by and for Elizabethtown Community College and Hardin County Board of Education, 110 South Main Street, Elizabethtown, Kentucky, effective January 15, 1986 through May 9, 1986, for classroom space, \$160.00 per classroom and billed per semester according to utilized space, be accepted and made a matter of record;

The execution of a lease between University of Kentucky by and for Henderson Community College and Brescia College, 120 West Seventh Street, Owensboro, Kentucky, effective January 15, 1986 through May 8, 1986, for classroom space, annual rental rate of \$7,536.00, be accepted and made a matter of record.

Background: FCR 3, dated December 13, 1983, authorized the President to enter into leases and easements not exceeding \$20,000 in value and required that all leases entered into under this authority be reported to the Board.

---

Action taken: Approved  Disapproved \_\_\_\_\_ Other \_\_\_\_\_

Date: March 4, 1986

#0145-p46



Office of the President  
March 4, 1986

FCR 6

Members, Executive Committee, Board of Trustees,

THE RESERVE AND LEASE OF AN APPROXIMATE THREE-ACRE TRACT ON  
THE SOUTH FARM TO THE STATE DEPARTMENT OF PARKS

Recommendation: that the University reserve for the use and benefit of the State Department of Parks a tract of land of approximately three acres on the South Farm for expansion of the Waveland State Shrine; that the Vice Chancellor for Administration of the Lexington Campus be authorized to enter into a formal lease agreement in behalf of the University with the Department of Parks for this property at such time as the Department has final approval and funding for the development of the property; that the term of the lease be for a 20-year period with two 10-year extensions to be exercised at the option of the Department; and that the lease be established on a \$1 per year basis.

Background: The University was approached by the Commissioner of the State Department of Parks in 1985 with a request that the University convey to the Department a tract of land of approximately three acres that would extend approximately 300 feet eastward from the present east boundary of the Waveland State Shrine. The objective of the Department in acquiring this land is to enhance the property as a passive park area and increase its use. The area that is being leased from the University will be used principally for parking by visitors to Waveland with appropriate buffers and landscaping. If during the term of this lease, the Department of Parks should cease to operate Waveland as a State Shrine or cease to use the leased property in support of Waveland, the approximate three-acre tract would revert to the University.

---

Action taken: Approved  Disapproved  Other

Date: March 4, 1986

Office of the President  
March 4, 1986

ICR 1

Members, Executive Committee, Board of Trustees:

REPORT OF INVESTMENTS

Recommendation: that the report of changes made in investments for the University of Kentucky and its Affiliated Corporations for the three months ended December 31, 1985, be accepted.

Background: A part of the Board policy regarding investments is a provision that a quarterly report be submitted by the Investment Committee of the Board. The attached reports reflect the purchases and sales made during the Fourth Quarter of 1985, for the University of Kentucky Athletic Association, the Fund for Advancement of Education and Research in the University of Kentucky Medical Center, the University of Kentucky, the University of Kentucky Research Foundation, the University of Kentucky Business Partnership Foundation, the University of Kentucky Mining Engineering Foundation, the University of Kentucky Equine Research Foundation, and the University of Kentucky Humanities Foundation.

---

Action taken: Approved  Disapproved  Other

Date: March 4, 1986

University of Kentucky  
Statement of Portfolio Changes  
Short Term Current Fund Investments  
For the Three Months Ended December 31, 1985

<u>Purchases:</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Yield</u>	<u>Amount of Purchase</u>
Repurchase Agreement	10/04/85	11/07/85	7.50%	\$ 5,471,661
U. S. Treasury Notes, 12%	11/08/85	5/15/87	8.48%	5,506,758
U. S. Treasury Notes, 12.5%	11/14/85	5/15/87	8.21%	5,023,867
U. S. Treasury Notes, 9.125%	11/21/85	5/31/87	8.26%	5,005,688
U. S. Treasury Notes, 10%	12/05/85	2/28/87	8.15%	<u>5,104,688</u>
Total - Purchases				<u>\$26,112,662</u>

<u>Maturities/Sales:</u>	<u>Purchase Date</u>	<u>Maturity/ Sale Date</u>	<u>Yield</u>	<u>Amount of Maturity/Sale</u>
Certificate of Deposit # 3429	5/21/85	10/23/85	8.00%	\$ 751,646
U. S. Treasury Bills	11/14/84	10/23/85	10.20%	5,008,795
Repurchase Agreement	10/04/85	11/07/85	7.50%	5,471,661
Certificate of Deposit # 2097	11/14/84	11/13/85	10.00%	5,000,000
Certificate of Deposit # 12795	11/21/84	11/20/85	10.00%	5,000,000
Certificate of Deposit # 8797	12/05/84	12/04/85	9.60%	<u>5,000,000</u>
Total - Maturities/Sales				<u>\$26,232,102</u>

University of Kentucky Athletic Association  
 Statement of Portfolio Changes  
 Short Term Current Fund Investments  
 For the Three Months Ended December 31, 1985

<u>Purchases:</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Yield</u>	<u>Amount of Purchase</u>
Certificate of Deposit #97288	12/06/85	2/18/87	8.15%	\$ 3,500,000
Total - Purchases				<u>\$ 3,500,000</u>
<u>Maturities/Sales:</u>	<u>Purchase Date</u>	<u>Maturity/ Sale Date</u>	<u>Yield</u>	<u>Amount of Maturity/Sale</u>
Federal National Mortgage Association	12/13/84	12/06/85	9.84%	\$ 4,012,763
Total - Maturities/Sales				<u>\$ 4,012,763</u>

University of Kentucky  
 And Affiliated Corporations  
 Statement of Portfolio Changes for the Regular Endowment Pool  
 For the Three Months Ended December 31, 1985

<u>Purchases/Additions:</u>	<u>No. of Shares</u>	<u>Security</u>	<u>Date of Purchase</u>	<u>Amount of Purchase</u>
	19,000	Master Note-Citicorp	10/02/85	\$ 19,000.00
	1,141,811.56	Thoroughbred Group Prime Obligations - D	10/15/85	1,141,811.56
	20,000	Thoroughbred Group Prime Obligations - D	10/15/85	20,000.00
	17,000	Thoroughbred Group Prime Obligations - D	10/17/85	17,000.00
	133,000	Thoroughbred Group Prime Obligations - D	10/21/85	133,000.00
	19,000	Thoroughbred Group Prime Obligations - D	10/30/85	19,000.00
	7,000	Thoroughbred Group Prime Obligations - D	11/04/85	7,000.00
	14,000	Thoroughbred Group Prime Obligations - D	11/06/85	14,000.00
	800	Thoroughbred Group Prime Obligations - D	11/07/85	54,500.00
	2,500	Amoco Corporation	11/07/85	99,259.48
	1,000	Dayton Hudson Corporation	11/07/85	43,750.00
	1,000	Fort Howard Paper Company	11/12/85	1,000.00
	186,000	Thoroughbred Group Prime Obligations - D	11/15/85	186,000.00
	1,000	Thoroughbred Group Prime Obligations - D	11/15/85	51,075.00
	800	Aetna Life & Casualty Company	11/15/85	53,400.00
	4,000	Amoco Corporation	11/15/85	100,158.57
	1,000	Capital Holding Corporation	11/15/85	41,150.00
	1,000	Dayton Hudson Corporation	11/15/85	40,450.00
	1,000	Household International Corporation	11/15/85	21,640.00
	1,000	National Med Enterprises Inc.	11/15/85	52,729.00
	3,000	Woolworth F. W. Company	11/18/85	3,000.00
	19,000	Thoroughbred Group Prime Obligations - D	11/20/85	19,000.00
	1,400	Thoroughbred Group Prime Obligations - D	11/20/85	101,185.00
	1,800	Emerson Electric Company	11/20/85	131,220.00
	1,000	Syntex Corporation	11/22/85	1,000.00
	6,000	Thoroughbred Group Prime Obligations - D	12/03/85	6,000.00
	4,000	Thoroughbred Group Prime Obligations - D	12/04/85	4,000.00
	13,000	Thoroughbred Group Prime Obligations - D	12/04/85	13,000.00
	1,000	Thoroughbred Group Prime Obligations - D	12/06/85	1,000.00
	1,000	Thoroughbred Group Prime Obligations - D	12/09/85	1,000.00
	1,000	Thoroughbred Group Prime Obligations - D	12/10/85	1,000.00
	2,000	Thoroughbred Group Prime Obligations - D	12/11/85	2,000.00
	6,000	Thoroughbred Group Prime Obligations - D	12/12/85	6,000.00
	3,000	Thoroughbred Group Prime Obligations - D	12/12/85	3,000.00
	3,000	Thoroughbred Group Prime Obligations - D	12/13/85	3,000.00

University of Kentucky  
 And Affiliated Corporations  
 Statement of Portfolio Changes for the Regular Endowment Pool  
 For the Three Months Ended December 31, 1985

Purchases/Additions(continued):

<u>No. of Shares</u>	<u>Security</u>	<u>Date of Purchase</u>	<u>Amount of Purchase</u>
600	BellSouth Corporation	12/13/85	27,315.00
600	Aetna Life & Casualty Company	12/17/85	30,600.00
3,850	Capital Holding Corporation	12/17/85	100,677.50
1,350	Consolidated Edison Company New York	12/17/85	50,220.00
900	Dayton Hudson Corporation	12/17/85	41,512.50
1,300	Emerson Electric Company	12/17/85	99,710.00
1,325	Fort Howard Paper Company	12/17/85	60,883.75
1,200	Household International Corporation	12/17/85	50,640.00
1,900	Ohio Mattress Company	12/17/85	25,127.50
1,000	Procter & Gamble Company	12/17/85	69,575.00
9,000	Pullman Peabody Company	12/17/85	76,005.00
400	Woolworth F. W. Company	12/17/85	24,050.00
691,000	Thoroughbred Group Prime Obligations - D	12/18/85	691,000.00
10,000	Thoroughbred Group Prime Obligations - D	12/18/85	10,000.00
700	Ohio Mattress Company	12/18/85	9,257.50
460	Community Psychiatric Centers	12/19/85	12,456.80
920	Community Psychiatric Centers	12/20/85	25,830.28
10	Community Psychiatric Centers	12/10/85	280.80
1,000	National Med Enterprises	12/20/85	23,880.00
2,800	Ohio Mattress Company	12/20/85	36,680.00
1,590	Union Pacific Corporation	12/10/85	83,389.14
75,000	U.S. Treasury Notes, 12.625%, 8/15/94	12/20/85	89,578.12
38,000	U.S. Treasury Securities stripped interest	12/20/85	16,948.00
140	Community Psychiatric Centers	12/23/85	3,948.70
720	Community Psychiatric Centers	12/23/85	20,332.08
340	Union Pacific Corporation	12/23/85	17,806.41
13,000	Thoroughbred Group Prime Obligations - D	12/24/85	13,000.00
550	Community Psychiatric Centers	12/24/85	15,558.40
260	Community Psychiatric Centers	12/24/85	7,333.30
490	Community Psychiatric Centers	12/26/85	13,692.56
42,000	Thoroughbred Group Prime Obligations - D	12/27/85	42,000.00
1,030	Occidental Pete Corp. warrants	12/30/85	12,295.62
200,000	U.S. Treasury Notes, 9.875%, 8/15/90	12/30/85	209,687.50
200,000	U.S. Treasury Notes, 9.50%, 11/15/95	12/30/85	206,750.00

\$ 4,629,350.07

Total - Purchases

University of Kentucky  
And Affiliated Corporations  
Statement of Portfolio Changes for the Regular Endowment Pool  
For the Three Months Ended December 31, 1985

<u>Sales/Conversions:</u>	<u>No. of Shares</u>	<u>Security</u>	<u>Net Proceeds from Sales</u>	<u>Book Value</u>	<u>Gain or (Loss)</u>
1,090,811.56		Master Note - Citicorp	\$ 1,090,811.56	\$ 1,090,811.56	
19,000		Master Note - Citicorp	19,000.00	19,000.00	
32,000		Master Note - General Motors Acceptance Corp.	32,000.00	32,000.00	
19,000		Thoroughbred Group Prime Obligations - D	19,000.00	19,000.00	
2,600		K Mart Corporation	82,183.24	100,685.00	\$ (18,501.76)
50,000		K Mart Corporation, 6.0%, 7/15/99	49,400.00	50,606.25	(1,206.25)
1,000		Thoroughbred Group Prime Obligations - D	1,000.00	1,000.00	
37,000		Thoroughbred Group Prime Obligations - D	37,000.00	37,000.00	
1,460		Fur Vault, Inc.	18,862.57	13,574.85	5,287.72
520		Fur Vault, Inc.	6,718.18	4,828.20	1,889.98
32,000		Thoroughbred Group Prime Obligations - D	32,000.00	32,000.00	
1,170		Burroughs Corporation	65,217.60	72,715.50	(7,497.90)
3,917		Reynolds, R.J. Industries	101,049.22	95,809.82	5,239.40
2,000		American Home Products Corporation	115,596.13	65,057.95	50,538.18
4,000		Bristol Myers Company	237,792.05	73,855.00	163,937.05
2,500		Warner Lambert Company	98,096.72	71,941.50	26,155.22
160		Value Line Inc.	3,200.00	2,720.00	480.00
17,000		Thoroughbred Group Prime Obligations - D	17,000.00	17,000.00	
120		AAR Corporation	2,825.31	2,205.00	620.31
19,000		Thoroughbred Group Prime Obligations - D	19,000.00	19,000.00	
1,428		General Electric Company	90,210.88	37,763.88	52,447.00
2,500		Pfizer Inc.	124,308.34	107,162.50	17,145.84
34,000		Thoroughbred Group Prime Obligations - D	34,000.00	34,000.00	
250		AAR Corporation	5,636.06	4,593.75	1,042.31
180		AAR Corporation	4,080.46	3,307.50	772.96
30		AAR Corporation	736.32	551.25	185.07
40		AAR Corporation	982.54	735.00	247.54
100		AAR Corporation	2,560.66	1,837.50	723.16
80		AAR Corporation	2,123.94	1,470.00	653.94
300		Southwestern Bell Corporation	24,164.19	17,940.92	6,223.27
7,000		Thoroughbred Group Prime Obligations - D	7,000.00	7,000.00	

University of Kentucky  
 And Affiliated Corporations  
 Statement of Portfolio Changes for the Regular Endowment Pool  
 For the Three Months Ended December 31, 1985

Sales/Conversions(continued):

<u>No. of Shares</u>	<u>Security</u>	<u>Net Proceeds from Sales</u>	<u>Book Value</u>	<u>Gain or (Loss)</u>
629,000	Thoroughbred Group Prime Obligations - D	629,000.00	629,000.00	
2,800	Abbott Labs	177,759.04	61,265.95	116,493.09
2,000	Exxon Corporation	99,221.67	45,097.85	54,123.82
2,700	Ford Motor Company	151,667.41	118,732.50	32,934.91
1,840	International Business Machines	271,882.91	103,155.00	168,727.91
13,000	Thoroughbred Group Prime Obligations - D	13,000.00	13,000.00	
127,000	Thoroughbred Group Prime Obligations - D	127,000.00	127,000.00	
900	Philip Morris Companies Inc.	76,137.46	36,788.45	39,349.01
110,000	U.S. Treasury Bonds, 8.75%, 8/15/94	108,006.25	100,684.38	7,321.87
42,000	Thoroughbred Group Prime Obligations - D	42,000.00	42,000.00	
14,000	Thoroughbred Group Prime Obligations - D	14,000.00	14,000.00	
30,000	Thoroughbred Group Prime Obligations - D	30,000.00	30,000.00	
451,000	Thoroughbred Group Prime Obligations - D	451,000.00	451,000.00	
	Total - Sales/Conversions	<u>\$ 4,534,230.71</u>	<u>\$ 3,808,897.06</u>	<u>\$ 725,333.65</u>



University of Kentucky  
 And Affiliated Corporations  
 Pooled Endowment Funds - Fixed Income Securities  
 For the Three Months Ended December 31, 1985

<u>Purchases/Additions:</u>	<u>No. of Shares</u>	<u>Security</u>	<u>Date of Purchase</u>	<u>Amount of Purchase</u>
	12,000	Money Market Fund	10/03/85	\$ 12,000.00
	5,000,000	Money Market Fund	10/07/85	5,000,000.00
	200	Dana Corporation	10/09/85	5,325.00
	250,000	U.S. Treasury Notes, 10.75%, 11/15/89	10/09/85	258,515.63
	150,000	U.S. Treasury Notes, 10.50%, 11/15/92	10/09/85	151,875.00
	700,000	U.S. Treasury Notes, 10.875%, 2/15/93	10/09/85	719,031.25
	500,000	U.S. Treasury Notes, 10.75%, 7/15/90	10/09/85	515,156.25
	36,000	Money Market Fund	10/11/85	36,000.00
	4,190,000	Thoroughbred Group Prime Obligations - D	10/15/85	4,190,000.00
	5,000	Thoroughbred Group Prime Obligations - D	10/17/85	5,000.00
	12,000	Thoroughbred Group Prime Obligations - D	10/17/85	12,000.00
	11,000	Thoroughbred Group Prime Obligations - D	10/24/85	11,000.00
	2,000	Thoroughbred Group Prime Obligations - D	10/24/85	2,000.00
	212,000	Thoroughbred Group Prime Obligations - D	10/25/85	212,000.00
	1,000	Thoroughbred Group Prime Obligations - D	10/25/85	1,000.00
	200,000	Commonwealth Life Insurance Gtd. Inv. Contract	11/01/85	200,000.00
	33,000	Thoroughbred Group Prime Obligations - D	11/04/85	33,000.00
	8,000	Thoroughbred Group Prime Obligations - D	11/07/85	8,000.00
	58,855	Bond Fund for Tax Exempt Trusts	11/11/85	3,199,946.35
	6,000	Thoroughbred Group Prime Obligations - D	11/12/85	6,000.00
	133,000	Thoroughbred Group Prime Obligations - D	11/15/85	133,000.00
	200,000	U.S. Treasury Notes, 10.125%, 5/15/93	11/15/85	202,437.50
	228,000	Thoroughbred Group Prime Obligations - D	11/19/85	228,000.00
	1,000	Thoroughbred Group Prime Obligations - D	11/20/85	1,000.00
	11,000	Thoroughbred Group Prime Obligations - D	11/21/85	11,000.00
	2,000	Thoroughbred Group Prime Obligations - D	11/21/85	2,000.00
	10,338.85	Thoroughbred Group Prime Obligations - D	11/22/85	10,339.85
	6,000	Thoroughbred Group Prime Obligations - D	12/02/85	6,000.00
	12,000	Thoroughbred Group Prime Obligations - D	12/04/85	12,000.00
	1,386.14	Thoroughbred Group Prime Obligations - D	12/05/85	1,386.14
	500,000	Owensboro Ky. Electric, Light & Power Revenue, Series C, 8.90%, 7/01/87	12/13/85	498,895.00

University of Kentucky  
 And Affiliated Corporations  
 Pooled Endowment Funds - Fixed Income Securities  
 For the Three Months Ended December 31, 1985

Purchases/Additions (continued):

<u>No. of Shares</u>	<u>Security</u>	<u>Date of Purchase</u>	<u>Amount of Purchase</u>
42,000	Thoroughbred Group Prime Obligations - D	12/20/85	42,000.00
1,005,000	U.S. Treasury Notes, 12.625%, 8/15/94	12/20/85	1,200,346.87
499,000	U.S. Treasury Securities stripped interest	12/20/85	222,554.00
19,000	Thoroughbred Group Prime Obligations - D	12/24/85	19,000.00
10,000	Thoroughbred Group Prime Obligations - D	12/26/85	10,000.00
123,000	Thoroughbred Group Prime Obligations - D	12/27/85	123,000.00
	Total - Purchases		<u>\$17,300,808.84</u>

University of Kentucky  
 And Affiliated Corporations  
 Pooled Endowment Funds - Fixed Income Securities  
 For the Three Months Ended December 31, 1985

<u>Sales:</u>	<u>No. of Shares</u>	<u>Security</u>	<u>Net Proceeds from Sales</u>	<u>Book Value</u>	<u>Gain or (Loss)</u>
1,686,000		Money Market Fund	\$ 1,686,000.00	\$ 1,686,000.00	
35,000		Money Market Fund	35,000.00	35,000.00	
4,190,000		Money Market Fund	4,190,000.00	4,190,000.00	
10,858.84		Valley National Corp., 9.5%, 6/15/89	10,858.84	10,809.98	48.86
200,000		Citicorp note, 11.875%, 2/01/95	206,500.00	200,125.00	6,375.00
3,400,000		Thoroughbred Group Prime Obligations - D	3,400,000.00	3,400,000.00	
5,000		Thoroughbred Group Prime Obligations - D	5,000.00	5,000.00	
48,000		Thoroughbred Group Prime Obligations - D	48,000.00	48,000.00	
200,000		Phillips Pete Co. note, 13.875%, 3/15/97	214,750.00	212,750.00	2,000.00
10,952.93		Valley National Corp., 9.5%, 6/15/89	10,952.93	10,903.64	49.29
10,339.85		Thoroughbred Group Prime Obligations - D	10,339.85	10,339.85	
200		Dana Corporation	5,299.82	5,325.00	(25.18)
1,386.14		Thoroughbred Group Prime Obligations - D	1,386.14	1,386.14	
250,953.71		Thoroughbred Group Prime Obligations - D	250,953.71	250,953.71	
501,000		Thoroughbred Group Prime Obligations - D	501,000.00	501,000.00	
9,321.95		Valley National Corp., 9.5%, 6/15/89	9,321.95	9,280.00	41.95
48,688.69		Thoroughbred Group Prime Obligations - D	48,688.69	48,688.69	
1,450,000		U.S. Treasury Bonds, 8.75%, 8/15/94	1,423,718.75	1,298,000.00	125,718.75
10,000		Thoroughbred Group Prime Obligations - D	10,000.00	10,000.00	
		Total - Sales	<u>\$12,067,770.68</u>	<u>\$11,933,562.01</u>	<u>\$134,208.67</u>

University of Kentucky  
 And Affiliated Corporations  
 Pooled Endowment Funds - Money Market  
 For the Three Months Ended December 31, 1985

Purchases:

<u>No. of Shares</u>	<u>Security</u>	<u>Date of Purchase</u>	<u>Amount of Purchase</u>
41,000	Money Market Fund	10/02/85	\$ 41,000.00
5,285,000	Thoroughbred Group Prime Obligations - D	10/15/85	5,285,000.00
40,000	Thoroughbred Group Prime Obligations - D	11/04/85	40,000.00
309,000	Thoroughbred Group Prime Obligations - D	11/15/85	309,000.00
140,000	Thoroughbred Group Prime Obligations - D	12/27/85	140,000.00
1,000	Thoroughbred Group Prime Obligations - D	12/31/85	1,000.00
	Total - Purchases		<u>\$ 5,816,000.00</u>

Sales:

<u>No. of Shares</u>	<u>Security</u>	<u>Net Proceeds from Sales</u>	<u>Book Value</u>	<u>Gain or (Loss)</u>
5,000,000	Money Market Fund	\$ 5,000,000.00	\$ 5,000,000.00	
41,000	Money Market Fund	41,000.00	41,000.00	
5,285,000	Money Market Fund	5,285,000.00	5,285,000.00	
40,000	Thoroughbred Group Prime Obligations - D	40,000.00	40,000.00	
	Total - Sales	<u>\$10,366,000.00</u>	<u>\$10,366,000.00</u>	

University of Kentucky  
Intercollegiate Athletics Fund  
For the Three Months Ended December 31, 1985

<u>Purchases:</u>	<u>No. of Shares</u>	<u>Security</u>	<u>Date of Purchase</u>	<u>Amount of Purchase</u>
14,000		Money Market Fund	10/03/85	\$ 14,000.00
847,000		Thoroughbred Group Prime Obligations - D	10/15/85	847,000.00
833,000		Thoroughbred Group Prime Obligations - D	10/15/85	833,000.00
78,000		Thoroughbred Group Prime Obligations - D	10/17/85	78,000.00
1,000		Thoroughbred Group Prime Obligations - D	10/25/85	1,000.00
219,000		Thoroughbred Group Prime Obligations - D	10/25/85	219,000.00
8,000		Thoroughbred Group Prime Obligations - D	11/07/85	8,000.00
6,000		Thoroughbred Group Prime Obligations - D	11/12/85	6,000.00
8,000		Thoroughbred Group Prime Obligations - D	11/15/85	8,000.00
200,000		U.S. Treasury Notes, 10.125%, 5/15/93	11/15/85	202,437.50
123,000		Thoroughbred Group Prime Obligations - D	11/19/85	123,000.00
23,055.03		GNMA Pass-Thru Reg Pool, 10.5%, 4/15/98	11/20/85	22,618.34
459,089.81		GNMA Pass-Thru Reg Pool, 10.5%, 12/15/98	11/20/85	450,204.94
13,000		Thoroughbred Group Prime Obligations - D	11/22/85	13,000.00
3,000		Thoroughbred Group Prime Obligations - D	11/22/85	3,000.00
131,000		Thoroughbred Group Prime Obligations - D	11/27/85	131,000.00
17,000		Thoroughbred Group Prime Obligations - D	12/04/85	17,000.00
18,000		Thoroughbred Group Prime Obligations - D	12/04/85	18,000.00
150,000		Owensboro Ky. Electric, Light, & Power Revenue, Series C, 8.90%, 7/01/87	12/13/85	149,668.50
145,000		Owensboro Ky. Electric, Light, & Power Revenue, Series C, 9.20%, 1/01/88	12/13/85	144,721.60
1,000		Thoroughbred Group Prime Obligations - D	12/17/85	1,000.00
3,000		Thoroughbred Group Prime Obligations - D	12/17/85	3,000.00
1,000		Thoroughbred Group Prime Obligations - D	12/18/85	1,000.00
190,000		GMAC 1985, 8.45%, 12/15/90	12/19/85	189,050.00
460,000		U.S. Treasury Notes, 12.625%, 8/15/94	12/20/85	549,412.51
227,000		U.S. Treasury Securities stripped interest	12/20/85	101,242.00
1,000		Thoroughbred Group Prime Obligations - D	12/23/85	1,000.00
7,000		Thoroughbred Group Prime Obligations - D	12/24/85	7,000.00
1,000		Thoroughbred Group Prime Obligations - D	12/24/85	1,000.00
5,000		Thoroughbred Group Prime Obligations - D	12/26/85	5,000.00
1,000		Thoroughbred Group Prime Obligations - D	12/26/85	1,000.00

\$ 4,148,355.39

Total - Purchases

University of Kentucky  
Intercollegiate Athletics Fund  
For the Three Months Ended December 31, 1985

<u>Sales:</u>	<u>No. of Shares</u>	<u>Security</u>	<u>Net Proceeds from Sales</u>	<u>Book Value</u>	<u>Gain or (Loss)</u>
833,000		Money Market Fund	\$ 833,000.00	\$ 833,000.00	
14,000		Money Market Fund	14,000.00	14,000.00	
833,000		Thoroughbred Group Prime Obligations - D	833,000.00	833,000.00	
7,239.23		Valley National Corp., 9.5%, 6/15/89	7,239.23	7,206.65	\$ 32.58
23.95		SB Receivables Inc., 9.75%, 7/15/90	23.95	23.95	
5,235.35		SB Receivables Inc., 9.75%, 7/15/90	5,235.35	5,235.35	
200,000		Citicorp note, 11.875%, 2/01/95	206,500.00	200,125.00	6,375.00
93,000		Thoroughbred Group Prime Obligations - D	93,000.00	93,000.00	
200,000		Phillips Pete Co. note, 13.875%, 3/15/97	214,750.00	212,750.00	2,000.00
3,000		Thoroughbred Group Prime Obligations - D	3,000.00	3,000.00	
7,301.95		Valley National Corp., 9.5%, 6/15/89	7,301.95	7,269.09	32.86
5,625.78		SB Receivables Inc., 9.75%, 7/15/90	5,625.78	5,625.78	
472,000		Thoroughbred Group Prime Obligations - D	472,000.00	472,000.00	
3,000		Thoroughbred Group Prime Obligations - D	3,000.00	3,000.00	
131,000		Thoroughbred Group Prime Obligations - D	131,000.00	131,000.00	
131,000		Thoroughbred Group Prime Obligations - D	131,000.00	131,000.00	
17,000		Alaska State Housing Fin. Corp., 15.25%, 6/01/92	17,000.00	18,041.25	(1,041.25)
295,000		Thoroughbred Group Prime Obligations - D	295,000.00	295,000.00	
1,449.40		GNMA Pass-Thru Reg Pool, 10.5%, 12/15/98	1,449.40	1,421.35	28.05
7,000		Thoroughbred Group Prime Obligations - D	7,000.00	7,000.00	
179,370.82		Thoroughbred Group Prime Obligations - D	182,061.39	179,370.82	2,690.57
73.73		SB Receivables Inc., 9.75%, 7/15/90	73.73	72.33	1.40
6,214.63		GNMA Pass-Thru Reg Pool, 10.5%, 4/15/98	6,214.63	6,186.66	27.97
3,000		Valley National Corp., 9.5%, 6/15/89	3,000.00	3,000.00	
660,000		Thoroughbred Group Prime Obligations - D	648,037.51	604,106.25	43,931.26
5,034.85		U.S. Treasury Bonds, 8.75%, 8/15/94	5,034.85	5,034.85	
24,000		SB Receivables Inc., 9.75%, 7/15/90	24,000.00	24,000.00	
		Thoroughbred Group Prime Obligations - D	24,000.00	24,000.00	
		Total - Sales	<u>\$ 4,148,547.77</u>	<u>\$ 4,094,469.33</u>	<u>\$ 54,078.44</u>