

Minutes of the Meeting of the Board of Trustees of the University of Kentucky, Tuesday, September 21, 1993.

The Board of Trustees of the University of Kentucky met at 1:00 p.m. (Lexington time) on Tuesday, September 21, 1993 in the Board Room on the 18th floor of Patterson Office Tower.

A. Meeting Opened

Governor Edward T. Breathitt, Chairperson, called the meeting to order at 1:00 p.m., and the invocation was pronounced by Mrs. Kay Bell.

B. Roll Call

The following members of the Board of Trustees answered the call of the roll: Governor Edward T. Breathitt (Chairperson), Mrs. Kay Shropshire Bell, Mr. Paul Chellgren, Mr. Robert N. Clay, Mr. Lance Dowdy, Mr. Henry Jackson, Professor Loys Mather, Dr. Robert P. Meriwether, Dr. Elissa Plattner, Dr. Deborah Powell, Mrs. Marian Moore Sims, Professor John Sistarenik, Jr., Mr. William B. Sturgill, Mr. Daniel C. Ulmer, Jr., Mrs. Lois Weinberg, Mr. Martin Welenken, and Judge Henry R. Wilhoit, Jr. Absent from the meeting were Mr. James F. Hardymon, Mr. C. Frank Shoop, and Mr. Billy B. Wilcoxson. The University administration was represented by President Charles T. Wethington, Jr., Chancellors Peter P. Bosomworth, Ben W. Carr, Jr., and Robert E. Hemenway; Vice Presidents Joseph T. Burch, Edward A. Carter, Donald B. Clapp, and Eugene R. Williams; Dr. Juanita Fleming, Special Assistant for Academic Affairs; and Mr. Larry Ivy, Associate Director of Athletics.

Governor Breathitt noted that Mr. Wilcoxson had attended the Investment Committee meeting; however, due to a death in the family, he was unable to stay for the Board meeting. He also noted that in Mr. Hardymon's absence, Mr. Sturgill would present the report from the Finance Committee.

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

C. Approval of Minutes

Governor Breathitt stated that the Minutes of the August 17, 1993 meeting had been distributed and asked for additions or corrections. On motion made by Dr. Meriwether, seconded by Mr. Sturgill and carried, the Minutes were approved as distributed.

D. Nomination of Officers and Executive Committee

Under the Governing Regulations, officers of the Board and the Executive Committee are elected annually at the September meeting. In the absence of Mr. Wilcoxson, Chairperson of the Nominating Committee, Governor Breathitt called upon Mrs. Sims for the Committee's Report.

Mrs. Sims placed the following slate of officers for 1993-94 in nomination:

OFFICERS

Edward T. Breathitt, Chairperson  
Robert P. Meriwether, Vice Chairperson  
Lois C. Weinberg, Secretary  
John C. Darsie, Assistant Secretary

Governor Breathitt asked Mr. Sturgill to preside and receive the vote. Mr. Sturgill asked for nominations from the floor. There being no nominations from the floor, he entertained a motion that the slate be approved. Mr. Chellgren moved approval. His motion was seconded by Mr. Ulmer and carried unanimously.

Governor Breathitt thanked Mr. Sturgill and the members of the Board for their confidence. He said that he would do his best to be deserving of their confidence.

The presiding role was returned to the re-elected Chairperson, and he asked Mrs. Sims for the Executive Committee report.

Mrs. Sims placed the following slate of Executive Committee members for 1993-94 in nomination and moved approval:

EXECUTIVE COMMITTEE

Edward T. Breathitt, Chairperson  
Robert P. Meriwether, Vice Chairperson  
James F. Hardymon  
William B. Sturgill  
Billy B. Wilcoxson  
Lois C. Weinberg, ex officio

Governor Breathitt asked Mrs. Bell to preside and receive the vote. Mrs. Bell asked for any nominations from the floor. There being no nominations from the floor, she entertained a motion for approval. The motion was seconded by Mr. Chellgren and passed. The presiding role was returned to the Governor Breathitt.

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

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

1. Preliminary figures show that UK enrollment for the fall 1993 semester is at record levels. Total UK enrollment is 72,600, compared with 1992's actual enrollment of 72,243.
2. The quality of students in the freshman class continues to climb. The average American College Test (ACT) scores of the 1993 freshmen rose to 24.6, compared with 24.3 in 1992. The grade point average of the incoming freshman stands at 3.34, compared with last year's 3.29.

3. About 200 African-American students are in the new UK freshman class bringing to about 1,050 the total number of African-American students on the campus in Lexington.
4. Faculty and staff at UK attracted a record \$98 million in external funding during the 1992-93 academic year, approximately 6 percent higher than last year's total.
5. Architect Michael McKinnell, Kallmann, McKinnell and Wood, unveiled plans and a model of the proposed new five-story library September 8 and 9. He noted that Mr. McKinnell will make a presentation following the Board meeting.

President Wethington asked the Trustees to peruse the other items in PR 1 at their leisure.

F. Personnel Actions (PR 2)

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

President Wethington noted that there were no action items from the Central Administration or the Community College System; therefore, there are no PR 3 and PR 4 for this meeting.

G. Appointment of Dean of the College of Architecture (PR 5A)

President Wethington said that PR 5A concerns a new Dean for the College of Architecture and he asked Chancellor Hemenway to comment on the appointment.

Chancellor Hemenway expressed pleasure in recommending that David Mohny be named Dean of the College of Architecture. He briefly reviewed Mr. Mohny's superb academic credentials, noting that he is currently a partner in the firm of Chan and Mohny Architecture in New York City.

President Wethington said that it was his pleasure to recommend that David Mohny be named Dean of the College of Architecture, effective January 1, 1994. On motion made by Mrs. Sims, seconded by Mr. Clay and carried, PR 5A was approved. (See PR 5A at the end of the Minutes.)

President Wethington asked Mr. Mohny to stand and be recognized, following which he was given a round of applause. President Wethington thanked Professor Clyde Carpenter for serving as acting dean of the College of Architecture during the considerable period for the search for a new dean. Professor Carpenter was also given a round of applause.

H. Appointments/Reappointments to University of Kentucky Mining Engineering Foundation (PR 5B)

President Wethington recommended that approval be given to the appointments and reappointments of the following members to the Board of

Directors of the University of Kentucky Business Mining Engineering Foundation for four-year terms:

Appointments

Steven F. Leer  
William M. Mason  
Jack Whitaker

Reappointments

Stonie Barker  
Catesby W. Clay  
Tom Duncan  
Robert E. Garbesi  
D. J. Patton  
William R. Stamler  
William B. Sturgill

On motion made by Mr. Chellgren, seconded by Mr. Jackson and passed, PR 5B was approved. (See PR 5B at the end of the Minutes.)

I. Change in Degree Title (PR 6A)

President Wethington recommended that the Board approve the change in the degree title Ph.D. and M.S. in Anatomy to Ph.D. and M.S. in Anatomy and Neurobiology. He noted that the recommended change in degree title was approved by the Graduate Council and the University Senate. Dr. Powell moved approval. Her motion, seconded by Professor Mather, passed. (See PR 6A at the end of the Minutes.)

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

President Wethington recommended that Kay Shropshire Bell be appointed a member of the Board of Directors of the University Hospital of the Albert B. Chandler Medical Center, Inc. for a term to expire on June 30, 1998. He said that Mrs. Bell will be replacing former Trustee James L. Rose. Dr. Meriwether moved approval. His motion was seconded by Mrs. Weinberg and passed unanimously. (See PR 6B at the end of the Minutes.)

K. Acceptance of Audit Report for the University of Kentucky for 1992-93 (FCR 1)

Mr. William B. Sturgill, Acting Chairman of the Finance Committee, reported that the Committee met and reviewed the items in detail. He said that everything was in order, the University was in good financial condition and in keeping with accounting practices. He moved approval of FCR 1. The motion was seconded by Mr. Chellgren and carried. (See FCR 1 at the end of the Minutes.)

L. Disposal of Personal Property (FCR 2)

On motion made by Mrs. Weinberg, seconded by Mr. Jackson and carried, the Board approved the disposition of a surplus telephone switch by sealed bid on December 18, 1993. (See FCR 2 at the end of the Minutes.)

M. Report of Leases (FCR 3)

Mr. Sturgill reviewed the lease agreements in FCR 3 and moved that they be accepted. The motion was seconded by Mr. Ulmer and passed. (See FCR 3 at the end of the Minutes.)

N. 1993-94 Budget Revisions (FCR 4)

Mr. Sturgill stated that the budget revisions are brought to the Board quarterly and moved that the revisions be approved. Mr. Jackson seconded the motion and it carried. (See FCR 4 at the end of the Minutes.)

O. Biennial Request 1994-96 (FCR 5)

FCR 5 was moved to the end of the agenda.

P. Property Conveyance to Kentucky Department of Transportation - Maysville Community College (FCR 6)

FCR 6 was withdrawn.

Q. Expansion of Louisville Medical Center Steam and Chilled Water Plant (FCR 7)

Mr. Sturgill said that FCR 7 was approved in March 1993; however, it was being presented to the Board again because of certain revisions. He asked Dr. Clapp to comment on it.

Dr. Clapp said that this is an agreement with regard to the expansion of the Louisville Medical Center Steam and Chilled Water Plant. It is a facility that serves a number of medical facilities in downtown Louisville and also the Jefferson Community College. He mentioned the initial agreement was back in 1968 and noted that there had been several supplemental amendments to it, the seventh being approved by the Board in March. He explained that the form of the amendment was not agreed to by Jefferson County who is a party to the agreement. He explained that the effect for the University is exactly the same in terms of the commitment of the University in behalf of Jefferson Community College.

Mr. Sturgill moved approval of FCR 7. Professor Mather seconded the motion and it passed. (See FCR 7 at the end of the Minutes.)

R. William B. Sturgill Pledge (FCR 8)

Governor Breathitt expressed his deep appreciation to Mr. Sturgill for his very generous pledge for the addition to the William B. Sturgill Development Building. He said that Mr. Sturgill's giving of his time and resources are very gratifying and sets a fine example for everyone. He thanked him very much and said that it will be a splendid addition to the campus and will be an additional resource in the development efforts.

Since Mr. Sturgill was presiding as chairperson of the Finance Committee, President Wethington prevailed upon Governor Breathitt as chairperson of the Board to ask for a motion, second and approval for what he believes is an extremely generous gift from Mr. Sturgill. It is one which will allow the University to bring its development staff into one location. He said that this is very important to the University in generating private funds.

Governor Breathitt recommended that the Board of Trustees accept a pledge of \$232,500 from William B. Sturgill to fund an addition to the William B. Sturgill Development Building. Mr. Ulmer moved approval. His motion, seconded by Mr. Wilhoit, carried unanimously. (See FCR 8 at the end of the Minutes.)

S. Philip Morris, Inc. Contribution (FCR 9)

Mr. Sturgill recommended and moved that the Board accept a gift of \$269,000 from Philip Morris, Inc. to the College of Agriculture. Mr. Clay seconded the motion, and it passed. (See FCR 9 at the end of the Minutes.)

T. A Resolution of the Board of Trustees of University of Kentucky, Authorizing the Issuance of \$27,530,000 (Plus or Minus up to \$2,750,000) Consolidated Educational Buildings Refunding Revenue Bonds, Series G, Series H and Series I (Third Series) (FCR 10)

Mr. Sturgill recommended and moved that the Board approve FCR 10 which is a Resolution authorizing the issuance of \$27,530,000 (plus or minus up to \$2,750,000) University of Kentucky Consolidated Educational Buildings Refunding Revenue Bonds, Series G, Series H and Series I (Third Series), to be dated October 1, 1993, or such later date as may be approved by the President and/or the Board of Trustees upon the advice of the Financial Advisor. He quoted savings to date for each series and complimented the administration for their enthusiasm and their alertness to refinance these bonds. Mr. Welenken seconded Mr. Sturgill's motion, and it passed. (See FCR 10 at the end of the Minutes.)

U. Resolution of the Board of Trustees of the University of Kentucky Accepting the Successful Bid for the Purchase of \$16,325,000 Principal Amount of University of Kentucky Consolidated Educational Buildings Refunding Revenue Bonds, Series D (Second Series), Dated September 1, 1993 (FCR 11)

Mr. Sturgill recommended and moved that the Board approve a Resolution accepting the successful bid of Goldman Sachs with reference to the sale of the \$16,325,000 (plus or minus up to 10%) of University of Kentucky Consolidated Educational Buildings Refunding Revenue Bonds, Series D (Second Series), dated September 1, 1993, at a net interest cost of 3.96955% and that the Board approve the form of Official Statement as prepared by J.J.B. Hilliard, W.L. Lyons, Inc., the Financial Advisors to the Board of Trustees. Dr. Meriwether seconded the motion, and it carried. (See FCR 11 at the end of the Minutes.)

V. Biennial Request 1994-96 (FCR 5)

Through a series of slides, President Wethington reviewed the 1994-96 Biennial Request. He reported that the document is based on the Strategic Plan goals, objectives and strategies. It contains chancellor/vice presidential and college/unit plans which reinforce the University-wide plan as well as the land use, capital, and information resources plans.

The Biennial Request is based on Strategic Plans within the context of 100% formula funding. It places emphases on the following:

- Strengthening the University as a Student-Centered University
- Maximizing Access
- Competitive Salaries and Benefits
- Strengthening role as leading research university
- Commitment to equity and diversity
- Forefront of Information Technology
- Instructional and research equipment and maintenance of facilities
- Addressing University's unique leadership role in state

He reviewed charts illustrating the formula funding equity and the formula gap in comparison with other state institutions. He then provided a summary of state funding request for 1994-96 for the University, calling particular attention to the fixed costs and cost-of-living expenses. He also pointed out the program improvement request for the Community College System and the University System and noted the request for new programs and special requests for both systems.

President Wethington elaborated on the 1994-96 capital request for state funding for the Community College System and the University System. In conclusion, he provided a summary of state funding request and capital request by source of funds. He recommended that the 1994-96 Biennial Request which includes both the operating and capital requests be approved for submission to the Council on Higher Education and to the Governor of the Commonwealth.

On motion made by Mr. Sturgill and seconded by Mr. Jackson, the 1994-96 Biennial Request was approved. (See FCR 5 at the end of the Minutes.)

President Wethington commended the faculty, staff, students and particularly the administration and its staff for their efforts in preparing the biennial request document. Governor Breathitt asked the staff to stand and be recognized, following which they received a round of applause.

W. Meeting Adjourned

There being no further business to come before the Board, the Chairperson adjourned the meeting at 2:08 p.m.

Respectfully submitted,

Lois C. Weinberg  
Secretary  
Board of Trustees

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

Office of the President  
September 21, 1993

PR 2

Members, Board of Trustees:

PERSONNEL ACTIONS

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

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

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

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Action taken: Approved  Disapproved  Other

Date: September 21, 1993

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CENTRAL ADMINISTRATION

I. BOARD ACTION

A. ADMINISTRATIVE APPOINTMENT

Graduate School

Richards, Allan G., Assistant Professor (without tenure),  
Art, appointed Associate Dean, Graduate School, 7/1/93  
through 6/30/96.

B. REAPPOINTMENT

Graduate School

Barber, Billy J., Associate Research Professor, Graduate  
Center for Biomedical Engineering, 10/1/93 through  
9/30/94.

C. EARLY RETIREMENT

Communications and Network Systems

White, Thomas C., Mail Room Supervisor, Postal Services,  
after 35.5 years of service under AR II-1.6-1  
Section III.A.2, effective 9/17/93

D. POST-RETIREMENT APPOINTMENT

Kentucky Geological Survey

Noger, Martin C., Geologist VII (part-time), Kentucky  
Geological Survey, 9/1/93 through 6/30/94.

II. ADMINISTRATIVE ACTION

A. ADMINISTRATIVE APPOINTMENT

Graduate School

Robertson, Larry, Associate Professor (with tenure),  
Graduate Center for Toxicology, appointed Acting  
Director, Graduate Center for Toxicology, 9/1/93  
through 12/31/93.

B. REAPPOINTMENTS

Graduate School

Pienkowski, David, Assistant Professor (without tenure),  
Graduate Center for Biomedical Engineering, joint  
appointment as Assistant Professor (without tenure),  
Surgery, College of Medicine, 7/1/93 through 6/30/94.

COMMUNITY COLLEGE SYSTEM

I. BOARD ACTION

A. EARLY RETIREMENTS

Office of the Chancellor

Muth, Joseph A., Account Manager I in the Community College System, (under AR II-1.6-1 Section III.A.2), following 17.5 consecutive years of service, effective 9/30/93.

II. ADMINISTRATIVE ACTION

A. ACADEMIC APPOINTMENTS

Ashland Community College

Corbett, Nancy, Instructor in the Community College System, 8/1/93 through 6/30/94.

Figgins, Edward, Assistant Professor in the Community College System, 8/1/93 through 6/30/94.

May, Elizabeth E., Instructor in the Community College System, 8/1/93 through 6/30/94.

Shaver, Marilyn, Assistant Professor in the Community College System, 8/1/93 through 6/30/94

Elizabethtown Community College

Fentress, Phyllis, Instructor in the Community College System, 8/1/93 through 6/30/94.

Stearns, Gary M., Assistant Professor in the Community College System, 8/1/93 through 6/30/94.

Hazard Community College

Blair, Linda C., Instructor in the Community College System, 8/1/93 through 6/30/94.

Isaac, Rebecca A., Instructor in the Community College System, 8/1/93 through 6/30/94.

Moon, Randall B., Instructor in the Community College System, 8/1/93 through 6/30/94.

Shaffer, Germaine B., Assistant Professor in the Community College System, 8/9/93 through 6/30/94.

Shostell, Joseph M., Instructor in the Community College System, 8/1/93 through 6/30/94.

Williams, Jenny D., Instructor in the Community College System, 8/1/93 through 6/30/94.

Henderson Community College

Gary, William L., Instructor in the Community College System, 8/1/93 through 6/30/94.

Mabee, Emily, Instructor in the Community College System (voluntary), 8/25/93 through 5/31/94.

Hopkinsville Community College

Baker, Gwendol E., Instructor in the Community College System, 8/1/93 through 6/30/94.

Barlow, Nelson, Instructor in the Community College System, 8/1/93 through 6/30/94.

Cartledge, Eleanor L., Instructor in the Community College System, 8/16/93 through 6/30/94.

Fitzgerald, Linda, Instructor in the Community College System, 8/10/93 through 6/30/94.

Jefferson Community College

Baglan, Amy, Instructor in the Community College System, 7/12/93 through 6/30/94.

Baker, Myra S., Instructor in the Community College System, 8/1/93 through 12/31/93.

Berman, Michael E., Instructor in the Community College System, 8/1/93 through 6/30/94.

Brite, Sylvia R., Instructor in the Community College System, 8/1/93 through 6/30/94.

Drogin, LaurieAnn, Instructor in the Community College System, 8/1/93 through 6/30/94.

Fries, Terrence, Instructor in the Community College System, 8/1/93 through 6/30/94.

Jones, Mary C., Instructor in the Community College System, 8/1/93 through 6/30/94.

Kilpatrick, John F., Instructor in the Community College System, 8/1/93 through 6/30/94.

Leonard, Mona F., Instructor in the Community College System, 8/1/93 through 5/31/94.

Peak, Ira H., Assistant Professor in the Community College System, 8/1/93 through 6/30/94.

Riesser, Valeria, Instructor in the Community College System, 8/1/93 through 6/30/94.

Rodski, Peter, Instructor in the Community College System, 8/1/93 through 6/30/94.

Schade, Duane E., Instructor in the Community College System, 8/1/93 through 5/31/94.

Stokes, Kevin B., Instructor in the Community College System, 8/1/93 through 6/30/94.

White, Deborah C., Instructor in the Community College System, 8/1/93 through 6/30/94.

Wood, Marilyn M., Instructor in the Community College System, 8/1/93 through 6/30/94.

Lexington Community College

Dickey, Lisa A., Instructor in the Community College System, 8/1/93 through 5/31/94.

Mulling, Craig L., Instructor in the Community College System, 8/1/93 through 6/30/94.

Madisonville Community College

Chumley, Monica D., Instructor in the Community College System, 8/19/93 through 6/30/94.  
Polley, Virginia L., Instructor in the Community College System, 8/16/93 through 6/30/94.  
Robin, Christopher H., Instructor in the Community College System, 8/10/93 through 6/30/94.

Maysville Community College

Brandenburg, Janet W., Instructor in the Community College System, 8/1/93 through 6/30/94.  
Coleman, Barbara A., Instructor in the Community College System, 8/1/93 through 6/30/94.  
DeVaughn, Gary W., Instructor in the Community College System, 8/1/93 through 6/30/94.  
Fizer, Mary Etta, Instructor in the Community College System, 8/1/93 through 6/30/94.  
Pasley, Terry L., Instructor in the Community College System, 8/1/93 through 6/30/94.  
Quillen, Michael D., Instructor in the Community College System, 8/1/93 through 6/30/94.

Owensboro Community College

Bennett, Rochelle, Instructor in the Community College System, 8/1/93 through 6/30/94.  
Davis, Sharon D., Instructor in the Community College System, 8/1/93 through 6/30/94.  
Grant, Timothy E., Instructor in the Community College System, 8/1/93 through 6/30/94.  
Hester, Vicki M., Instructor in the Community College System, 8/1/93 through 6/30/94.  
Schultz, Dan, Instructor in the Community College System, 8/1/93 through 6/30/94.  
Temple, Jennie C., Instructor in the Community College System, 8/1/93 through 12/31/93.

Paducah Community College

Beck, A. Caroline, Instructor in the Community College System (voluntary), 7/1/93 through 6/30/96.  
Campbell, Mary Jo, Instructor in the Community College System (voluntary), 7/1/93 through 6/30/96.  
Cunningham, Jackie, Instructor in the Community College System (voluntary), 7/1/93 through 6/30/96.  
Houser, Randal, Instructor in the Community College System (voluntary), 7/1/93 through 6/30/96.  
Kloiber, Jacqueline A., Instructor in the Community College System (voluntary), 7/1/93 through 6/30/96.

Qualls, Kevin, Instructor in the Community College System, 8/1/93 through 6/30/94.  
Sturm, Colette R., Instructor in the Community College System (voluntary), 7/1/93 through 6/30/96.  
Walker, Barry, Instructor in the Community College System (voluntary), 7/1/93 through 6/30/96.

Prestonsburg Community College

Adam, Kelly J., Instructor in the Community College System, 8/1/93 through 6/30/94.  
Buchanan, Jo Ann, Instructor in the Community College System, 8/1/93 through 6/30/94.  
Carrell, Charlene, Instructor in the Community College System, 8/1/93 through 6/30/94.  
Hoskins, Tametha L., Instructor in the Community College System, 8/1/93 through 6/30/94.  
Jackson, Patsy R., Instructor in the Community College System, 8/1/93 through 6/30/94.  
Perry, Melissa L., Instructor in the Community College System, 8/1/93 through 6/30/94.  
Ramasamy, Kolandavel, Instructor in the Community College System, 8/1/93 through 6/30/94.  
Shingler, Pamela J., Instructor in the Community College System, 8/1/93 through 6/30/94.

Somerset Community College

Campbell, Andrew, Instructor in the Community College System, 8/1/93 through 5/31/94.  
Hensley, Flossie Sue, Instructor in the Community College System, 8/1/93 through 5/31/94.

Southeast Community College

Barr, Edward M., Instructor in the Community College System, 8/1/93 through 6/30/94.  
Corrison, Michael S., Instructor in the Community College System, 8/1/93 through 6/30/94.  
Frost, Glenn E., Instructor in the Community College System, 8/1/93 through 6/30/94.  
Fugate, Teresa L., Instructor in the Community College System, 8/6/93 through 6/30/94.  
Green, Walter, Instructor in the Community College System, 8/1/93 through 6/30/94.  
Lewis, Wanda S., Instructor in the Community College System, 8/1/93 through 6/30/94.  
Reader, Larry N., Instructor in the Community College System, 8/1/93 through 6/30/94.  
Sizemore, Laotta, Instructor in the Community College System, 8/1/93 through 6/30/94.  
Thomas, James D., Instructor in the Community College System, 8/1/93 through 6/30/94.

B. ADMINISTRATIVE APPOINTMENTS

Lexington Community College

Newberry, Anthony L., Associate Professor in the Community College System (with tenure) and Vice Chancellor for Academic and Student Affairs, appointed Acting President, 8/16/93 through 12/31/93.

C. REAPPOINTMENTS

Ashland Community College

Hoffman, Elizabeth, Assistant Professor in the Community College System, 8/1/93 through 6/30/94.

Hazard Community College

Globig, Sabine A., Instructor in the Community College System, 7/1/93 through 6/30/94.

Jefferson Community College

Broadhead, Morgan, Instructor in the Community College System, 8/1/93 through 6/30/94.

Eubank, Ann, Instructor in the Community College System, 8/16/93 through 6/30/94.

Morris, Elizabeth A., Instructor in the Community College System (voluntary), 8/1/93 through 5/31/96.

Rayburn, Nancy, Instructor in the Community College System, 8/1/93 through 6/30/94.

Robertson, Else, Instructor in the Community College System, 8/1/93 through 6/30/94.

Lexington Community College

Cogswell, Carole, Instructor in the Community College System, 8/1/93 through 5/31/94.

D. LEAVES OF ABSENCE

Maysville Community College

Kilgore, Tara, Associate Professor in the Community College System (with tenure), sabbatical leave at full salary for the 1994 Spring Semester.

LEXINGTON CAMPUS

I. BOARD ACTION

A. ACADEMIC APPOINTMENTS

College of Agriculture

Batte, Marvin T., Visiting Associate Professor,  
Agricultural Economics, 8/1/93 through 7/31/94.  
Coutinho, Edson Luiz Mendes, Visiting Professor,  
Agronomy, 8/1/93 through 6/30/94.  
Davis, Carlton G., Professor (with tenure), Agricultural  
Economics, effective 1/1/94.  
Lawrence, Pauline O., Professor (with tenure),  
Entomology, effective 1/1/94.

College of Architecture

Mohney, David, Professor (with tenure), Architecture,  
effective 1/1/94.

College of Arts and Sciences

Hurst, Robert N., Associate Professor (temporary),  
Biological Sciences, 8/16/93 through 5/15/94.

B. ADMINISTRATIVE APPOINTMENTS CHANGES

University Extension

Greasley, Philip A., title change from Director,  
University Extension, to Dean, University  
Extension, effective 7/1/93.

C. CHANGES

College of Arts and Sciences

Roeder, Phillip W., from Associate Professor (with  
tenure), Political Science, and Associate Professor  
(without tenure), Martin School, Research and  
Graduate Studies, to Associate Professor (with  
tenure), Political Science, effective 7/1/93.

College of Education

McElroy, Jack E., to change from Professor\* (with  
tenure), Vocational Education, to Professor\* (with  
tenure), Curriculum and Instruction, effective  
7/1/93.

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\* Special Title Series

D. RETIREMENTS

College of Agriculture

Martin, Ruby, EFNEP Assistant, Cooperative Extension Service, after 15.5 consecutive years of service, under Section III.B of AR II-1.6-1, effective 7/30/93.

Russell, Nan B., County Extension Clerk, Cooperative Extension Service, after 15 consecutive years of service, under Section III.B of AR II-1.6-1, effective 8/30/93.

E. EARLY RETIREMENTS

College of Agriculture

Casada, James H., Research Specialist, Agricultural Engineering, after 27 consecutive years of service, under Section III.A.1 of AR II-1.6-1, effective 9/30/93.

F. POST-RETIREMENTS

College of Architecture

Graves, Charles P., Professor (part-time), Architecture, 8/1/93 through 5/15/94.

College of Human Environmental Sciences

Crosby, John, Professor (part-time), Family Studies, 7/1/93 through 6/30/94.

II. ADMINISTRATIVE ACTION

A. ACADEMIC APPOINTMENTS

College of Architecture

Bagley, Lee, Assistant Professor (part-time), Architecture, 8/16/93 through 5/15/94.

Barnette, Clark, Assistant Professor (part-time), Architecture, 8/16/93 through 5/15/94.

Buhrmann, Carol, Assistant Professor (temporary), Architecture, 8/1/93 through 5/15/94.

Jacobs, Jane, Instructor (part-time), Architecture, 8/1/93 through 12/31/93.

Stevens, Randall, Instructor (part-time), Architecture, 8/1/93 through 5/15/94.



College of Arts and Sciences

Ades, Harriet F., Instructor (part-time), Chemistry, 8/16/93 through 12/31/93.  
Baltus-Sih, Marie-Sylvie, Instructor (temporary), French, 8/16/93 through 5/15/94.  
Binney, James, Instructor (part-time), Political Science, 9/1/93 through 12/31/93.  
Bloch, Stephen A., Visiting Assistant Professor, Computer Science, 8/16/93 through 5/15/94.  
Blythe, Marsha J., Instructor (temporary), French, 8/16/93 through 5/15/94.  
Brodie, Edmund D., Assistant Professor, Biological Sciences, 7/1/93 through 6/30/95.  
Contreras, Lisa M., Instructor (part-time), Spanish and Italian, 8/16/93 through 12/31/93.  
Crooks, Deborah, Instructor (part-time), Anthropology, 8/16/93 through 12/31/93.  
Diggles, Diane, Instructor (part-time), Mathematics, 8/16/93 through 12/31/93.  
Eggert, David W., Visiting Assistant Professor, Computer Science, 8/16/93 through 5/15/94.  
Ekuonyo, Sammy, Instructor (temporary), French, 8/16/93 through 5/15/94.  
Finney, Nikky, Assistant Professor, English, 8/1/93 through 6/30/95.  
Giles, Donald A., Instructor (part-time), Philosophy, 8/16/93 through 12/31/93.  
Grimm, Erk, Visiting Assistant Professor, German, 8/1/93 through 5/31/94.  
Haskins, Valerie A., Instructor (part-time), Anthropology, 8/16/93 through 12/31/93.  
Howell, Amy Ruth, Visiting Assistant Professor, Chemistry, 8/1/93 through 5/31/94.  
Hunt, Jean A., Instructor (part-time), Psychology, 8/16/93 through 12/31/93.  
Mirabito, Peter M., Assistant Professor, Biological Sciences, 7/1/93 through 6/30/95.  
Miranda, Maria Teresa, Assistant Professor (temporary), Spanish and Italian, 8/16/93 through 5/31/94.  
Mitchell, Ben C., Assistant Professor (temporary), Statistics, 8/16/93 through 5/15/94.  
Mizell, Chris, Instructor (part-time), Mathematics, 8/16/93 through 12/31/93.  
Morrissey, Susan K., Assistant Professor, History, 7/1/93 through 6/30/95.  
Norman, Charlene, Instructor (part-time), Mathematics, 8/16/93 through 12/31/93.  
Parrish, Anne M., Assistant Professor (temporary), Anthropology, 8/16/93 through 5/31/94.  
Purcell, Virginia, Assistant Professor (temporary), Biological Sciences, 8/16/93 through 5/15/94.  
Ramanathan, Subathra, Assistant Professor\*, Statistics, 8/16/93 through 6/30/95.

Rogers, Eric O., Instructor (part-time), African-American Studies, 8/16/93 through 12/31/93.  
Roper, Jackson M., Instructor (part-time), Anthropology, 8/16/93 through 12/31/93.  
Smyth, Michael P., Assistant Professor (temporary), Anthropology, 8/16/93 through 5/31/94.  
Stapleton, Kristin E., Assistant Professor, History, 7/1/93 through 6/30/95.  
Udvardy, Monica, Assistant Professor\*, Anthropology, 7/1/93 through 6/30/95.  
Webster, Ann DeMuth, Assistant Professor (temporary), Anthropology, 8/16/93 through 5/31/94.  
Wright, Donna W., Instructor (part-time), Sociology, 8/16/93 through 12/31/93.  
Yan, Hong Y., Assistant Professor, Biological Sciences, 7/1/93 through 6/30/95.

College of Communications and Information Studies

Armendarez, Jennifer L., Instructor (part-time), Communication, 8/16/93 through 12/31/93.  
Gibbons, Judith A., Instructor (part-time), Library and Information Science, 9/1/93 through 12/31/93.  
Ireland, Sandra, Instructor (part-time), Library and Information Science, 9/1/93 through 12/31/93.  
Parlanti, Jean M., Instructor (part-time), Communication, 8/16/93 through 12/31/93.

College of Fine Arts

King, Stephen, Assistant Professor\* (temporary), Music, 8/16/93 through 5/15/94.  
Thompson, Robert, Visiting Assistant Professor, Music, 8/16/93 through 5/15/94.

College of Human Environmental Sciences

Campbell, Emily R., Instructor (part-time), Nutrition and Food Science, 8/16/93 through 5/15/94.  
Justice, Donna, Instructor (part-time), Interior Design, Merchandising, and Textiles, 8/16/93 through 12/18/93.  
Lucus, Patrick, Instructor (part-time), Interior Design, Merchandising, and Textiles, 8/16/93 through 12/18/93.  
O'Malley, Angie, Instructor (part-time), Administration, 8/16/93 through 12/18/93.  
Ortwein, Mary, Instructor (part-time), Family Studies, 8/16/93 through 12/18/93.  
Stinnett, Daniel S., Instructor (voluntary), Nutrition and Food Science, 8/16/93 through 5/15/94.  
Strangis, Diane, Instructor (part-time), Family Studies, 8/16/93 through 5/15/94.  
Sturgill, Leslie, Instructor (part-time), Family Studies, 8/16/93 through 12/18/93.

College of Law

Alfred, Margaret, Instructor (part-time), Law, 10/1/93 through 2/28/94.  
Connelly, Allison, Instructor (part-time), Law, 10/1/93 through 2/28/94.  
Cowen, Theodore, Instructor (part-time), Law, 10/1/93 through 2/28/94.  
Crittenden, Roger L., Instructor (part-time), Law, 10/1/93 through 2/28/94.  
Dawahare, Debra, Instructor (part-time), Law, 10/1/93 through 2/28/94.  
Durant, Susan S., Instructor (part-time), Law, 10/1/93 through 2/28/94.  
Gardner, Edward W., Instructor (part-time), Law, 10/1/93 through 2/28/94.  
Gilbert, Theresa C., Instructor (part-time), Law, 10/1/93 through 2/28/94.  
Hayden, Mark T., Instructor (part-time), Law, 10/1/93 through 2/28/94.  
Meuser, Judith K., Instructor (part-time), Law, 10/1/93 through 2/28/94.  
Taylor, James W., Instructor (part-time), Law, 10/1/93 through 2/28/94.  
Yunker, Katherine, Instructor (part-time), Law, 10/1/93 through 2/28/94.

Office of Undergraduate Studies

Holmes, Charles M., Instructor (part-time), Honors, 8/1/93 through 12/31/93.  
Rooney, Audrey Heyman, Instructor (part-time), Honors, 8/1/93 through 12/31/93.

B. ADMINISTRATIVE APPOINTMENTS

College of Arts and Sciences

Cheal-Yang, Young, Visiting Scholar, Political Science, 7/1/93 through 6/30/94.

College of Human Environmental Sciences

Edwards, Carolyn P., Professor (with tenure), Family Studies, appointed Acting Chair, Family Studies, 8/16/93 through 5/15/94.

C. ADMINISTRATIVE APPOINTMENTS CHANGES

College of Fine Arts

Jones, Russell E., Associate Professor\* (with tenure), Theatre, to change from Acting Chair, Theatre, 1/1/94 through 6/30/94, to Acting Chair, Theatre, 7/1/93 through 6/30/94.

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\* Special Title Series

D. REAPPOINTMENTS

College of Architecture

Guyon, Scott, Assistant Professor (part-time),  
Architecture, 8/16/93 through 5/15/94.  
Jacobs, Michael, Assistant Professor (part-time),  
Architecture, 8/16/93 through 5/15/94.

College of Arts and Sciences

Appleton, Thomas H. Jr., Instructor (part-time),  
History, 8/16/93 through 12/31/93.  
Battista, Philip A., Instructor (part-time), Sociology,  
8/16/93 through 12/31/93.  
Buck, Patrick L., Instructor (part-time), Spanish and  
Italian, 8/16/93 through 12/31/93.  
Cooley, Paul, Instructor (part-time), Mathematics,  
8/16/93 through 12/31/93.  
Egan, Thomas P., Instructor (part-time), Sociology,  
8/16/93 through 12/31/93.  
Fazey, Mark, Instructor (part-time), Mathematics,  
8/16/93 through 12/31/93.  
Holbrook, Paul E. Jr., Instructor (part-time),  
Anthropology, 8/16/93 through 12/31/93.  
Hood, James Larry, Instructor (part-time), History,  
8/16/93 through 12/31/93.  
Jones, E. Roger, Adjunct Assistant Professor,  
Philosophy, 7/1/93 through 6/30/95.  
Jordan, Sue, Instructor (part-time), Mathematics,  
8/16/93 through 12/31/93.  
Kim, Sung Hee, Instructor (part-time), Psychology,  
8/16/93 through 12/31/93.  
Koegler, Karen, Instructor (part-time), Geography,  
8/16/93 through 12/31/93.  
Krause, Margaret, Instructor (part-time), Chemistry,  
8/16/93 through 12/31/93.  
Love, Margaret M., Instructor (part-time), Psychology,  
8/16/93 through 12/31/93.  
Mattone, Frank M., Instructor (part-time), Geography,  
8/16/93 through 12/31/93.  
Morford, Michal, Instructor (part-time), Psychology,  
8/16/93 through 12/31/93.  
Morgan, Chester M., Assistant Professor (temporary),  
History, 8/16/93 through 5/15/94.  
Moss, Tom, Instructor (part-time), Mathematics, 8/16/93  
through 12/31/93.  
Patwardhan, Manjiri, Instructor (part-time), Chemistry,  
8/16/93 through 12/31/93.  
Royster, Betty, Instructor (part-time), Mathematics,  
8/16/93 through 12/31/93.  
Scarry, John F., Adjunct Assistant Professor,  
Anthropology, 8/16/93 through 12/31/93.  
Seiler, Mike, Instructor (part-time), Mathematics,  
8/16/93 through 12/31/93.

Vanderpool, Betty, Instructor (part-time), Mathematics,  
8/16/93 through 12/31/93.  
Wells, Pamela, Instructor (part-time), Mathematics,  
8/16/93 through 12/31/93.  
Willard, Norman, Instructor (part-time), Psychology,  
8/16/93 through 12/31/93.  
Williams, Anne Marie, Instructor (part-time), Spanish  
and Italian, 8/16/93 through 12/31/93.  
Wilson, Roger, Instructor (part-time), Political  
Science, 8/1/93 through 12/31/93.

College of Business and Economics

Cooley, Edward, Instructor (part-time), Management,  
9/1/93 through 4/30/94.  
Miller, Herbert, Instructor (part-time), Management,  
9/1/93 through 4/30/94.  
Myers, L.W., Instructor (part-time), Management, 9/1/93  
through 4/30/94.

College of Communications and Information Studies

Rickert, Gregory W., Instructor (part-time),  
Communication, 8/16/93 through 12/31/93.

College of Engineering

Sethuraman, Anantha R., Adjunct Assistant Professor,  
Materials Science and Engineering, 8/16/93 through  
12/31/93.

College of Fine Arts

Fратиanni, Joseph, Instructor (part-time), Music,  
8/16/93 through 5/15/94.  
Greenberg, Nicholas, Instructor (part-time), Music,  
8/16/93 through 5/15/94.

College of Human Environmental Sciences

Baldwin, Donna, Instructor (part-time), Family Studies,  
8/16/93 through 5/15/94.  
Burchfield, Meredith, Instructor (part-time), Family  
Studies, 8/16/93 through 5/15/94.  
Burke, Ellen, Instructor (part-time), Family Studies,  
8/16/93 through 5/15/94.  
Haleman, Diana, Instructor (part-time), Family Studies,  
8/16/93 through 12/18/93.  
Hoskin, Sharla Jean, Instructor (part-time), Interior  
Design, Merchandising, and Textiles, 8/16/93  
through 5/15/94.  
Miniard, Marjorie, Instructor (voluntary), Nutrition and  
Food Science, 7/1/93 through 6/30/94.

Sullivan, Cynthia, Instructor (part-time), Nutrition and Food Science, 8/16/93 through 12/31/93.

Umscheid, Madelene, Instructor (part-time), Family Studies, 8/16/93 through 12/18/93.

Office of Undergraduate Studies

Campbell, Diane Hudson, Instructor (part-time), Honors, 8/1/93 through 12/31/93.

Tunberg, Jennifer Morrish, Instructor (part-time), Honors, 8/1/93 through 12/31/93.

E. LEAVES OF ABSENCE

College of Agriculture

Harker, Candace, County Extension Agent, Cooperative Extension Service, Study leave with full salary, 9/1/93 through 2/28/94.

College of Arts and Sciences

Crawford, Eugene C., Professor (with tenure), Biological Sciences, Sick leave with full salary, Fall Semester 1993.

College of Business and Economics

Pakath, Ram, Associate Professor (with tenure), Decision Science and Information Systems, Sabbatical leave with full salary, Spring Semester 1994.

College of Fine Arts

Stephenson, Mary A., Associate Professor\* (with tenure), Theatre, Sick leave with full salary, Fall Semester 1993.

F. LEAVES OF ABSENCE CHANGES

College of Business and Economics

Skinner, Steven J., Professor (with tenure), Marketing, and Chair, Marketing, to rescind Sabbatical leave with full salary, Fall Semester 1993.

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\* Special Title Series

MEDICAL CENTER

I. BOARD ACTION

A. ACADEMIC APPOINTMENTS

College of Medicine

Chawla, Rajendar K., Research Professor (without tenure), Internal Medicine, joint appointment as Research Professor (without tenure), College of Allied Health Professions, Department of Clinical Sciences, 9/1/93 through 6/30/94.

Walker, John R., Assistant Professor, Pediatrics, 10/11/93 through 6/30/94.

College of Pharmacy

Bolinger, Ann, Associate Professor (without tenure) (part-time), 9/1/93 through 6/30/94.

B. ADMINISTRATIVE REAPPOINTMENTS

College of Medicine

Powell, Deborah E., Professor (with tenure), Pathology and Laboratory Medicine, named Chair, Pathology and Laboratory Medicine, 4/1/94 through 6/30/95.

C. PROMOTIONS

College of Medicine

Baker, Robert S., Associate Professor (with tenure), Ophthalmology, joint appointment as Associate Professor (without tenure), Surgery, also joint appointments as Assistant Professor, Pediatrics and Neurology, to Associate Professor (with tenure), Ophthalmology, joint appointments as Associate Professor (without tenure), Surgery, Pediatrics and Neurology, effective 10/1/93.

D. CHANGES

College of Medicine

Kavanaugh, Kevin T., from Assistant Professor (voluntary), Surgery, 7/1/93 through 6/30/94, to Associate Professor (voluntary), Surgery, 7/1/93 through 6/30/94.

E. RETIREMENTS

College of Medicine

Neal, Mildred A., Staff Assistant IX, Psychiatry, after 28 consecutive years of service, under AR II-1.6-1 Section III.B, effective 9/30/93.

F. EARLY RETIREMENTS

College of Dentistry

Crawford, Bonnie R., Dental Therapist Supervisor, Kentucky Clinic, after 19.6 consecutive years of service, under AR II-1.6-1 Section III.A.2, effective 10/1/93.

University Hospital

Green, Frances C., Radiology Assistant, Diagnostic Radiology, after 15 consecutive years of service, under AR II-1.6-1 Section III.A.2, effective 11/1/93.

Gumbert, Mary Jo, Staff Tech II, Pathology CCL, after 32.5 consecutive years of service, under AR II-1.6-1 Section III.A.1, effective 8/11/93.

Reed, Thordis H., Film Library Assistant, Diagnostic Radiology, after 27.9 consecutive years of service, under AR II-1.6-1 Section III.A.2, effective 10/15/93.

II. ADMINISTRATIVE ACTION

A. ACADEMIC APPOINTMENTS

College of Dentistry

Horn, Leslie C., Assistant Professor (voluntary), Oral Health Practice, 9/22/93 through 6/30/94.



Meece, Fred E., Assistant Professor (part-time), Oral Health Practice, 10/1/93 through 6/30/94.

College of Medicine

Abhyankar, Sunil H., Assistant Professor (voluntary), Pediatrics, 9/22/93 through 6/30/94.  
Adkins, Henry G., Assistant Professor (voluntary), Family Practice, 9/22/93 through 6/30/94.  
Ahmad, Fazal H., Assistant Professor (voluntary), Surgery, 9/22/93 through 6/30/94.  
Andres, Douglas A., Assistant Professor, Biochemistry, 10/1/93 through 6/30/94.  
Blomquist, Kathleen, Assistant Professor (part-time), Preventive Medicine and Environmental Health, 10/1/93 through 6/30/94.  
Douglas, David W., Assistant Professor (voluntary), Family Practice, 8/18/93 through 6/30/94.  
Ingram, Thomas G., Assistant Professor (voluntary), Family Practice, 9/22/93 through 6/30/94.  
Jackson, Stephen, Assistant Professor (voluntary), Surgery, 9/22/93 through 6/30/94.  
Life, Darrell D., Assistant Professor (voluntary), Family Practice, 9/22/93 through 6/30/94.  
McBrayer, John D., Assistant Professor (voluntary), Internal Medicine, 9/1/93 through 6/30/94.  
McClintock, Timothy, Assistant Professor, Physiology and Biophysics, 1/1/94 through 6/30/94.  
McGee, Barbara, Assistant Professor (part-time), Psychiatry, 10/1/93 through 6/30/94.  
Newhall, Melissa, Assistant Professor (voluntary), Family Practice, 9/22/93 through 6/30/94.  
Ross, Charles B., Assistant Professor (voluntary), Surgery, 9/22/93 through 6/30/94.  
Ward, Peter A., Assistant Professor (voluntary), Surgery, 9/22/93 through 6/30/94.

College of Nursing

Cowley, Jennifer B., Instructor (part-time), 8/1/93 through 6/30/94.  
Knollmueller, Ruth N., Visiting Lecturer (part-time), 10/1/93 through 6/30/94.

College of Pharmacy

Acton, Jane, Instructor (voluntary), 8/27/93 through 6/30/94.  
Altman, Gerald L., Instructor (voluntary), 8/27/93 through 6/30/94.

Carnes, Tim, Instructor (voluntary), 8/27/93 through 6/30/94.  
Dunehew, Allen R., Instructor (voluntary), 8/27/93 through 6/30/94.  
Eubank, David O., Instructor (voluntary), 8/27/93 through 6/30/94.  
Fleming, William K., Instructor (voluntary), 8/27/93 through 6/30/94.  
Fort, Patience N., Instructor (voluntary), 8/27/93 through 6/30/94.  
Knifley, Jerry W., Instructor (voluntary), 8/27/93 through 6/30/94.  
Miller, Sherri L., Instructor (voluntary), 8/27/93 through 6/30/94.  
Ranz, Thomas T., Assistant Professor (part-time), 9/1/93 through 6/30/94.  
Slone, Patricia A., Instructor (voluntary), 8/27/93 through 6/30/94.  
Tucker, Barry D., Instructor (voluntary), 8/27/93 through 6/30/94.

B. ADMINISTRATIVE REAPPOINTMENTS

College of Medicine

DeSimone, Philip A., Professor (with tenure), Radiation Medicine, named Acting Chair, Radiation Medicine, 7/1/93 through 6/30/94.

C. JOINT APPOINTMENTS

College of Medicine

Anstead, Michael, Instructor (part-time), Internal Medicine, joint appointment as Instructor (part-time), Pediatrics, 10/1/93 through 6/30/94.  
Gaines, Scott E., Assistant Professor (voluntary), Family Practice, joint appointment as Assistant Professor (voluntary), Emergency Medicine, 9/22/93 through 6/30/94.

D. CHANGES

College of Medicine

Pettigrew, Anjana L., from Assistant Professor, Pathology and Laboratory Medicine, to Clinical Assistant Professor, Pathology and Laboratory Medicine, 10/1/93 through 6/30/94.

College of Pharmacy

Arcot, Santosh S., from Assistant Professor, 9/1/93  
through 6/30/94, to Assistant Research Professor,  
9/1/93 through 6/30/94.

Aziz, Shewan M., from Assistant Professor, 9/1/93  
through 6/30/94, to Assistant Research Professor,  
9/1/93 through 6/30/94.

Chavan, Ashok J., from Assistant Professor, 9/1/93  
through 6/30/94, to Assistant Research Professor,  
9/1/93 through 6/30/94.

Office of the President  
September 21, 1993

PR 5A

Members, Board of Trustees:

APPOINTMENT OF DEAN OF THE COLLEGE OF ARCHITECTURE

Recommendation: that David Mohny be named Dean of the College of Architecture, effective January 1, 1994.

Background: Jose Oubrierie resigned as Dean of Architecture in 1991. Clyde Carpenter accepted the acting deanship in 1991 and has continued to serve in that capacity. A national search was begun in the Fall of 1991 and more than one hundred applications and nominations were received. Three finalists visited campus during the Spring of 1993 and were interviewed extensively by faculty, staff, students, administrators, and alumni.

David Mohny was recommended by the search committee and the Chancellor of the Lexington Campus. He is currently a partner in the firm of Chan and Mohny Architecture in New York City. He graduated magna cum laude from Harvard University in 1977 and received a master's degree in architecture from Princeton University in 1981. From 1981-85, he served as a lecturer, fellow, and associate director of the Institute for Architecture and Urban Studies in New York. In 1985-86, he was a visiting critic in design at the Harvard University Graduate School of Design. Also in 1985, he joined Joan Chan to form the firm of Chan and Mohny Architecture. He is the co-editor of Seaside: Making a Town in America and has published several articles in Architectural Record.

The University is pleased to have attracted such an outstanding candidate to become Dean of the College of Architecture.

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Action taken: Approved  Disapproved  Other

Date: September 21, 1993

Office of the President  
September 21, 1993

PR 5B

Members, Board of Trustees:

APPOINTMENTS/REAPPOINTMENTS TO UNIVERSITY OF KENTUCKY  
MINING ENGINEERING FOUNDATION

**Recommendation:** that approval be given to the appointment/  
reappointment of the following as members to the Board of Directors of  
the University of Kentucky Business Mining Engineering Foundation for  
four-year terms.

APPOINTMENTS

Steven F. Leer  
William M. Mason  
Jack Whitaker

REAPPOINTMENTS

Stonie Barker  
Catesby W. Clay  
Tom Duncan  
Robert E. Garbesi  
D. J. Patton  
William R. Stamler  
William B. Sturgill

**Background:** These appointees/reappointees were unanimously elected to  
the Board of Directors of the University of Kentucky Mining  
Engineering Foundation at their June 4, 1993 meeting. These  
appointments/reappointments require approval by the Board of Trustees  
in accordance with the Articles of Incorporation for the University of  
Kentucky Mining Engineering Foundation approved by the Board of  
Trustees at its meeting on December 14, 1982.

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Action taken: Approved  Disapproved  Other

Date: September 21, 1993

Office of the President  
September 21, 1993

PR 6A

Members, Board of Trustees:

CHANGE IN DEGREE TITLE

Recommendation: that the Board of Trustees approve the change in the degree title Ph.D. and M.S. in Anatomy to Ph.D. and M.S. in Anatomy and Neurobiology.

Background: This change in degree title was approved by the Graduate Council and by the University Senate. The department name change was accomplished in 1987 and through an oversight the name of the Ph.D. and Master's programs were not changed at the same time. The change in the departmental and doctoral and master's program name reflects the research emphasis of the department.

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Action taken: Approved  Disapproved  Other

Date: September 21, 1993

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Office of the President  
September 21, 1993

PR 6 B

Members, Board of Trustees:

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

Recommendation: that Kay Shropshire Bell be appointed a member of the Board of Directors of the University Hospital of the Albert B. Chandler Medical Center, Inc. for a term to expire on June 30, 1998.

Background: The Bylaws of the University Hospital corporation require that its Board of Directors consist of five (5) members appointed by the Board of Trustees from among their number. Mrs. Bell will replace Mr. James L. Rose.

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Action taken: Approved  Disapproved  Other

Date: September 21, 1993

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Office of the President  
September 21, 1993

# FCR 1

Members, Board of Trustees:

ACCEPTANCE OF AUDIT REPORT  
FOR THE UNIVERSITY OF KENTUCKY FOR 1992-93

Recommendation: that the Board of Trustees accept the University of Kentucky financial statements for the year ended June 30, 1993, consisting of the Consolidated Balance Sheet, Consolidated Statement of Changes in Fund Balances, Consolidated Statement of Current Funds Revenues, Expenditures and Other Changes, Summary of Significant Accounting Policies, and Notes to the Financial Statements.

Background: The Finance Committee of the University of Kentucky has reviewed the consolidated financial statements for the year ended June 30, 1993, which have been audited by Coopers & Lybrand, Certified Public Accountants. The consolidated financial statements are presented on a comparative basis for fiscal years 1991-92 and 1992-93, and include the financial operations of the University of Kentucky and its affiliated corporations, consisting of the University of Kentucky Research Foundation, The Fund for Advancement of Education and Research in the University of Kentucky Medical Center, University of Kentucky Athletic Association, University of Kentucky Mining Engineering Foundation, Inc., University of Kentucky Business Partnership Foundation, Inc., University of Kentucky Humanities Foundation, Inc., University of Kentucky Equine Research Foundation, Inc., University of Kentucky Center on Aging Foundation, Inc., and Health Care Collection Service, Inc.

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Action taken: Approved  Disapproved  Other

Date: September 21, 1993



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REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Trustees of the  
University of Kentucky

and

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

We have audited the accompanying consolidated balance sheet of the University of Kentucky (an agency of the Commonwealth of Kentucky) and affiliated corporations as of June 30, 1993, and the related consolidated statements of changes in fund balances and current funds revenues, expenditures, and other changes for the year then ended. We previously audited and reported on the consolidated financial statements of the University for the year ended June 30, 1992, for which certain condensed statements are presented for comparative purposes only. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the University of Kentucky and affiliated corporations as of June 30, 1993, and the consolidated changes in fund balances and current funds revenues, expenditures, and other changes for the year then ended in conformity with generally accepted accounting principles.



Lexington, Kentucky  
August 27, 1993

**CONSOLIDATED BALANCE SHEET  
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS  
JUNE 30, 1993**

with comparative totals at June 30, 1992  
(in thousands)

	1993				1992	
	Current Funds	Loan Funds	Endowment Funds	Plant Funds	Totals	Totals
<b>ASSETS</b>						
Cash and cash equivalents	\$ 61,643	\$ 2,225	\$ 2,858	\$ 164,690	\$ 231,424	\$ 239,978
Notes, loans and accounts receivable (less bad debt allowances of \$8,405 in 1993 and \$7,209 in 1992)	83,717	17,730	813	4,520	106,780	95,936
Investments	58,471		97,074	37,627	193,172	219,521
Property, plant and equipment				1,052,856	1,052,856	1,020,302
Inventories and other	12,025				12,025	11,659
<b>Total Assets</b>	<b>\$ 215,856</b>	<b>\$ 19,955</b>	<b>\$ 100,745</b>	<b>\$ 1,259,701</b>	<b>\$ 1,596,257</b>	<b>\$ 1,587,396</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ 15,667	\$ 2		\$ 5,202	\$ 20,871	\$ 18,654
Accrued expense	24,011			3,916	27,927	28,015
Employee withholdings and deposits	9,829				9,829	9,955
Other liabilities	1,615			1,280	2,895	2,801
Liability for self insurance	21,596				21,596	20,349
Deferred income	10,626				10,626	10,260
Bonds payable				314,189	314,189	354,599
Capital lease obligations				37,444	37,444	44,828
<b>Total Liabilities</b>	<b>83,344</b>	<b>2</b>		<b>362,031</b>	<b>445,377</b>	<b>489,461</b>
<b>Interfund Balances</b>	<b>3,734</b>		<b>\$ 59</b>	<b>(3,793)</b>		
<b>Fund Balances</b>						
Current-Unrestricted						
Working capital	71,122				71,122	67,414
Future operations	14,324				14,324	16,635
Other	5,487				5,497	2,225
Current-Restricted	37,845				37,845	33,893
Loan						
Unrestricted		69			69	69
Restricted		3,698			3,698	3,546
U.S. Government		16,186			16,186	15,499
Endowment						
True			60,737		60,737	53,404
Term			3,261		3,261	3,147
Quasi:			35,195		35,195	30,969
Annuity and life income			1,493		1,493	
Plant						
Unrestricted allocated for designated projects				106,238	106,238	85,116
Restricted				32,234	32,234	30,061
Net investment in plant				762,991	762,991	756,057
<b>Total Fund Balances</b>	<b>128,778</b>	<b>19,953</b>	<b>100,686</b>	<b>901,463</b>	<b>1,150,880</b>	<b>1,097,935</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 215,856</b>	<b>\$ 19,955</b>	<b>\$ 100,745</b>	<b>\$ 1,259,701</b>	<b>\$ 1,596,257</b>	<b>\$ 1,587,396</b>

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

**CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCES**  
**UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS**  
**FOR THE YEAR ENDED JUNE 30, 1993**  
(in thousands)

	1993				
	Current Funds	Loan Funds	Endowment Funds	Plant Funds	Total
<b>REVENUES AND OTHER ADDITIONS</b>					
Unrestricted current fund revenues	\$ 720,959				\$ 720,959
Gifts	12,304	\$ 3	\$ 4,816	\$ 2,545	19,668
Endowment and investment income	6,510	535	3,977	13,461	24,483
Endowment gains and losses			5,697		5,697
Grants and contracts	112,906	688		2,011	115,605
Proceeds of refunding bonds				64,795	64,795
Plant facilities transferred to investment in plant (including \$21,556 charged to current expenditures)				51,913	51,913
Retirement of indebtedness				38,990	38,990
Other sources	364			248	612
<b>Total Revenues</b>	<b>853,043</b>	<b>1,228</b>	<b>14,490</b>	<b>173,963</b>	<b>1,042,722</b>
<b>EXPENDITURES AND OTHER DEDUCTIONS</b>					
Unrestricted current fund expenditures	639,598				639,598
Restricted current fund expenditures	121,432				121,432
Plant facilities transferred to investment in plant				23,343	23,343
Payments to refunded bond escrow agents				57,144	57,144
Noncapitalized expenditures				8,238	8,238
Retirement of indebtedness				51,158	51,158
Interest on indebtedness				22,625	22,625
Arbitrage rebate				192	192
Debt increase from refunding				7,080	7,080
Disposal of plant facilities				56,479	56,479
Other deductions		446		2,042	2,488
<b>Total Expenditures</b>	<b>761,030</b>	<b>446</b>		<b>228,301</b>	<b>989,777</b>
<b>TRANSFERS AMONG FUNDS - ADDITIONS/(DEDUCTIONS)</b>					
Mandatory:					
Debt service					
Educational and general	(34,121)			34,121	
Hospital and clinics	(2,083)			2,083	
Auxiliary enterprises	(2,175)			2,175	
Lease payments - educational and general	(1,417)			1,417	
Matching grants	(59)	59			
<b>Total Mandatory Transfers</b>	<b>(39,855)</b>	<b>59</b>		<b>39,796</b>	
<b>Net Increase/(Decrease) Before Nonmandatory Transfers</b>	<b>52,158</b>	<b>839</b>	<b>14,490</b>	<b>(14,542)</b>	<b>52,945</b>
Nonmandatory:					
Plant					
Educational and general	(13,390)			13,390	
Hospital	(24,814)			24,814	
Auxiliary enterprises	(2,221)			2,221	
Endowment and other	(3,122)		(1,224)	4,346	
<b>Total Nonmandatory Transfers</b>	<b>(43,547)</b>		<b>(1,224)</b>	<b>44,771</b>	
<b>Net Increase for the Year</b>	<b>8,611</b>	<b>839</b>	<b>13,266</b>	<b>30,229</b>	<b>52,945</b>
<b>Fund Balances, June 30, 1992</b>	<b>120,167</b>	<b>19,114</b>	<b>87,420</b>	<b>871,234</b>	<b>1,097,935</b>
<b>Fund Balances, June 30, 1993</b>	<b>\$ 128,778</b>	<b>\$ 19,953</b>	<b>\$ 100,686</b>	<b>\$ 901,463</b>	<b>\$ 1,150,880</b>

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

**CONSOLIDATED STATEMENT OF CURRENT FUNDS  
REVENUES, EXPENDITURES AND OTHER CHANGES  
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS  
FOR THE YEAR ENDED JUNE 30, 1993**  
with comparative totals for June 30, 1992  
(in thousands)

	1993			1992
	Unrestricted	Restricted	Total	Total
<b>REVENUES</b>				
Educational and general				
Student tuition and fees	\$ 97,124		\$ 97,124	\$ 88,774
Government appropriations				
Federal	14,277		14,277	15,108
State	303,779		303,779	312,686
County	4,939		4,939	4,904
Government grants and contracts				
Federal	839	\$ 77,187	78,026	65,517
State	662	21,275	21,937	21,787
Private gifts and grants	2,224	18,114	20,338	23,615
Indirect cost reimbursement	12,882		12,882	10,969
Endowment income	775	5,202	5,977	6,226
Investment income	5,281	483	5,764	7,541
Sales and services	30,148		30,148	25,680
Other sources	48	297	345	1,046
Total educational and general	472,978	122,558	595,536	583,853
Hospital and clinics	194,506		194,506	196,021
Auxiliary enterprises	53,475	5	53,480	52,123
Total Revenues	720,959	122,563	843,522	831,997
<b>EXPENDITURES</b>				
Educational and general				
Instruction	191,489	11,835	203,324	204,984
Research	39,400	53,263	92,663	87,836
Public service	58,633	10,986	69,619	68,821
Libraries	15,036	286	15,322	15,138
Academic support	28,347	2,363	30,710	32,037
Student services	19,558	329	19,887	20,681
Institutional support	34,863	417	35,280	35,934
Operation and maintenance	33,983	98	34,081	34,867
Student financial aid	10,370	38,226	48,596	45,227
Other expenses		378	378	228
Total educational and general	431,679	118,181	549,860	545,753
Hospital and clinics	163,078		163,078	161,779
Auxiliary enterprises	44,841	3,252	48,093	47,246
Total Expenditures	639,598	121,433	761,031	754,778
Mandatory Transfers:				
Debt service				
Educational and general	32,671	1,450	34,121	30,878
Hospital and clinics	2,083		2,083	2,194
Auxiliary enterprises	2,175		2,175	2,186
Lease payments - educational and general	1,416		1,416	2,162
Matching grants	379	(320)	59	62
Total Expenditures and Mandatory Transfers	678,322	122,563	800,885	792,260
<b>OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS)</b>				
Nonmandatory Transfers:				
Plant fund				
Educational and general	(8,773)	(4,617)	(13,390)	(12,013)
Hospital and clinics	(24,814)		(24,814)	(24,445)
Auxiliary enterprises	(2,221)		(2,221)	(2,283)
Endowment and other	(2,196)	(926)	(3,122)	(490)
Excess restricted receipts over transfer to revenues		9,521	9,521	6,032
Total Other Transfers and Additions/(Deductions)	(38,004)	3,978	(34,026)	(33,199)
Net Increase in Fund Balances	\$ 4,633	\$ 3,978	\$ 8,611	\$ 6,538

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

## UNIVERSITY OF KENTUCKY

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Scope of Statements

The consolidated financial statements of the University of Kentucky (the University) include the operations of the University and its affiliated corporations as follows: The University of Kentucky Research Foundation; The Fund for Advancement of Education and Research in the University of Kentucky Medical Center; University of Kentucky Athletic Association, Inc.; Health Care Collection Service, Inc.; University of Kentucky Mining Engineering Foundation, Inc.; University of Kentucky Business Partnership Foundation, Inc.; University of Kentucky Equine Research Foundation, Inc.; University of Kentucky Humanities Foundation, Inc.; and Center on Aging Foundation, Inc.

All significant balances and transactions among the above entities have been eliminated.

#### Accrual Basis

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

#### Fund Accounting

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

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

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

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

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

All unrestricted revenue is accounted for in the unrestricted fund.

#### Current Funds

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

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

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

#### Cash and cash equivalents

Cash and cash equivalents include investments with a maturity of three months or less. These funds are deposited in local bank accounts (of which \$425,427 is insured by FDIC), in U.S. Government/agency repurchase agreements (\$47,200,201), and with the State Treasurer. All cash and cash equivalents on deposit with local banks and the State Treasurer are insured by federal depository insurance or secured by U.S. Government/agency securities held by the University or its agents in the University's name.

#### Investments

Investments are stated at cost or, in the case of gifts, at market value at the date of donation. The specific identification method is used for purposes of determining the cost of securities sold.

#### Inventories

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

#### Liability for Self-Insurance

The University and its agents are insured against medical malpractice by a combination of self-insurance and an excess liability fund established by the Commonwealth of Kentucky. As of June 30, 1993, the University has a malpractice liability reserve of \$16,316,473.

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

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

#### Land, Buildings, and Equipment

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

NOTES TO FINANCIAL STATEMENTS

1. Notes, Loans and Accounts Receivable

Notes, loans and accounts receivable as of June 30, 1993, net of allowances, are as follows:

	(in thousands)
Current funds:	
Hospital	
Third-party payor receivables; Medicare, Medicaid and other	\$ 37,819
Private pay and other receivables	4,410
Estimated settlements with third-party payors	<u>5,613</u>
Total hospital receivables	48,142
Reimbursable costs - grants and contracts	13,677
Receivable from the Kentucky Medical Services Foundation, Inc.	7,713
Other	<u>14,185</u>
Total current fund receivables	<u>83,717</u>
Loan funds:	
Student notes receivable	<u>17,730</u>
Endowment funds:	
Accrued interest receivable	<u>813</u>
Plant funds:	
Accrued interest receivable	1,654
Bond proceeds receivable	<u>2,866</u>
Total plant funds receivables	<u>4,520</u>
Total notes, loans and accounts receivable	<u>\$106,780</u>

2. Investments

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

June 30, 1993	(in thousands)	
Type of investment	<u>Carrying Value</u>	<u>Approximate Market Value</u>
United States Government	\$136,761	\$141,911
Common and preferred stocks	23,899	27,593
Corporate bonds	22,007	24,251
Cash and cash equivalents	8,113	8,113
Repurchase agreement	2,128	2,128
State and municipal bonds	162	162
Other	102	102
	<u>\$193,172</u>	<u>\$204,260</u>



	(in thousands)	
Fund group	<u>Carrying Value</u>	<u>Approximate Market Value</u>
Current unrestricted	\$ 5,455	\$ 5,456
Current restricted	53,016	53,869
Endowment	97,074	105,184
Plant	<u>37,627</u>	<u>39,751</u>
	<u>\$193,172</u>	<u>\$204,260</u>

All investments of the University are registered in the name of the University of Kentucky or held in the University's name by its agents and trustees.

### 3. Investment in Plant

The major components of property, plant and equipment as of June 30, 1993 are as follows:

	(in thousands)
Land and improvements	\$ 59,775
Buildings and structures	614,565
Equipment and library books	329,793
Construction in progress	<u>48,723</u>
	<u>\$ 1,052,856</u>

### 4. Change in Capitalization

In June 1993, the University revised its capitalization policy to increase the moveable equipment reporting threshold from \$300 to \$1,000. Equipment capitalized prior to this date at an original cost of less than \$1,000 totaling \$14,832,293 has been deleted as a result of this policy change. In addition, fully depreciated moveable equipment costing less than \$5,000 and which totaled \$35,474,260 was deleted from the equipment inventory records. These amounts are included in disposal of plant facilities in the consolidated statement of changes in fund balances.

### 5. Bonds Payable

Bonds payable at June 30, 1993, consist of the following:

	(in thousands)	
	<u>Outstanding</u>	<u>Current Maturities 1993-94</u>
Lexington Campus and Medical Center:		
Consolidated Educational Buildings Revenue Bonds, issued 1970 to 1993, maturities to 2012, interest rates 3.0% to 8.45%.	\$149,200	\$ 8,260
Consolidated Housing and Dining System Revenue Bonds, issued 1965 to 1993, maturities to 2023, interest rates 2.75% to 7.0%.	26,491	1,440
Others, issued 1956 to 1968, maturities to 1998, interest rates 4.0% to 5.4%.	188	58
Hospital Revenue Bonds, issued 1993, maturities to 2006, interest rates 2.5% to 5.5%.	21,280	1,040

	(in thousands)	
	<u>Outstanding</u>	<u>Current Maturities 1993-94</u>
Community Colleges:		
Consolidated Educational Buildings		
Revenue Bonds, issued 1969 to 1993,		
maturities to 2011, interest rates 3.0% to 7.5%.	117,030	4,450
Total	<u>\$314,189</u>	<u>15,248</u>
Interest		<u>18,182</u>
Total debt service for 1993-94		<u>\$ 33,430</u>

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

(in thousands)	
1994	\$15,248
1995	16,070
1996	17,012
1997	18,006
1998	19,092

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

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

For the year ended June 30, 1993, the University defeased certain revenue bonds by irrevocably placing the proceeds of new refunding bonds on deposit with bond trustees. Defeased bonds were \$18,980,000 Series A Hospital Revenue Bonds; \$6,535,000 Series K and \$6,120,000 Series F Consolidated Educational Buildings Revenue Bonds; and \$6,695,000 Series D, \$1,930,000 Series E, and \$17,455,000 Series G Community College Educational Buildings Revenue Bonds, for a total of \$57,715,000. The amounts placed on deposit with the Trustees will provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements. At June 30, 1993, \$69,269,000 of defeased bonds are outstanding.

The refunding of the defeased bonds decreased the University's total debt service payments over the next seventeen years by \$4,400,841 representing an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$3,152,149.

#### 6. Capital Lease Obligations

The University has utilized capital leases to acquire the following: Woodford County farm, \$11,500,000; football stadium, \$11,699,545; life safety improvements to buildings, \$16,749,104; and various items of equipment, \$35,618,419.

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

(in thousands)

1994	\$ 8,775
1995	4,921
1996	3,031
1997	2,765
1998	2,622
1999-2012	<u>34,331</u>
Total	56,445
Less: Amount representing interest	<u>(19,001)</u>
Present value of net minimum lease payment	<u>\$37,444</u>

7. Funds Held in Trust by Others

The University is the income beneficiary of various trusts which are held and controlled by independent trustees. For the years ended June 30, 1993 and 1992, the University received income from these trusts amounting to \$1,118,773 and \$942,995, respectively. The University has no equity interest in the principal of the trusts which, accordingly, is recorded at a nominal value of \$1 each. The 1993 income received from these trusts is recorded in the current unrestricted fund for \$425,521 and in the current restricted fund for \$693,252.

8. Pension Plans

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

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

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

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

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

Under these fully funded group retirement plans, the University and plan participants make annual contributions to provide fully vested retirement benefits to employees upon retirement. The University's share of costs for these plans was \$29,199,173 and \$28,349,524 for 1993 and 1992, respectively. The University makes retirement contributions to the U.S. Civil Service for certain Cooperative Extension Service Employees in the College of Agriculture. These contributions amounted to \$1,166,784 and \$1,233,028 for 1993 and 1992, respectively.

In addition to retirement benefits provided from the group retirement plans, the University provides supplemental retirement income benefits to certain eligible employees in each of the retirement groups (see Note 9).

9. Minimum Annual Retirement Benefits and Supplemental Retirement Income

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

The costs of supplemental retirement income benefits are not accrued but are recognized when payments are made to retirees. Supplemental retirement benefit payments were \$4,459,258 for 1993 and \$4,490,962 for 1992. The projected estimate of annual payments for supplemental retirement benefits for each of the next five fiscal years is as follows:

	(in thousands)
1994	\$4,635
1995	4,600
1996	4,550
1997	4,500
1998	4,450

The Legislature of the Commonwealth of Kentucky has appropriated funds to the University for the payment of supplemental retirement income benefits since adoption of the group retirement plans, and is expected to continue this practice, however the Constitution of the Commonwealth of Kentucky prohibits the commitment of future revenues beyond the end of the current biennium. Accordingly, the University does not recognize the liability for supplemental retirement income benefits during the service life of covered employees, but recognizes its costs when funds are appropriated by the Legislature and payments are made. The University intends to continue paying supplemental retirement income benefits contingent upon the Legislature continuing to appropriate funds required to make these payments.

The latest actuarial valuation was prepared as of December 31, 1991 by TIAA. The actuarial present value of vested and non-vested accumulated supplemental retirement income benefits as determined by this valuation, utilizing an assumed rate of return of 8%, was \$37,271,000.

10. Health Insurance Benefits for Retirees

The University provides health care benefits to retirees who have a minimum of fifteen years service. The University recognizes the cost of providing those benefits by expensing the insurance premiums in the year paid. These premiums were \$1,658,882 and \$1,360,314 for the years ended June 30, 1993 and 1992, respectively. At June 30, 1993, 1,500 retirees met the service requirement and were receiving benefits.

11. Construction Commitments

The estimated cost to complete construction under contract at June 30, 1993 is approximately \$57,531,000. Such construction is principally financed by Commonwealth of Kentucky appropriations and long-term bonds payable.

12. Contingencies

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

13. Pledges

Pledges totaling approximately \$17,690,000, including \$9,023,000 relating to the Commonwealth Library Campaign, are expected to be collected over the next ten years. Deferred gifts through insurance, known bequests and irrevocable trusts in which the University has a remainder interest are estimated to be at least \$21,000,000.

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

14. Grants and Contracts Awarded

At June 30, 1993, grants and contracts of \$73,328,368 had been awarded to the University and the University of Kentucky Research Foundation but not expended. These amounts will be recognized in future periods as revenues and expenditures as the funds are expended.

15. Reclassifications

Certain account classifications for fiscal 1992 have been reclassified to reflect comparability with account classifications adopted for fiscal 1993 with no effect on previously reported fund balances.

Office of the President  
September 21, 1993

## FCR 2

Members, Board of Trustees:

### Disposal of Personal Property

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

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

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Action taken: Approved  Disapproved  Other

Date: September 21, 1993

**UNIVERSITY OF KENTUCKY**

**SALE OF SURPLUS TELEPHONE SWITCH**

Type of Disposal: Sealed Bid

Reason: This equipment is surplus to the needs of the University because it has been replaced by a larger more technologically advanced model.

Sale Date: December 18, 1993

Items: GTD-4600 telephone switch.

Office of the President  
September 21, 1993

**FCR 3**

Members, Board of Trustees:

REPORT OF LEASES

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

The renewal of a lease between the Human Development Institute and Community Development, 305 West Main Street, Frankfort, Kentucky, property located at 859 East Main Street, Frankfort, Kentucky, effective October 1, 1993 through September 30, 1994, for the use of office space, rental rate of \$4,200.00, be accepted and made a matter of record.

A new lease between Center for Rural Health and Barbara Sellers, P. O. Box 53, Hazard, Kentucky, property located on Upper Second Creek Road, Hazard, Kentucky, effective September 21, 1993 through June 30, 1994, for the use of an apartment for transient faculty, rental rate of \$5,400.00, be accepted and made a matter of record.

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

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Action taken: Approved  Disapproved  Other

Date: September 21, 1993



FCR 4

Members, Board of Trustees:

1993-94 Budget Revisions  
Central Administration

Recommendation: that the following revisions in the 1993-94 budget be authorized and approved.

	<u>Approved</u> <u>Budget</u>	<u>Revised</u> <u>Budget</u>	<u>Change</u>
<b>A. GENERAL FUND</b>			
1. Income Estimates			
Student Fees			
Self-Supporting			
Noncredit Fees	\$ 8,267,100	\$ 8,376,100	\$ 109,000
Mandatory Registration Fees	4,835,600	4,935,600	100,000
Other Fees	1,448,700	1,456,500	7,800
Gifts and Grants			
The Fund for Advancement of			
Education and Research in the			
UK Medical Center	1,703,000	2,178,400	475,400
Federal - Agriculture	767,700	919,700	152,000
Other Gifts and Grants	2,391,500	2,749,500	358,000
Sales and Services			
Departmental Sales and Services	16,366,100	16,502,600	<u>136,500</u>
			1,338,700
2. Expenditures			
Central Administration			
Information Systems			
Communications and			
Network Systems	3,734,200	3,780,100	45,900
Computing Services	6,329,300	6,317,600	(11,700)
Libraries	10,935,000	11,035,000	100,000
Research and Graduate Studies			
Academic Affairs			
Center for Applied			
Energy Research	3,421,400	3,456,400	35,000
Community College System			
Hazard	4,536,500	4,571,500	35,000
Henderson	3,886,000	3,896,000	10,000
Jefferson	17,701,700	17,716,700	15,000
Maysville	3,408,000	3,441,500	33,500

	<u>Approved</u> <u>Budget</u>	<u>Revised</u> <u>Budget</u>	<u>Change</u>
A. <u>GENERAL FUND</u> (continued)			
2. Expenditures (continued)			
Lexington Campus			
Agricultural Public Service			
Livestock Disease Diagnostic			
Laboratory			
	\$ 2,278,400	\$ 2,518,400	\$ 240,000
Agricultural Cooperative Extension			
Service			
Assistant Director -			
Agriculture Programs			
	384,600	469,600	85,000
Entomology			
	526,200	563,200	37,000
Home Economics			
	574,100	604,100	30,000
College of Arts and Sciences			
Geology			
	800,600	808,400	7,800
College of Communications			
	2,128,200	2,128,700	500
Vice Chancellor for Administration/			
Business Affairs			
Physical Plant			
	19,587,700	19,629,800	42,100
Student Affairs			
Student Financial Aid -			
Administration			
	688,900	796,900	108,000
Medical Center			
College of Dentistry			
Office of the Dean			
	259,400	655,300	395,900
College of Medicine			
Surgery and Divisions			
	2,293,300	2,343,500	50,200
Administration and Support			
Student Services			
University Health Service			
	2,935,600	3,015,100	79,500
			<u>1,338,700</u>

3. Comments - The increase in noncredit fees supports a seminar in Research and Graduate Studies, community service and continuing education programs at Hazard and Jefferson community colleges, business and industry training at Maysville Community College, continuing education in the College of Communications, and a sports medicine symposium in the College of Medicine. The mandatory fees support student technology. The increase in other fees supports a summer field program in Geology.

The increase in gifts and grants from the Fund will support the Medical Center's University Health Service and the College of Dentistry salary supplementations. The increase in federal agriculture grants will support programs in the Cooperative Extension Service. The increase in Other Gifts and Grants will support the Henderson Community College fine arts program, the Livestock Disease Diagnostic Laboratory, and student financial aid administration.

A. GENERAL FUND (continued)

3. Comments (continued)

Programs supported by increased departmental sales and services include communications and network systems within Information Systems; student testing at Jefferson Community College; the Lexington Campus Physical Plant Department; and surgery programs in the College of Medicine. Reduced income from photographic services within Information Systems is due to the phasing out of this program during the restructuring.

	<u>Approved</u> <u>Budget</u>	<u>Revised</u> <u>Budget</u>	<u>Change</u>
B. <u>RESTRICTED FUNDS</u>			
1. Income Estimates	\$ 68,262,500	\$ 69,073,300	\$ 810,800
2. Expenditures			
Central Administration			
Research and Graduate Studies			
Graduate School	69,300	79,300	10,000
Community College System			
Elizabethtown	63,600	67,200	3,600
Hazard	440,600	444,600	4,000
Madisonville	170,500	318,500	148,000
Maysville	162,000	274,100	112,100
Somerset	269,200	304,200	35,000
Lexington Campus			
College of Agriculture			
Scholarships	211,100	218,100	7,000
Agricultural Experiment Station			
Agricultural Engineering	117,500	133,500	16,000
Agronomy	799,900	827,400	27,500
Animal Sciences	549,800	554,800	5,000
Plant Pathology	133,100	139,500	6,400
Veterinary Science	1,335,500	1,349,000	13,500
Agricultural Cooperative Extension			
Agricultural Economics	13,100	86,400	73,300
Agronomy	43,500	98,000	54,500
College of Engineering			
Center for Robotics and			
Manufacturing Systems	22,200	34,200	12,000
Student Affairs			
Scholarships	613,800	634,300	20,500
Medical Center			
College of Medicine			
Physiology and Biophysics	9,700	10,700	1,000
Medicine	1,286,000	1,540,000	254,000
Psychiatry	70,100	72,500	2,400
Student Aid	845,800	850,800	<u>5,000</u>
			810,800

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

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
<b>C. <u>AUXILIARY SERVICES</u></b>			
1. Income Estimates	\$ 37,055,800	\$ 37,244,300	\$ 188,500
2. Expenditures			
Lexington Campus			
Vice Chancellor for Administration/ Business Affairs			
Housing and Dining System			
Food Services	10,671,500	10,881,400	209,900
Housing - General Operations	10,222,900	10,201,500	<u>(21,400)</u>
			188,500
3. <u>Comments</u> - The proposed expenditure increases will be supported by additional income generated by the respective auxiliary operations. The revenue decrease will result in a decrease to expenditures in the Housing and Dining System.			

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
<b>D. <u>AFFILIATED CORPORATIONS</u></b>			
1. Income Estimates	\$104,412,100	\$105,882,200	\$ 1,470,100
2. Expenditures			
The Medical Center Fund	2,328,400	3,798,500	1,470,100
3. <u>Comments</u> - The additional income will support the Medical Center Comprehensive Liability Insurance Program. Fund balances from the FUND will support the College of Medicine's Dean's Academic Enrichment accounts, professional and staff development, and the Medical Center Library.			

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Action taken: Approved  Disapproved  Other

Date: September 21, 1993

Office of the President  
September 21, 1993

FCR 5

Members, Board of Trustees:

BIENNIAL REQUEST 1994-96

Recommendation: that the 1994-96 Biennial Request which includes both the operating and capital requests be approved for submission to the Council on Higher Education and to the Governor of the Commonwealth. Also included for Board approval is the University Land Use Plan, the Information Resources Plan, and the 1992-98 Capital Plan.

Background: The Strategic Plan and supporting land use, capital and information resources plans clarify the mission and direction of the University; the Biennial Request has been developed to accomplish the goals and objectives established within the Strategic Plan. The 1994-96 Biennial Request includes both the operating and capital request for the University and meets the guidelines for state operating appropriation and capital projects requests as developed by the Council on Higher Education pursuant to Kentucky Revised Statute Chapter 164. During the 1990 legislative session, the General Assembly enacted legislation requiring all state agencies to develop six-year capital and information resources plans which are also included within the accompanying document.

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Action taken: Approved  Disapproved  Other

Date: September 21, 1993

Office of the President  
September 21, 1993

FCR 7

Members, Board of Trustees:

EXPANSION OF LOUISVILLE MEDICAL CENTER  
STEAM AND CHILLED WATER PLANT

Recommendation: that the Board of Trustees approve and confirm the proposed Chiller Financing Agreement, and the loan commitment letter from Liberty National Bank dated July 20, 1993, both of which are attached hereto and made a part hereof; and that the Vice President for Administration be authorized and directed to execute the Chiller Financing Agreement and the Liberty loan commitment letter, and to execute such further documents as he, in his discretion, deems necessary and appropriate to consummate the transactions contemplated thereby.

Background: A number of hospitals and other non-profit corporations in the Louisville area share a common steam and chilled water plant. The Jefferson Community College is one of the users.

Several expansions of the facilities have been financed over the years through the issuance of revenue bonds. The present expansion is being financed through a loan from Liberty National Bank. However the University's commitments are not different in kind from those which would have been incurred through the issuance of bonds.

This action replaces the "Authorization to Execute Seventh Supplemental Agreement - Louisville Medical Center Steam and Chilled Water Plant" adopted by the University of Kentucky Board of Trustees under the provisions of FCR 7 dated March 2, 1993.

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Action taken: Approved  Disapproved  Other

Date: September 21, 1993



## Liberty National Bank and Trust Company

Kenneth J. Bewick  
Vice President

July 20, 1993

Mr. Oscar M. Marvin  
Executive Director  
Louisville Medical Center, Inc.  
235 Abraham Flexner Way  
Louisville, KY 40202

Dear Oscar:

I am very pleased to inform you that Liberty National Bank and Trust Company of Louisville ("LNB"), has approved the following credit facility for the Louisville Medical Center, Inc. subject to the terms and conditions listed below.

**BORROWER:** Louisville Medical Center, Inc.

**CREDIT FACILITY:** Line of credit converting to a term loan on May 1, 1994.

**PURPOSE:** Purchase and installation of a new water chilling unit at the Medical Center Commission facilities.

**AMOUNT:** \$4,000,000.00

**MATURITY:** The line of credit will mature May 1, 1994 and the term note will be due and payable in full in May 2001.

**REPAYMENT SCHEDULE:** Interest only through May 1, 1994, then equal monthly payments of principal and interest through May 1, 1996 based upon the bond amortization schedule. Beginning with the June 1, 1996 payment, equal monthly payments of principal, plus interest, based upon a 5 year maturity with a 13 year amortization.

**RATE:** The Index rate of Liberty National Bank, floating.

**COMMITMENT FEE:** 1/2 of 1% of the amount of the loan, to be paid at closing.

**SECURITY:** Unsecured

**GUARANTORS:** Alliant Hospitals, Inc. and Jewish Hospital, Inc.


Louisville Medical Center, Inc.  
July 15, 1993, page 2

OTHER TERMS AND CONDITIONS:

1. Execution and receipt of all documentation, in form acceptable to the LNB, which the LNB in its reasonable discretion deems necessary for this transaction.
2. The loan documents will contain such terms, conditions, representations, and warranties as may be reasonably required by LNB. The terms will include, but will not be limited to, an agreement by the Borrower and the Guarantors that during the first two years of the term loan portion of the facility, any negative amortization will be offset by an increase in the monthly payment.
3. The Borrower and the Guarantors agree to provide LNB with annual audited statements within 120 days of their respective year ends.
4. The Borrower agrees to reimburse LNB for all expenses associated with this transaction.

I look forward to working with you on this transaction. If you have any questions, please give me a call. Please sign below and have authorized representatives of Jewish Hospital, Inc. and Alliant Hospitals, Inc. sign below to indicate acceptance of the terms and conditions of this commitment letter. This commitment expires on August 2, 1993 unless this executed commitment letter is returned to LNB by the close of business August 2, 1993.

Sincerely,

  
Kenneth J. Bewick  
Vice President

BORROWER:  
Louisville Medical Center, Inc.  
X  
Oscar M. Marvin, Executive Director  
Date: \_\_\_\_\_

GUARANTORS:  
Jewish Hospital, Inc.  
X  
\_\_\_\_\_  
Date: \_\_\_\_\_

Alliant Hospitals, Inc.  
X  
\_\_\_\_\_  
Date: \_\_\_\_\_



## CHILLER FINANCING AGREEMENT

THIS CHILLER FINANCING AGREEMENT is made as of July 1, 1993, by and among BOARD OF TRUSTEES OF THE UNIVERSITY OF LOUISVILLE, a body corporate created and existing under and by virtue of the laws of the Commonwealth of Kentucky (hereinafter "University of Louisville"); GALEN OF VIRGINIA, INC., f/k/a Humana of Virginia, Inc., a Virginia for-profit corporation (hereinafter "Galen"); JEWISH HOSPITAL, INC., f/k/a JEWISH HOSPITAL ASSOCIATION OF LOUISVILLE, KENTUCKY, a nonprofit corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky (hereinafter "Jewish Hospital"); ALLIANT HOSPITALS, INC., f/k/a NORTON-CHILDREN'S HOSPITALS, INC., a nonprofit corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky, and successor in interest by way of merger to THE METHODIST EVANGELICAL HOSPITAL, INC., a nonprofit corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky (hereinafter "Alliant"); AMELIA BROWN FRAZIER REHABILITATION CENTER, INC., d/b/a FRAZIER REHAB CENTER, INC., f/k/a INSTITUTE OF PHYSICAL MEDICINE & REHABILITATION, INC., a nonprofit corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky (hereinafter "Institute"); BOARD OF TRUSTEES of the UNIVERSITY OF KENTUCKY, a body corporate created and existing under and by virtue of the laws of the Commonwealth of Kentucky (hereinafter "University of Kentucky"); J. GRAHAM BROWN REGIONAL CANCER CENTER CORPORATION,

a nonprofit corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky (hereinafter "Cancer Center"); and the LOUISVILLE MEDICAL CENTER, INC., a Kentucky nonprofit corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky (hereinafter "LMC");

W I T N E S S E T H:

The parties have entered into a Contract made as of the first day of May, 1968 (the "1968 Contract"), a Supplemental Contract made as of the first day of May 1972 (the "1972 Contract"), a Second Supplemental Contract made as of the first day of February 1974 (the "1974 Contract"), a Third Supplemental Contract made as of the first day of November 1977 (the "1977 Contract"), a Fourth Supplemental Contract made as of the first day of September 1980, a Fifth Supplemental Contract made as of the first day of September 1980 (the "1980 Contracts"), and a Sixth Supplemental Contract made as of the 1st day of December, 1981 ("1981 Contract"). By agreement dated December 19, 1983, University of Louisville has assigned certain of its rights and authority to Galen, the provisions of which are hereby reaffirmed and agreed to, to the extent that they are not inconsistent with the provisions herein.

The parties other than LMC are users of the Steam and Chilled Water Plant ("Plant") at 235 Abraham Flexner Way, Louisville, Kentucky. The Plant is owned and operated by Jefferson County, Kentucky, by and through its subdivision,

Medical Center Commission of Jefferson County ("Medical Center Commission"). The Medical Center Commission hires the employees, pays the expenses and invoices the parties other than LMC for the costs of producing the steam and chilled water. Such costs include the debt service incurred pursuant to bond issues under the 1968 Contract, as supplemented, and short-term debt incurred from time to time by Medical Center Commission (all such debt is payable solely out of the revenues from the parties other than LMC, and no public tax funds are utilized in the Plant).

Jewish and Alliant currently have buildings under construction which will be served by the Steam and Chilled Water Plant, and it is necessary to expand the capacity of the plant to produce chilled water. Medical Center Commission has agreed to purchase and install a new 5,000-ton chiller. The parties have decided not to issue parity bonds under the 1968 Contract, as supplemented, but to obtain the funds for the chiller from Liberty National Bank and Trust Company ("Liberty").

Because of the diversity of the parties, and the restrictions on their powers and authority, the parties have agreed to the structure provided for in this Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein, the parties agree as follows:

1. LMC shall enter into a loan agreement with Liberty in accordance with the commitment letter attached as Exhibit A

("Liberty Commitment"). LMC shall pay the loan proceeds to Medical Center Commission as a prepayment of the user institutions' obligation to fund the equipment necessary to provide the amount of steam and chilled water required by the user institutions.

2. The parties other than LMC shall pay a monthly surcharge commencing May, 1994, equal to the debt service on the Liberty loan. Such surcharge shall be allocated among the user institutions in the same manner as the bond indebtedness is allocated under the 1968 Contract, as supplemented. LMC shall send monthly invoices to the institutions which shall be paid by the first day of the month following the billing date; LMC shall then remit the full payment to Liberty. When the Liberty loan is due under its terms, LMC shall refinance the balloon, and such refinancing shall be paid and refinanced in the same manner provided herein until it is paid in full. The parties recognize that the payment of this surcharge is a result of the structure of the loan so that Jefferson County is not a party hereto; if Jefferson County were a party to the loan, then the surcharge would have been a normal cost of operating the Steam and Chilled Water Plant, would have been incorporated into the cost of operation, and would have been billed to the parties in proportion to their usage of steam and chilled water. The structure provided in this Agreement, therefore, does not contemplate any liability for debt service which exceeds the liabilities which the parties would have had under the 1968

Contract, as supplemented, if the loan had been structured with Jefferson County. Therefore, the parties agree that no party hereto other than Jewish and Alliant, as provided in paragraph 3 below, shall have any liability under this Agreement which goes beyond their respective liabilities and obligations under the 1968 Contract, as supplemented, and as provided in paragraph 4 below.

3. Alliant and Jewish shall execute the guaranty provided for in the Liberty Commitment. It is agreed that in the event Alliant and/or Jewish is called upon to respond to its guaranty, it or they are beneficiaries of the obligations of the parties under the 1968 Contract, as supplemented, and under this Agreement, and they may enforce the terms thereof by appropriate legal proceedings, including specific performance. At the closing of the Liberty loan to LMC, the parties shall enter into an Agreement under the terms of which (1) the obligation of each party to pay the surcharge required under Paragraph 2 hereof shall be assigned to Jewish and/or Alliant in the event Alliant and/or Jewish are called upon to honor Liberty's guaranty and (2) shall grant Alliant and/or Jewish the right to enforce the 1968 Contract, as supplemented. Said Agreement shall be in form and substance satisfactory to Alliant and Jewish.

4. Each of the parties hereby reaffirms the 1968 Contract, as supplemented, and specifically reaffirms their respective agreements to utilize the Plant as provided therein. Each of the parties other than LMC agrees to pay for such steam

and chilled water pro rata on the basis of usage, as provided in the 1968 Contract, as supplemented. Each party other than LMC reaffirms its commitment to participate in the management of the Steam and Chilled Water Plant and will direct its representatives to take all efforts in good faith to see that the surcharge provided herein is paid by each user institution and is remitted to Liberty.

5. Galen joins in this Agreement only as its interests appear in that assignment dated December 19, 1983, and its signature hereto does not constitute admission under paragraph B(9) of the 1968 Contract, as supplemented.

6. This Agreement is not a Supplemental Contract within the meaning of the 1968 Contract, as supplemented, but constitutes an agreement only among the parties hereto.

7. The parties agree that Jefferson County Government (Kentucky) shall have no liability to the parties or to Liberty for the sums borrowed from Liberty pursuant to the Liberty Commitment.

8. This Agreement may be modified only by written instrument executed by all of the parties hereto.

9. The provisions of this Agreement are severable, so that if any section, paragraph, clause or provision hereof shall be held invalid or unenforceable by final order of any court of competent jurisdiction, the invalidity or unenforceability of

such section, paragraph, clause or provisions shall not affect any of the remaining provisions hereof.

10. This Agreement may be written in counterparts, with either certain copies signed by all of the parties hereto, or certain copies signed by only part of the parties hereto, or a counterpart signed only by one of the parties hereto, it being agreed that, as long as each of the parties hereto signs at least one counterpart of this agreement, each party shall be bound hereby to the same extent as if each party had signed one single instrument which had been signed also by all of the other parties hereto.

IN TESTIMONY WHEREOF, the Board of Trustees of the University of Louisville, Galen of Virginia, Inc., J. Graham Brown Regional Cancer Center, Inc., Jewish Hospital, Inc., Alliant Hospitals, Inc., Amelia Brown Frazier Rehabilitation Center, Inc., Board of Trustees of the University of Kentucky, and the Louisville Medical Center, Inc., each pursuant to an appropriate resolution or order of its Board of Directors, Trustees or other governing body, have caused this instrument to be executed in their respective names by their respective duly authorized officers, officials or representatives, and have caused each signature to be attested under seal on one or more counterparts of this Chiller Financing Agreement, all as of the day and year first above written, each undersigned officer, official or representative certifying by her/his execution

hereof that she/he is duly authorized to execute it upon behalf of the party for whom she/he acts.

UNIVERSITY OF LOUISVILLE

By \_\_\_\_\_  
President

(Seal)  
Attest:

By \_\_\_\_\_  
Chairman, Board of Trustees or  
Vice-Chairman, Board of Trustees

\_\_\_\_\_  
Secretary

GALEN OF VIRGINIA, INC.

(Seal)  
Attest:

By \_\_\_\_\_  
Title \_\_\_\_\_

\_\_\_\_\_  
Secretary

JEWISH HOSPITAL, INC.

(Seal)  
Attest:

By \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Secretary



ALLIANT HOSPITALS, INC.

(Seal) By \_\_\_\_\_

Attest: Title: \_\_\_\_\_

\_\_\_\_\_  
Secretary

J. GRAHAM BROWN REGIONAL CANCER  
CENTER, INC.

(Seal) By \_\_\_\_\_

Attest: Title: \_\_\_\_\_

\_\_\_\_\_  
Secretary

AMELIA BROWN FRAZIER  
REHABILITATION CENTER, INC.

(Seal) By \_\_\_\_\_

Attest: Title: \_\_\_\_\_

\_\_\_\_\_  
Secretary

BOARD OF TRUSTEES OF THE UNIVERSITY  
OF KENTUCKY

(Seal) By \_\_\_\_\_

Attest: Title: \_\_\_\_\_

\_\_\_\_\_  
Secretary

LOUISVILLE MEDICAL CENTER, INC.

(Seal)

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

Attest:

\_\_\_\_\_  
Secretary

**JOINDER BY MEDICAL CENTER COMMISSION**

Medical Center Commission of Jefferson County joins in this Agreement for the sole purpose of acknowledging receipt of the loan proceeds and acknowledging that such payment satisfies the obligations of the parties to the above Agreement to pay for the chiller described above.

ATTEST:

MEDICAL CENTER COMMISSION  
OF JEFFERSON COUNTY

\_\_\_\_\_  
Secretary

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

Office of the President  
September 21, 1993

FCR 8

Members, Board of Trustees:

WILLIAM B. STURGILL PLEDGE

**Recommendation:** that the Board of Trustees accept a pledge of \$232,500 from William B. Sturgill, Lexington, Kentucky, to fund an addition to the William B. Sturgill Development Building.

**Background:** Mr. Sturgill has been a long-time supporter of the University's private fundraising program. A 1946 University of Kentucky graduate, he provided the funding just over 10 years ago for the development building that bears his name. The development program has expanded in recent years, and Mr. Sturgill's generous gift will allow the program again to be under one roof when the addition is completed in late 1994.

Mr. Sturgill's services to his Alma Mater include financial support for a broad variety of academic and athletic endeavors, including the funding since 1975 of the William B. Sturgill Award for Outstanding Contributions to Graduate Education. He has been a University of Kentucky Fellow since 1968, a member of the Development Council since 1973 and is in his fifth year as Development Council chairman. Prior to his current term as a member of the Board of Trustees, he served on the Board from 1972 to 1984 and was chairman of the Board from 1974 to 1984, a tenure longer than any other in the history of the University.

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Action taken: Approved  Disapproved  Other

Date: September 21, 1993

Office of the President  
September 21, 1993

FCR 9

Members, Board of Trustees:

PHILIP MORRIS, INC. CONTRIBUTION

Recommendation: that the Board of Trustees accept a gift of \$269,000 from Philip Morris, Inc. to the College of Agriculture.

Background: The University of Kentucky received a gift of \$269,000 to be divided among tobacco research, extension and education programs in the College of Agriculture. Philip Morris' continued support has played a major role in the success of the University's outstanding tobacco-related programs.

Action taken: Approved  Disapproved  Other

Date: September 21, 1993

Office of the President  
September 21, 1993

**FCR 10**

Members, Board of Trustees:

A RESOLUTION OF THE BOARD OF TRUSTEES OF UNIVERSITY OF KENTUCKY,  
AUTHORIZING THE ISSUANCE OF \$27,530,000 (PLUS OR MINUS UP TO \$2,750,000)  
CONSOLIDATED EDUCATIONAL BUILDINGS REFUNDING REVENUE BONDS,  
SERIES G, SERIES H AND SERIES I (THIRD SERIES)

Recommendation: that the Board of Trustees approve a Resolution authorizing the issuance of \$27,530,000 (plus or minus up to \$2,750,000) University of Kentucky Consolidated Educational Buildings Refunding Revenue Bonds, Series G, Series H and Series I (Third Series), to be dated October 1, 1993, or such later date as may be approved by the President and/or the Board of Trustees upon the advice of the Financial Advisor.

The Resolution authorizes the issuance of the Series G, Series H and Series I (Third Series) Bonds for the purpose of financing the refunding of the University of Kentucky Consolidated Educational Buildings Refunding Revenue Bonds, Series G (Second Series), Series H (Second Series) and Series I (Second Series), dated May 1, 1987, through the deposit in escrow of funds sufficient to call for redemption on May 1, 1997, the outstanding Series G, Series H and Series I (Second Series) Bonds scheduled to mature on May 1, 1998 through 2006, at a redemption price of 102% of the principal amount redeemed, and to provide for the payment of interest on said Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds scheduled to mature on and after May 1, 1998, from May 1, 1994 to and including May 1, 1997.

The Resolution also approves a Notice of Bond Sale, Official Terms and Conditions of Sale of Bonds, Bid Form and form of Escrow Agreement, all contemplating that the Bonds be sold on the advice of the Financial Advisor, J.J.B. Hilliard, W.L. Lyons, Inc., in the month of October, or at such later time as may be approved by the President and/or the Board of Trustees.

Background: The University presently has outstanding twelve series of Consolidated Educational Buildings Project Revenue Bonds, Series C through N (as more fully described in the Series G, Series H and Series I (Third Series) Resolution, all secured by a pledge of the Revenues (registration fees) and by a statutory mortgage lien against all of the buildings of the Consolidated Educational Building Project. These Bonds are issued for the purposes of (a) financing the refunding and redemption identified above, (b) the funding of the Required Debt Service Reserve, if necessary, and (c) the cost of issuance of the refunding bonds. The Bond Resolution approves the appointment of Bank One, Lexington, NA (formerly, First Security National Bank & Trust Company), Lexington, Kentucky, as Trustee, Bond Registrar, Transfer Agent, Payee Bank, Depository Bank, and Escrow Bank with respect to these Bonds, provide for the execution of the appropriate parity certifications establishing that the "coverages" of projected income of the Project over debt service requirements will meet the 1.25 test necessary to establish that the refunding bonds will rank on a parity with the outstanding Series C through N Bonds.

Action: Approved  Disapproved \_\_\_\_\_ Other \_\_\_\_\_  
Dated: September 21, 1993

September 21, 1993

SERIES G, SERIES H AND SERIES I (THIRD SERIES)

Cost of Securities	\$26,952,036.46
Bond Discount	481,775.00
Cost of Issuance	95,000.00
Contingency	<u>1,188.54</u>
Total	\$27,530,000.00

SERIES G, SERIES H AND SERIES I (THIRD SERIES) RESOLUTION

OF

THE BOARD OF TRUSTEES

OF

UNIVERSITY OF KENTUCKY  
Lexington, Kentucky

AUTHORIZING

UNIVERSITY OF KENTUCKY  
CONSOLIDATED EDUCATIONAL BUILDINGS REFUNDING  
REVENUE BONDS, SERIES G, SERIES H AND SERIES I (THIRD SERIES)



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UNIVERSITY OF KENTUCKY  
SERIES G, SERIES H AND SERIES I (THIRD SERIES) BOND RESOLUTION

A RESOLUTION OF THE BOARD OF TRUSTEES OF UNIVERSITY OF KENTUCKY, AUTHORIZING THE ISSUANCE OF \$27,530,000 (PLUS OR MINUS UP TO \$2,750,000) CONSOLIDATED EDUCATIONAL BUILDINGS REFUNDING REVENUE BONDS, SERIES G, SERIES H AND SERIES I (THIRD SERIES).

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

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

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

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

WHEREAS, the Board has previously authorized, sold, issued and has outstanding prior issues of Bonds designated "University of Kentucky Consolidated Educational Buildings Revenue Bonds, Series C, Series D (Refunding), Series E, Series I, Series J, Series K, Series L, Series M and Series N," and "University of Kentucky Consolidated Educational Buildings Refunding Revenue Bonds, Series F (Second Series), Series G (Second Series), Series H (Second Series) and Series I (Second Series), and Series K (Second Series), the Series I (Second Series) Bonds having been issued to defease and redeem on May 1, 1996, the Series I Bonds scheduled to mature on and after May 1, 1997, and the Series K (Second Series) having been issued to defease and redeem on May 1, 1999, the Series K Bonds scheduled to mature on and after May 1, 2000; and has determined that the Board is in compliance with the conditions set forth in Section 7.10 of the Basic Resolution relative to the issuance of the Series G, Series H and Series I (Third Series)

Bonds (authorized herein) on a basis of parity and equality as to security and source of payment with such outstanding Bonds of Series C, D (Refunding), E, F, I, J, K, L, M, N, and F (Second Series), G (Second Series), H (Second Series), I (Second Series) and K (Second Series) (hereinafter the "Series C through N Bonds"); and

WHEREAS, there are presently outstanding \$32,585,000 of the Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds, dated May 1, 1987, bearing interest at rates ranging from 5.80% per annum to 6.90% per annum, scheduled to mature on May 1 in each of the respective years 1994 through 2006; and

WHEREAS, because of favorable interest rates currently available in the marketplace, the Board has determined that the Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds in the principal amount of \$24,860,000, maturing on and after May 1, 1998, can be refunded and called for redemption on May 1, 1997 (the first call date), at a redemption price of 102% of the principal amount to be redeemed, as provided in this Series G, Series H and Series I (Third Series) Resolution, at a substantial savings in debt service to the University; and

WHEREAS, it has been ascertained that the average of the annual Revenues (a defined term) from the Consolidated Educational Buildings Project (the "Project"), for the latest "two Fiscal Years" immediately preceding the proposed issuance of the Series G, Series H and Series I (Third Series) Bonds, from the sources established in the Resolution, as adjusted in the authorized manner, was equal to not less than 1.25 times the maximum Aggregate Principal, Interest and Bond Fund Charges (a defined term), in any succeeding twelve month period ending May 1, on the Series C through N Bonds then outstanding and the Series G, Series H and Series I (Third Series) Bonds proposed to be issued, and that the issuance of the Series G, Series H and Series I (Third Series) Bonds hereinafter authorized to refund the Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds will not result in an increase in the interest rate nor in an acceleration in maturity of the Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds that would reduce the above-prescribed "coverage" to less than 1.25 times the maximum Principal, Interest and Bond Fund Charges, evidenced by a statement to that effect which will be filed with the Trustee by the Treasurer of the Board prior to the time of issuance of the Series G, Series H and Series I (Third Series) Bonds, thereby complying with the conditions and restrictions set forth in Section 7.10 of the Resolution permitting the issuance of refunding bonds ranking on a basis of parity and equality with the Series C through N Bonds as to security and source of payment, and in all other respects; and

WHEREAS, the Board has obtained an opinion of nationally recognized Bond Counsel that the proposed refunding of the Series G

(Second Series), Series H (Second Series) and Series I (Second Series) Bonds will not result in the Bonds becoming "arbitrage bonds" as that term may be construed and applied according to the provisions of the Internal Revenue Code of 1986 and Regulations promulgated thereunder.

NOW, THEREFORE, THE BOARD OF TRUSTEES OF UNIVERSITY OF KENTUCKY HEREBY RESOLVES AS FOLLOWS:

#### ARTICLE I. AUTHORITY AND DEFINITIONS

Section 1.01 Authority of Original Resolution. This Resolution (hereinafter referred to as the "Series G, Series H and Series I [Third Series] Resolution") is adopted in accordance with Article II, Section 2.03 of the Basic Resolution.

#### Section 1.02. Definitions of Resolution Reaffirmed.

(a) All terms which are defined in Article I of the Basic Resolution shall have the same meanings, respectively, in this Series G, Series H and Series I (Third Series) Resolution as such terms are given in said Article of the Basic Resolution.

(b) In this Series G, Series H and Series I (Third Series) Resolution, Series G, Series H and Series I (Third Series) Bonds shall mean the Bonds authorized by Article II of this Series G, Series H and Series I (Third Series) Resolution.

Section 1.03. Statutory Authority. This Series G, Series H and Series I (Third Series) Resolution is adopted pursuant to the provisions of Section 162.340 through 162.380 and 58.010 through 58.140 of the Kentucky Revised Statutes and the Resolution.

#### ARTICLE II. AUTHORIZATION, PURPOSE AND TERMS OF SERIES G, SERIES H AND SERIES I (THIRD SERIES) BONDS

Section 2.01. Authorization of Series G, Series H and Series I (Third Series) Bonds on a Parity with Series C through N Bonds. Pursuant to the provisions of the Resolution there is hereby authorized to be issued by the Board of Trustees of University of Kentucky, in its corporate capacity, a series of bonds in the aggregate principal amount of TWENTY-SEVEN MILLION FIVE HUNDRED THIRTY THOUSAND DOLLARS (\$27,530,000) (plus or minus up to \$2,750,000). Such Bonds shall be designated as "University of Kentucky Consolidated Educational Buildings Refunding Revenue Bonds, Series G, Series H and Series I (Third Series)." Said Series G, Series H and Series I (Third Series) Bonds are hereby declared to have been authorized under the Resolution and in conformity with the provisions of Section 7.10 of the Resolution. The Board hereby represents that the conditions prescribed in Section 7.10 of the Resolution will have been complied with before the time of issuance of the Series G, Series H and Series I (Third Series) Bonds, and that the Series G, Series H and Series I (Third

Series) Bonds are issued on a basis of parity with the Series C through N Bonds.

Section 2.02. Purpose of Series G, Series H and Series I (Third Series) Bonds. Said Series G, Series H and Series I (Third Series) Bonds are being issued for the purpose of (i) redeeming on May 1, 1997, \$24,860,000 principal amount of Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds maturing on and after May 1, 1998, at a redemption price of 102% of the principal amount of Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds being redeemed, plus accrued interest to date of redemption, and to pay the interest accruing thereon from and including May 1, 1994, to and including May 1, 1997, through the deposit in escrow with the Trustee of the net proceeds of the Series G, Series H and Series I (Third Series) Bonds herein authorized and other funds that may be made available for such purpose, for investment in direct obligations of the United States of America maturing or subject to redemption on such dates and in such amounts, such that the principal and investment income from which will be sufficient to pay the accruing interest on the Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds maturing on and after May 1, 1998, on May 1 and November 1, commencing May 1, 1994, in each of the years 1994 through May 1, 1997, and the redemption on May 1, 1997, of the \$24,860,000 of Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds maturing on and after May 1, 1998, at a redemption price of 102% of the principal amount being redeemed, plus accrued interest to the date of redemption, and (ii) paying the costs of issuance of the Series G, Series H and Series I (Third Series) Bonds.

Section 2.03. Date of Bonds; Maturities; and Interest Rate. The Series G, Series H and Series I (Third Series) Bonds shall be issued as fully registered bonds as to both principal and interest in denominations of \$5,000 or any multiple thereof within a single maturity, shall be dated October 1, 1993, and shall be numbered consecutively from R-1 upward. The Series G, Series H and Series I (Third Series) Bonds shall mature serially on May 1 in each of the years 1994 through 2006, in such principal amounts, and shall bear interest payable semiannually on May 1 and November 1, commencing May 1, 1994, at such interest rate or rates fixed as a result of the advertised sale of the Bonds.

Each Series G, Series H and Series I (Third Series) Bond shall bear interest from the interest payment date to which interest has been paid next preceding the date on which such Series G, Series H and Series I (Third Series) Bond is authenticated by the Trustee, unless such Series G, Series H and Series I (Third Series) Bond is authenticated on an interest payment date to which interest has been paid, in which event it shall bear interest from such date, or if such Series G, Series H and Series I (Third Series) Bond is authenticated prior to the first interest payment date, such Series G, Series H and Series I (Third Series) Bond shall bear interest from October 1, 1993.

Section 2.04. Registered Owners; Payment of Principal and Interest; Authentication of Series G, Series H and Series I (Third Series) Bonds; Mutilated, Lost, Stolen or Destroyed Bonds. So long as any Series G, Series H and Series I (Third Series) Bonds remain outstanding, the Trustee shall keep at its principal office a Bond Register showing and recording a register of the owners of the Series G, Series H and Series I (Third Series) Bonds and shall provide for the registration and transfer of Series G, Series H and Series I (Third Series) Bonds in accordance with the terms of the Series G, Series H and Series I (Third Series) Resolution, subject to such reasonable regulations as the Trustee may prescribe.

The person in whose name any Series G, Series H and Series I (Third Series) Bond is registered on the Bond Register maintained by the Trustee, on the 15th day of the calendar month next preceding an interest payment date (the "Record Date") shall be entitled to receive the interest payable on such interest payment date (unless such Series G, Series H and Series I [Third Series] Bond shall have been called for redemption on a redemption date which is prior to such interest payment date) notwithstanding the cancellation of such Series G, Series H and Series I (Third Series) Bond upon any registration of transfer or exchange thereof subsequent to such Record Date and prior to such interest payment date.

The principal of (redemption price, if redeemed prior to maturity) and interest on the Series G, Series H and Series I (Third Series) Bonds shall be payable in lawful money of the United States of America as same respectively become due. The principal of each Series G, Series H and Series I (Third Series) Bond is payable upon surrender of same at the principal corporate trust office of the Trustee. Interest on the Series G, Series H and Series I (Third Series) Bonds shall be paid by check mailed by the Trustee on or before each interest payment date to the owners of the Series G, Series H and Series I (Third Series) Bonds shown on the Bond Register as of the end of business on the Record Date, at the respective addresses appearing on the Bond Register.

The Series G, Series H and Series I (Third Series) Bonds shall be executed on behalf of the Board, as permitted by Section 61.390 of the Kentucky Revised Statutes, with the duly authorized reproduced facsimile signature of the Chairman, and the reproduced facsimile of its corporate seal shall be imprinted thereon and attested by the reproduced facsimile signature of the Secretary; and said officials, by the execution of appropriate certifications, shall adopt as and for their own proper signatures, their respective facsimile signatures on said Series G, Series H and Series I (Third Series) Bonds; provided the Authentication Certificate of Trustee must be executed by the manual signature of the Trustee on each Series G, Series H and Series I (Third Series) Bond before such Series G, Series H and Series I (Third Series) Bond shall be valid.

The Trustee shall have the right to order the preparation of whatever number of Series G, Series H and Series I (Third Series) Bond certificates as, in the sole discretion of the Trustee, shall be deemed necessary in order to enable the Trustee to maintain an adequate reserve supply of such Series G, Series H and Series I (Third Series) Bond certificates to effect properly the continuing transfers and exchanges of ownership of Series G, Series H and Series I (Third Series) Bond certificates as same are sold, exchanged and/or otherwise surrendered in the future. No further action regarding the authorization or execution of additional Series G, Series H and Series I (Third Series) Bond certificates shall be required by the Board, and all expenses incident thereto shall be borne by the Board.

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

No Series G, Series H and Series I (Third Series) Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of the Resolution or this Series G, Series H and Series I (Third Series) Resolution unless and until such Series G, Series H and Series I (Third Series) Bond has been duly authenticated by the Trustee by the execution of the Authentication Certificate of Trustee appearing on such Series G, Series H and Series I (Third Series) Bond. Such Certificate appearing on any Series G, Series H and Series I (Third Series) Bond shall be deemed to have been duly executed by the Trustee if manually signed by an authorized officer of the Trustee. It shall not be required that the same officer of the Trustee sign such Certificate on all of the Series G, Series H and Series I (Third Series) Bonds.

If any Series G, Series H and Series I (Third Series) Bond shall be mutilated, lost, stolen or destroyed, the Board may execute, authenticate and deliver a new Series G, Series H and Series I (Third Series) Bond of like maturity and tenor in lieu of and in substitution for the Series G, Series H and Series I (Third Series) Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Series G, Series H and Series I (Third Series) Bond, such mutilated Series G, Series H and Series I (Third Series) Bond shall first be surrendered to the Board, and in the case of any lost, stolen or destroyed Series G, Series H and Series I (Third Series) Bond, there shall be first furnished to the Board satisfactory evidence of the ownership of such Series G, Series H and Series I (Third Series) Bond and of such loss, theft or destruction, together with indemnity satisfactory to the Board. If any such Series G, Series H and Series I (Third Series) Bond shall have matured, the Board may pay the same instead of issuing a new Series G, Series H and Series I (Third Series) Bond. The Board may charge the owner of such Series G, Series H and Series I (Third Series) Bond its reasonable fees and expenses in this connection.

Section 2.05. Redemption Provisions. The Series G, Series H and Series I (Third Series) Bonds maturing on and after May 1, 2004, shall be subject to redemption by the Board prior to maturity, in whole or 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 falling on or after May 1, 2003, at a redemption price, expressed as a percentage of the principal amount of the Bonds called for redemption, plus unpaid interest accrued to the date of redemption, as follows:

<u>Redemption Dates (inclusive)</u>	<u>Redemption Prices</u>
May 1, 2003 through May 1, 2004	102%
November 1, 2004 through May 1, 2005	101%
November 1, 2005, and thereafter	100%

In the event that a Series G, Series H and Series I (Third Series) Bond subject to redemption is in a denomination larger than \$5,000, a portion of such Series G, Series H and Series I (Third Series) Bond may be redeemed, but only in a principal amount equal to \$5,000 or an integral multiple thereof. Upon surrender of any Series G, Series H and Series I (Third Series) Bond for redemption in part, the Trustee, in accordance with this Series G, Series H and Series I (Third Series) Resolution, shall authenticate and deliver an exchange Series G, Series H and Series I (Third Series) Bond or Series G, Series H and Series I (Third Series) Bonds in an aggregate principal amount equal to the unredeemed portion of the Series G, Series H and Series I (Third Series) Bond so surrendered.

The Trustee shall give notice of any redemption by sending such notice by United States mail, first class, postage prepaid, not less than thirty (30) and not more than sixty (60) days prior to the date fixed for redemption, to the Registered



Owner of each Series G, Series H and Series I (Third Series) Bond to be redeemed in whole or in part at the address shown on the Bond Register as of the date of mailing of such notice. Such notice shall state the redemption date, the place at which the Bonds are to be surrendered for payment, and, if less than all of the Series G, Series H and Series I (Third Series) Bonds outstanding are to be redeemed, an identification of the Series G, Series H and Series I (Third Series) Bonds or portions thereof to be redeemed. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Bondowner receives such notice.

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

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

The Trustee shall not be required to transfer or exchange any Series G, Series H and Series I (Third Series) Bonds (i) during the period between the Record Date and the next Interest Payment Date of such Series G, Series H and Series I (Third Series) Bond; (ii) after notice calling such Series G, Series H and Series I (Third Series) Bond for redemption has been mailed; or (iii) during a period of fifteen (15) days next preceding the mailing of a notice of redemption of any Series G, Series H and Series I (Third Series) Bond.

No service charge shall be made for any transfer or exchange of Series G, Series H and Series I (Third Series) Bonds, but the Board and the Trustee may require payment of a sum sufficient to cover any tax or any other governmental charge that may be imposed in connection with any transfer or exchange of Series G, Series H and Series I (Third Series) Bonds, except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Series G, Series H and Series I (Third Series) Bond surrendered for redemption.

Section 2.06. Authorized Change in Date of Bonds and Redemption Date. In the event that, due to conditions in the marketplace, the Financial Advisors are of the opinion that it is not feasible to sell the Series G, Series H and Series I (Third

Series) Bonds prior to November 1, 1993, the President may elect to sell the Series G, Series H and Series I (Third Series) Bonds at a later date, but not later than April 1, 1994, in which event said Bonds shall be dated the first day of the month in which they are sold without further action of this Board.

In any event, the interest on the Series G, Series H and Series I (Third Series) Bonds shall be payable commencing May 1, 1994, and on each November 1 and May 1 thereafter to maturity or earlier redemption.

Section 2.07. Form of Bond. The Series G, Series H and Series I (Third Series) Bonds and the certificate of the Trustee to be endorsed on said Series G, Series H and Series I (Third Series) Bonds shall be in substantially the following form, to-wit:

UNITED STATES OF AMERICA  
COMMONWEALTH OF KENTUCKY  
UNIVERSITY OF KENTUCKY  
CONSOLIDATED EDUCATIONAL BUILDINGS REFUNDING REVENUE BOND  
SERIES G, SERIES H AND SERIES I (THIRD SERIES)

NO. R-\_\_\_\_\_ DOLLARS

DATE OF ORIGINAL ISSUE: October 1, 1993

INTEREST RATE: MATURITY DATE: CUSIP:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

KNOW ALL MEN BY THESE PRESENTS: That the Board of Trustees of University of Kentucky, at Lexington, Kentucky, a public body corporate and educational institution and agency of the Commonwealth of Kentucky (hereinafter called the "Board"), for value received, hereby promises to pay to the Registered Owner named above, or registered assigns or legal representatives, as herein provided, solely from the special fund hereinafter identified, upon presentation and surrender of this Series G, Series H and Series I (Third Series) Bond, the Principal Amount specified above, on the Maturity Date specified above, and to pay interest on said sum at the per annum Interest Rate specified above, from the interest payment date to which interest has been paid next preceding the date on which this Series G, Series H and Series I (Third Series) Bond is authenticated, unless this Series G, Series H and Series I (Third Series) Bond is authenticated on an interest payment date to which interest has been paid, in which event this Series G, Series H and Series I (Third Series) Bond shall bear interest from such date, or if this Series G, Series H and Series I (Third Series) Bond is authenticated prior to the first interest payment date, this Series G, Series H and Series I (Third Series) Bond shall bear interest from the Date of Original Issue set out above, semiannually on May 1 and November 1 of each year,

commencing May 1, 1994, until payment of the Principal Amount, except as the provisions hereinafter set forth with regard to redemption prior to maturity may be and become applicable hereto. The principal amount of this Series G, Series H and Series I (Third Series) Bond (or redemption price, if redeemed prior to maturity) is payable upon surrender of this Series G, Series H and Series I (Third Series) Bond, at maturity or at earlier redemption prior to maturity, in lawful money of the United States of America at the principal corporate trust office of Bank One, Lexington, NA, Lexington, Kentucky (the "Trustee"). Interest due on this Series G, Series H and Series I (Third Series) Bond shall be paid by check or draft mailed by regular United States mail, postmarked no later than the due date thereof, by the Trustee to the Registered Owner and at the address shown as of the 15th day of the month preceding such interest payment date on the Bond Register kept by the Trustee, which is also the Bond Registrar.

This Series G, Series H and Series I (Third Series) Bond and the issue of which it is a part is issued under and pursuant to a Resolution adopted on September 20, 1960 (the "Resolution"), and a Series G, Series H and Series I (Third Series) Resolution adopted on September 21, 1993 (the "Series G, Series H and Series I [Third Series] Resolution"), and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including among others, Sections 162.340 to 162.380, inclusive of the Kentucky Revised Statutes now in full force and effect.

As provided in the Resolution, 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 Resolution provided. The aggregate principal amount of bonds which may be issued under the Resolution is not limited except as provided in the Resolution, and all bonds issued and to be issued under the Resolution are and will be equally secured by the pledges and covenants made therein, except as otherwise expressly provided or permitted in the Resolution. As of the date hereof, there are outstanding Series C, Series D (Refunding), Series E, Series I, Series J, Series K, Series L, Series M and Series N, Series F (Second Series), Series G (Second Series), Series H (Second Series), Series I (Second Series), and Series K (Second Series), the Series I (Second Series) Bonds having been issued to defease and redeem on May 1, 1996, the Series I Bonds scheduled to mature on and after May 1, 1997, and the Series K (Second Series) Bonds having been issued to defease on and redeem on May 1, 1999, the Series K Bonds scheduled to mature on and after May 1, 1999. All series of Bonds heretofore and hereafter issued and outstanding, including the Series G, Series H and Series I (Third Series) Bonds, under and pursuant to the Resolution are hereinafter referred to as the "Bonds."

This Bond is one of a series of Bonds in the aggregate principal amount of TWENTY-SEVEN MILLION FIVE HUNDRED THIRTY THOUSAND DOLLARS (\$27,530,000) principal amount of bonds (hereinafter collectively referred to as the "Series G, Series H and

Series I [Third Series] Bonds") authorized to be issued by the Board for the purpose of financing (i) the refunding and redemption on May 1, 1997, of said Series G, Series H and Series I (Second Series) Bonds maturing on and after May 1, 1998, (ii) the funding of the Bond Fund Reserve (referred to in the Resolution) if necessary to bring the amount held therein equal to the maximum Aggregate Principal, Interest and Bond Fund Charges (defined in the Resolution) on the outstanding Bonds, and (iii) the cost of issuance of the Series G, Series H and Series I (Third Series) Bonds.

Copies of the Resolution and the Series Resolutions authorizing each Series of the Bonds are on file at the office of the Trustee. Reference is hereby made to the Resolution pursuant to which the Trustee has been designated for the owners of the issue of Bonds of which this Series G, Series H and Series I (Third Series) 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 said Board of Trustees and of the Trustee, and the rights of the holders and owners of the Bonds; and by the acceptance of this Series G, Series H and Series I (Third Series) Bond, the owner hereof assents to all of the provisions of the Resolution. Under authority of the statutes pursuant to which this Series G, Series H and Series I (Third Series) Bond is issued, this Series G, Series H and Series I (Third Series) Bond shall have all the qualities and incidents of a negotiable instrument, and subject to the provisions for registration contained in the Series G, Series H and Series I (Third Series) Resolution, nothing contained in this Series G, Series H and Series I (Third Series) Bond or in the Resolution or in the Series G, Series H and Series I (Third Series) Resolution shall affect or impair the negotiability of this Series G, Series H and Series I (Third Series) Bond.

The owner of this Series G, Series H and Series I (Third Series) Bond shall have no right to enforce the provisions of the Resolution or in the Series G, Series H and Series I (Third Series) Resolution, or to institute action to enforce the covenants therein, to take any action with respect to any default under the Resolution, or in the Series G, Series H and Series I (Third Series) Resolution, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Resolution.

The Resolution provides for fixing, charging and collecting fees for the services of the Consolidated Educational Buildings Project (the "Project") consisting of all educational buildings heretofore and hereafter erected on the property of the University as more particularly defined in the Resolution, which fees will be sufficient to pay the principal of and interest on the Bonds as the same become due and to 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 Resolution provides for the creation of a special account designated "Con-

solidated Educational Buildings Project Bond and Interest Sinking Fund" (the "Bond Fund"), and for the deposit to the credit of said Bond Fund of a fixed amount of the gross Revenues of said 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 G, Series H and Series I (Third Series) Bonds of which this Series G, Series H and Series I (Third Series) Bond is one, and all other Bonds heretofore issued and as may hereafter be issued and outstanding from time to time under the 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 other Revenues required to be paid into said Bond Fund, and this Series G, Series H and Series I (Third Series) Bond does not constitute an indebtedness of University of Kentucky or of its Board of Trustees or of the Commonwealth of Kentucky within the meaning of any provisions or limitations of the Constitution of the Commonwealth of Kentucky.

The Series G, Series H and Series I (Third Series) Bonds maturing on and after May 1, 2004, shall be subject to redemption by the Board prior to maturity, in whole or 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 falling on or after May 1, 2003, at a redemption price, expressed as a percentage of the principal amount of the Bonds called for redemption, plus unpaid interest accrued to the date of redemption, as follows:

<u>Redemption Dates (inclusive)</u>	<u>Redemption Prices</u>
May 1, 2003 through May 1, 2004	102%
November 1, 2004 through May 1, 2005	101%
November 1, 2005, and thereafter	100%

In the event that a Series G, Series H and Series I (Third Series) Bond subject to redemption is in a denomination larger than \$5,000, a portion of such Series G, Series H and Series I (Third Series) Bond may be redeemed, but only in a principal amount equal to \$5,000 or an integral multiple thereof. Upon surrender of any Series G, Series H and Series I (Third Series) Bond for redemption in part, the Trustee, in accordance with the Series G, Series H and Series I (Third Series) Resolution, shall authenticate and deliver in exchange Series G, Series H and Series I (Third Series) Bonds in an aggregate principal amount equal to the unredeemed portion of the Series G, Series H and Series I (Third Series) Bond so surrendered.

The Trustee shall give notice of any redemption by sending such notice by United States mail, first class, postage prepaid, not less than thirty (30) and not more than sixty (60) days prior to the date fixed for redemption, to the registered

Owner of each Series G, Series H and Series I (Third Series) Bond to be redeemed in whole or in part at the address shown on the Bond Register as of the date of mailing of such notice.

A statutory mortgage lien, which is hereby recognized as valid and binding on said Project, is created and granted to and in favor of the owners of the Series G, Series H and Series I (Third Series) Bonds on a parity with all outstanding Bonds, and the Project shall remain subject to such statutory mortgage lien until the payment in full of the principal of and interest on the Series G, Series H and Series I (Third Series) Bonds.

This Series G, Series H and Series I (Third Series) Bond shall not be valid or become obligatory for any purpose, or be entitled to any security or benefit under the Resolution until it shall have been authenticated by the execution by the Trustee of a 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 Series G, Series H and Series I (Third Series) Bond, do exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series G, Series H and Series I (Third Series) Bond, together with all other obligations of the Board of Trustees of said University of Kentucky, does not violate any provision or exceed any limit prescribed by the Constitution or Statutes of the Commonwealth of Kentucky; that said Project will be continuously operated, and that a sufficient portion of the gross Revenues therefrom has been pledged to and will be set aside into said Bond Fund for the payment of the principal of and interest on the Series G, Series H and Series I (Third Series) Bonds, and all other Bonds, which by their terms and the terms of the Resolution are payable from said Bond Fund, as and when the same will respectively become due.

IN TESTIMONY WHEREOF, the Board of Trustees of University of Kentucky has caused this Series G, Series H and Series I (Third Series) Bond to be executed on its behalf by the reproduced facsimile signature of its Chairman and the facsimile of its corporate seal to be imprinted hereon, attested by the reproduced facsimile signature of its Secretary, all being done as of October 1, 1993.

BOARD OF TRUSTEES OF  
UNIVERSITY OF KENTUCKY

Attest:

By \_\_\_\_\_ (Facsimile Signature)  
Chairman

\_\_\_\_\_  
(Facsimile Signature)  
Secretary

(Facsimile Seal)

THE AUTHENTICATION DATE OF THIS SERIES G, SERIES H AND SERIES I (THIRD SERIES) BOND IS: \_\_\_\_\_.

AUTHENTICATION CERTIFICATE OF TRUSTEE

This is to certify that this Series G, Series H and Series I (Third Series) Bond is one of the Series G, Series H and Series I (Third Series) Bonds referred to in the within Series G, Series H and Series I (Third Series) Bond and in the within-mentioned Resolution. Printed on the reverse hereof is the complete text of the opinion of Bond Counsel, Rubin Hays & Foley, 200 South Fifth Street, Louisville, Kentucky, a signed original of which is on file with the undersigned, delivered and dated on the date of initial delivery of and payment for the Series G, Series H and Series I (Third Series) Bonds.

BANK ONE, LEXINGTON, NA,  
Lexington, Kentucky, Trustee

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

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	-- as tenants in common	UNIF TRANS MIN ACT - _____	Custodian _____
TEN ENT	-- as tenants by the entireties	(Cust)	(Minor)
JT TEN	-- as joint tenants with right of survivorship and not as tenants in common		under Uniform Transfers to Minors Act
			_____ (State)

Additional abbreviations may also be used though not in list above.

ASSIGNMENT

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

Dated: \_\_\_\_\_

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

Social Security Number or other

taxpayer identification number:

Signature Guaranteed By: \_\_\_\_\_

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

### ARTICLE III. MISCELLANEOUS PROVISIONS

Section 3.01. The Trustee. For the purpose of securing the payment of both the principal of and interest on all of the Series C through N Bonds, the Series G, Series H and Series I (Third Series) Bonds authorized herein, 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 Resolution, and to secure for the benefit of all the holders and owners of said Bonds the faithful performance of the covenants and provisions contained in the Resolution in the manner and to the extent as permitted and provided in the Resolution and in Sections 162.340 to 162.380 of the Kentucky Revised Statutes, First Security National Bank & Trust Company, now Bank One, Lexington, NA, in the City of Lexington, Kentucky, was designated in the Series A Resolution as Trustee under the Resolution for the holders of all of said Bonds, and such designation is now reaffirmed, with the powers and duties set forth in the Resolution and with no liability in connection with any action or omission to act under the Resolution except for its own negligence or willful breach of trust. Execution of the authentication certificate of the Trustee on each of the respective Series G, Series H and Series I (Third Series) Bonds shall conclusively establish the acceptance as to such Series G, Series H and Series I (Third Series) Bonds by the Trustee of the trusts and provisions with respect thereto as set forth in the Resolution and in this Series Resolution.

Section 3.02. Sale of Series G, Series H and Series I (Third Series) Bonds; Determination of Interest Rates and Maturities. The Series G, Series H and Series I (Third Series) Bonds shall be sold at public sale after public advertising as required by KRS Chapter 424, and the Financial Advisors are authorized to disseminate copies of the preliminary Official Statement and final Official Statement as approved by the Controller-Treasurer. The forms of Notice of Bond Sale, Official Terms and Conditions of Sale of Bonds and Bid Form attached hereto are approved by the Board and copies of each shall be placed by the Secretary in the official record of the Board. Bids shall be received in the office of the Controller-Treasurer of the University until a day and hour designated by the Controller-Treasurer, but not less than seven (7), nor more than twenty-one (21) days prior to the designated sale date. The Board, or the Executive Committee of the Board, or some other special committee of the Board thereunto duly authorized shall, by Resolution, accept the lowest and best bid for the Series G, Series H and Series I



(Third Series) Bonds, and the principal maturities and interest rates of said Series G, Series H and Series I (Third Series) Bonds shall be automatically fixed at the principal maturities and interest rates set out in said successful bid accepted in said Resolution, without the necessity of any further action by the Board. The proceeds of the sale of said Series G, Series H and Series I (Third Series) Bonds shall be used only for the purposes herein described.

Section 3.03. Delivery of Series G, Series H and Series I (Third Series) Bonds; Application of Proceeds. Immediately upon the issuance, sale and delivery of the Series G, Series H and Series I (Third Series) Bonds, the proceeds thereof shall be applied as follows:

- (a) To the Bond Fund, accrued interest on the Series G, Series H and Series I (Third Series) Bonds from the date thereof to the date of delivery to be applied toward payment of the Series G, Series H and Series I (Third Series) Bonds on the first interest payment date;
- (b) To the Bond Fund Reserve, an amount, if any, required to make the amount held therein equal to the maximum Aggregate Principal, Interest and Bond Fund Charges on the outstanding Bonds;
- (c) To the Escrow Account established pursuant to Section 3.05 hereof, the amount necessary to effect the refunding and redemption of the Series G, Series H and Series I (Second Series) Bonds pursuant to an Escrow Agreement with the Trustee;
- (d) To a temporary account entitled, the "costs of issuance account" to be held by the Trustee, the amount necessary to pay the costs of issuance of the Series G, Series H and Series I (Third Series) Bonds; and
- (e) To the Bond Fund, the remaining balance, if any.

Section 3.04. Transfer of Bond Fund Reserve. Upon the advice of the Financial Advisors to the Board, and upon the direction of the Controller and Treasurer, the Trustee may be authorized to liquidate the securities held in the Bond Fund as a debt service reserve to provide an amount not to exceed the lesser of the maximum Aggregate Principal, Interest and Bond Fund Charges on the Series G, Series H and Series I (Third Series) Bonds, and ten percent (10%) of the initial principal amount of the Series G, Series H and Series I (Third Series) Bonds, for transfer to the Escrow Account on the date of delivery of the Series G, Series H and Series I (Third Series) Bonds.

Section 3.05. Escrow Agreement. The Board shall enter into an Escrow Agreement with the Trustee, in substantially the form attached hereto as Exhibit A, which shall provide for the establishment of an Escrow Account with the Trustee and the investment of the funds held therein to effect the refunding and redemption of the Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds.

Section 3.06. Subscription to SLGS. Authority is given to Wm. Carl Fust, Esq. and Charles S. Musson, Esq., of Rubin Hays & Foley, First Trust Centre, 200 South Fifth Street, Louisville, Kentucky 40202, and Sam Conner and Chris Bowling, of J.J.B. Hilliard, W.L. Lyons, Inc., 501 South Fourth Avenue, Louisville, Kentucky 40202, and to any one of them, to act on behalf of the Board in signing on behalf of the Board subscriptions for the purchase and issue of United States Treasury Certificates, Notes or Bonds - State and Local Government Series, to be issued to the Trustee as Escrow Agent in connection with the investment of the proceeds of the Series G, Series H and Series I (Third Series) Bonds.

Section 3.07. Compliance with Provisions of Resolution as to Parity Coverage. It is hereby certified that prior to the issuance of the Series G, Series H and Series I (Third Series) Bonds, a Statement will be filed by the Treasurer of the Board with the Trustee evidencing compliance with the conditions and restrictions set forth in Section 7.10 of the Resolution permitting the issuance of refunding bonds ranking on a basis of parity and equality with the Series C through N Bonds as to security and source of payment, and in all other respects, as set out in the preamble hereto.

Section 3.08. All Provisions of the Resolution as to Revenues and Bond Fund Reaffirmed. All of the provisions of the Resolution as to the Revenues of the Consolidated Buildings Project, the application of same, the creation of various funds and the maintenance of the Reserve Fund, are hereby readopted, ratified and confirmed.

Section 3.09. Compliance with Federal Arbitrage Regulations. Prior to or at the time of delivery of the Series G, Series H and Series I (Third Series) Bonds, the Chairman of the Board and/or the chief financial officer of the University shall execute the appropriate certifications with reference to the matters referred to herein, setting out all known and contemplated facts concerning Series G, Series H and Series I (Third Series) Bond proceeds and investments, including the execution of necessary and/or desirable certifications of the type contemplated by applicable Treasury Regulations in order to assure that interest on the Bonds will be exempt from all federal income taxes and that the Series G, Series H and Series I (Third Series) Bonds will not be treated as arbitrage bonds.

Section 3.10. Compliance With All Provisions of Law. Prior to the issuance of the Series G, Series H and Series I (Third Series) Bonds, all provisions of law shall be complied with, which must be complied with prior to or at that time.

Section 3.11. Covenant of Board To Take All Action Necessary to Assure Compliance With the Internal Revenue Code of 1986. In order to assure purchasers of the Series G, Series H and Series I (Third Series) Bonds that interest thereon will continue to be exempt from all federal and Kentucky income taxation (subject to certain exceptions set out below), the Board covenants to and with the owners of the Series G, Series H and Series I (Third Series) Bonds that (1) the Board will take all actions necessary to comply with the provisions of the Internal Revenue Code of 1986, as applicable (the "Code"), (2) the Board will take no actions which will violate any of the provisions of the Code, or would cause the Series G, Series H and Series I (Third Series) Bonds to become "private activity bonds" or "arbitrage bonds" within the meaning of the Code, (3) none of the proceeds of the Series G, Series H and Series I (Third Series) Bonds will be used for any purpose which would cause the interest on the Series G, Series H and Series I (Third Series) Bonds to become subject to federal income taxation, and the Board will comply with any and all requirements as to rebate (and reports with reference thereto) to the United States of America of certain investment earnings on the proceeds of the Series G, Series H and Series I (Third Series) Bonds.

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

The exemption from income taxation by the United States of America of interest on the Series G, Series H and Series I (Third Series) Bonds is subject to the following exceptions:

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

2. Section 255 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Series G, Series H and Series I (Third Series) Bonds, or, in the case of a financial institution, that portion of a holder's interest expense allocated to interest on the Series G, Series H and Series I (Third Series) Bonds.

3. With respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i)

reduces the deduction for loss reserves by 15% of the sum of certain items, including interest on the Series G, Series H and Series I (Third Series) Bonds.

4. For taxable years beginning before January 1, 1996, interest on the Series G, Series H and Series I (Third Series) Bonds earned by some corporations could be subject to the environmental tax imposed by Section 59A of the Code.

5. Interest on the Series G, Series H and Series I (Third Series) Bonds earned by certain foreign corporations doing business in the United States of America could be subject to a branch profits tax imposed by Section 884 of the Code.

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

7. Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining the taxability of such benefits, receipts or accruals of interest on the Series G, Series H and Series I (Third Series) Bonds.

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

This Series G, Series H and Series I (Third Series) Resolution is adopted in contemplation that Bond Counsel will render an opinion as to exemption of principal of the Series G, Series H and Series I (Third Series) Bonds from Kentucky ad valorem taxation and as to exemption of interest on the Series G, Series H and Series I (Third Series) Bonds from federal and Kentucky income taxation, based on the assumption by Bond Counsel that the Board complies with covenants made by the Board with respect to compliance with the provisions of the Code, and based on the assumption of compliance by the Board with requirements as to any required rebate (and reports with reference thereto) to the United States of America of certain investment earnings on the proceeds of the Series G, Series H and Series I (Third Series) Bonds. The Board has been advised that based on the foregoing assumptions of compliance, Bond Counsel is of the opinion that the Series G, Series H and Series I (Third Series) Bonds are not "arbitrage bonds" within the meaning of Section 148 of the 1986 Code.

Section 3.12. Copy of Resolution To Be Filed With Trustee. A certified copy of this Series G, Series H and Series I (Third Series) Resolution shall be filed with the Trustee, and this Series G, Series H and Series I (Third Series) Resolution shall take effect immediately upon its adoption and the filing of a certified copy hereof with the Trustee.

Adopted: September 21, 1993.

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

(SEAL)

Attest:

  
\_\_\_\_\_  
Secretary

CERTIFICATE OF SECRETARY

I, Lois C. Weinberg, Secretary of the Board of Trustees of University of Kentucky, Lexington, Kentucky, hereby certify that the foregoing is a true copy of a Series G, Series H and Series I (Third Series) Resolution adopted by said Board at a meeting held on September 21, 1993, which Series G, Series H and Series I (Third Series) Resolution pertains to the issuance of \$27,530,000 (plus or minus up to \$2,750,000) of Consolidated Educational Buildings Refunding Revenue Bonds, Series G, Series H and Series I (Third Series), dated October 1, 1993, all as shown by the official records in my custody and under my control.

WITNESS my signature and the seal of the University this September 21, 1993.

  
Secretary, Board of Trustees

(SEAL)

OFFICIAL TERMS AND CONDITIONS  
OF SALE OF BONDS

1. DATE AND HOUR OF SALE

The University of Kentucky, Lexington, Kentucky, will, until 10:00 A.M., E.S.T., October \_\_, 1993, in the office of the Controller and Treasurer, 369 Peterson Service Building, Lexington, Kentucky 40506-0005, receive competitive, sealed bids for the purchase of \$27,530,000 (plus or minus up to \$2,750,000) of University of Kentucky Consolidated Educational Buildings Refunding Revenue Bonds, Series G, Series H and Series I (Third Series), dated October 1, 1993. The Board of Trustees will meet at 1:00 P.M. on the same date to act upon the bids received.

2. DESCRIPTION AND MATURITIES OF BONDS

Said Series G, Series H and Series I (Third Series) Bonds bear interest from October 1, 1993, payable semiannually, on May 1 and November 1, commencing May 1, 1994, will be in the denomination of \$5,000 or any multiple thereof within the same maturity, are numbered R-1 and upward, and will mature or be subject to mandatory redemption on May 1 in each of the respective years, as follows:

<u>Maturity</u> <u>May 1,</u>	<u>Principal</u> <sup>*</sup> <u>Amount</u>	<u>Maturity</u> <u>May 1,</u>	<u>Principal</u> <sup>*</sup> <u>Amount</u>
1994	\$ 130,000	2001	\$3,720,000
1995	350,000	2002	3,870,000
1996	360,000	2003	4,120,000
1997	375,000	2004	1,390,000
1998	3,240,000	2005	1,455,000
1999	3,400,000	2006	1,515,000
2000	3,605,000		

\*The principal maturities are subject to change as provided in the Series G, Series H and Series I (Third Series) Resolution pursuant to which the Series G, Series H and Series I (Third Series) Bonds will be issued.

Said Series G, Series H and Series I (Third Series) Bonds are payable as to principal at Bank One, Lexington, NA, Lexington, Kentucky, the Trustee.

The Series G, Series H and Series I (Third Series) Bonds maturing on and after May 1, 2004, shall be subject to redemption by the Board prior to maturity, in whole or 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 falling on or after May 1, 2003, at a redemption price, expressed as a percentage of the principal amount of the Bonds called for redemption, plus unpaid interest accrued to the date of redemption, as follows:

<u>Redemption Dates (inclusive)</u>	<u>Redemption Prices</u>
May 1, 2003 through May 1, 2004	102%
November 1, 2004 through May 1, 2005	101%
November 1, 2005, and thereafter	100%

The Series G, Series H and Series I (Third Series) Bonds are to be issued in fully registered form (both principal and interest). The Trustee will mail a check representing interest payments semiannually to each Bondowner of record as of the 15th day of the month preceding each interest due date by regular United States mail postmarked not later than the due date. Principal will be paid upon submission of matured Series G, Series H and Series I (Third Series) Bonds to the Trustee. Upon the submission of a proper executed assignment, the Trustee will transfer ownership of a Series G, Series H and Series I (Third Series) Bond within three (3) business days of receipt without expense to the Bondowner.

### 3. AUTHORITY AND PURPOSE

These Series G, Series H and Series I (Third Series) Bonds are being issued pursuant to the authority of Sections 162.340 through 162.380, inclusive, of the Kentucky Revised Statutes are being issued on a parity as to security and source of payment with the outstanding Bonds of Series C, D (Refunding), E, F, I, J, K, L, M, N, and F (Second Series), G (Second Series), H (Second Series), I (Second Series) and K (Second Series) (hereinafter the "Series C through N Bonds"), heretofore issued pursuant to a Resolution of the Board of Trustees of the University of Kentucky adopted on September 20, 1960, establishing the Consolidated Educational Buildings Project for the University (the "Resolution"), and a Series G, Series H and Series I (Third Series) Resolution. The proceeds of the Series G, Series H and Series I (Third Series) Bonds will be used to provide funds for the purpose of refunding and redeeming on May 1, 1997, \$24,860,000 principal amount of Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds maturing on and after May 1, 1998, through the deposit in escrow with the Trustee under the Resolution the net proceeds of the Series G, Series H and Series I (Third Series) Bonds and other funds that may be made available for such purpose for investment in direct obligations of the United States of America maturing or subject to redemption on such dates and in such amounts, such that the principal and investment income from such investments will be sufficient to pay the accruing interest on the Series G, Series H and Series I (Second Series) Bonds maturing on and after May 1, 1998 on May 1, 1994, and on November 1 and May 1 in each year thereafter until and including May 1, 1997, and the redemption on May 1, 1997, of the \$24,860,000 of Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds maturing on and after May 1, 1998, at the redemption price of 102% of the principal amount being redeemed, plus accrued interest to date of redemption.



#### 4. SECURITY

Said Series C through N Bonds, and any additional parity bonds hereafter issued and outstanding under the terms of the Resolution, are and will be payable from and constitute a paramount charge upon the defined Revenues (student registration fees) derived by the University from the operation of its Consolidated Educational Buildings Project. The Consolidated Educational Buildings Project may be described generally as all of the educational buildings and appurtenant facilities of the University.

As further security for the Bonds there is created and granted by Sections 162.350 and 162.200 of the Kentucky Revised Statutes a statutory mortgage lien upon the Consolidated Educational Buildings Project of the University.

#### 5. LEGAL OPINION

In the opinion of Rubin Hays & Foley, Municipal Bond Counsel, Louisville, Kentucky, the principal of the Series G, Series H and Series I (Third Series) Bonds is not subject to Kentucky ad valorem taxation and the interest on the Series G, Series H and Series I (Third Series) Bonds is excludable from gross income for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax on individuals and corporations, and is not subject to Kentucky income taxation, subject to certain exceptions set out below. The legal opinion of Rubin Hays & Foley is subject to the condition that the Board comply with all requirements of the Internal Revenue Code of 1986, as applicable (the "Code") that must be satisfied subsequent to issuance of the Series G, Series H and Series I (Third Series) Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes, including the requirement as to any required rebate (and reports with reference thereto) to the United States of America of certain investment earnings on the proceeds of the Series G, Series H and Series I (Third Series) Bonds. The purchaser will be furnished said opinion, printed bond forms, and the usual closing documents, which will include a certificate that there is no litigation pending or threatened at the time of delivery of the issue affecting the validity of the Series G, Series H and Series I (Third Series) Bonds.

In order to assure the purchasers of the Series G, Series H and Series I (Third Series) Bonds that interest thereon will continue to be excludable from gross income for federal income tax purposes and exempt from Kentucky income taxation (subject to certain exceptions set out below), the Board has covenanted in the Series G, Series H and Series I (Third Series) Resolution that (1) the Board will take all actions necessary to comply with the provisions of the Code, (2) the Board will take no actions which will violate any of the provisions of the Code, or that would cause the Series G, Series H and Series I (Third Series) Bonds to become "private activity bonds" or "arbitrage bonds" within the meaning of

the Code, (3) none of the proceeds of the Series G, Series H and Series I (Third Series) Bonds will be used for any purpose which would cause the interest on the Series G, Series H and Series I (Third Series) Bonds to become subject to federal income taxation, and that the Board will comply with any and all requirements as to rebate (and reports with reference thereto) to the United States of America of certain investment earnings on the proceeds of the Series G, Series H and Series I (Third Series) Bonds.

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

The tax-exempt status of the Series G, Series H and Series I (Third Series) Bonds is subject to the following exceptions:

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

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

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

4. For taxable years beginning before January 1, 1996, interest on the Series G, Series H and Series I (Third Series) Bonds earned by some corporations could be subject to the environmental tax imposed by Section 59A of the Code.

5. Interest on the Series G, Series H and Series I (Third Series) Bonds earned by certain foreign corporations doing business in the United States of America could be subject to a branch profits tax imposed by Section 884 of the Code.

6. Passive investment income, including interest on the Series G, Series H and Series I (Third Series) Bonds, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and

profits at the close of the taxable year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income.

7. Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining the taxability of such benefits, receipts or accruals of interest on the Series G, Series H and Series I (Third Series) Bonds.

The Board of Trustees has reserved the right to amend the Series G, Series H and Series I (Third Series) Resolution pursuant to which the Series G, Series H and Series I (Third Series) Bonds are issued without obtaining the consent of the owners of the Series G, Series H and Series I (Third Series) Bonds (i) to whatever extent shall, in the opinion of Bond Counsel, be deemed necessary to assure that interest on the Series G, Series H and Series I (Third Series) Bonds shall be exempt from federal income taxation, and (ii) to whatever extent shall be permissible (without jeopardizing such tax exemption or the security of the owners of the Series G, Series H and Series I [Third Series] Bonds) to eliminate or reduce any restrictions concerning the investment of the proceeds of the Series G, Series H and Series I (Third Series) Bonds, or the application of such proceeds of the Series G, Series H and Series I (Third Series) Bonds. The purchasers of the Series G, Series H and Series I (Third Series) Bonds will be deemed to have relied fully upon these covenants and undertakings on the part of the Board of Trustees as part of the consideration for the purchase of the Series G, Series H and Series I (Third Series) Bonds. To the extent that the Board of Trustees obtains an opinion of nationally recognized bond counsel to the effect that non-compliance with any of the covenants contained in the Series G, Series H and Series I (Third Series) Resolution would not subject interest on the Series G, Series H and Series I (Third Series) Bonds to federal income taxation or Kentucky income taxation, the Board of Trustees is not required to comply with such covenants and requirements.

If, prior to the delivery of the Series G, Series H and Series I (Third Series) Bonds, any event shall occur which alters the tax-exempt status of the Series G, Series H and Series I (Third Series) Bonds, the purchaser shall have the privilege of voiding the purchase contract by giving immediate written notice to the Board of Trustees, whereupon the amount of the good faith deposit of the purchaser will be returned to the purchaser, and all respective obligations of the parties will be terminated.

Bond Counsel has reviewed the Official Statement with regard to all matters pertaining to the legality and tax exemption of the Series G, Series H and Series I (Third Series) Bonds, including statements concerning the authority, purpose and security of the Series G, Series H and Series I (Third Series) Bonds; but Bond Counsel has not reviewed any of the financial statements or calculations, such as debt service requirements, budget estimates,

enrollment, capital outlay, estimated revenues, expenditures or other financial information in the Official Statement, and expresses no opinion thereon and assumes no responsibility in connection therewith.

#### 6. TERMS OF SALE

The Series G, Series H and Series I (Third Series) Bonds are offered for sale upon the following terms and conditions:

- A. A minimum price is required for the entire issue of not less than \$27,048,225 (98½% of par), plus accrued interest from the date of the Series G, Series H and Series I (Third Series) Bonds (October 1, 1993) to the date of delivery.
- B. The successful bidder will be required to deposit with Bank One, Lexington, NA, Lexington, Kentucky, for the account of the University of Kentucky immediately available funds in the amount of \$275,300, representing the good faith deposit, by the close of business on October \_\_, 1993. The amount of the good faith deposit, without interest, will be deducted from the purchase price at the time of delivery of the Series G, Series H and Series I (Third Series) Bonds.
- C. The determination of the best bid will be made on the basis of all bids submitted for exactly \$27,530,000 of Series G, Series H and Series I (Third Series) Bonds as offered for sale under the terms and conditions herein specified. Upon determination of the lowest net interest cost according to the schedule of principal amounts listed in the Official Bid Form, the Board shall immediately proceed to adjust such principal amounts of the Series G, Series H and Series I (Third Series) Bonds to determine the maturities of its final bond issue. The successful bidder will be required to accept the final bond issue as so computed, whether the principal amount has been increased or decreased by up to \$2,750,000, and to pay the percentage purchase price based upon the aggregate amount of the final bond issue.
- D. Bidders must state an interest rate or rates in a multiple of 1/8 or 1/20 of 1%, or both.
- E. There is no limit on the number of different rates which may be specified by any bidder.
- F. Interest rates must be on an ascending scale, in that the interest rate for Series G, Series H and Series I (Third Series) Bonds of any maturity may

not be less than the interest rate stipulated for any preceding maturity.

- G. All Series G, Series H and Series I (Third Series) Bonds of the same maturity shall bear the same and a single interest rate from the date thereof to maturity.
- H. The right to reject bids for any reason deemed advisable by the Board of Trustees, and the right to waive any possible informalities, irregularities or defect in any bid which, in the judgment of the Board of Trustees, shall be minor or immaterial, is expressly reserved.
- I. Bids must be made on forms which, together with an Official Statement, may be obtained at the office of the Financial Advisor, J.J.B. Hilliard, W.L. Lyons, Inc., P.O. Box 32760, Louisville, Kentucky 40232-2760. Bids must be enclosed in sealed envelopes marked "Bid for University of Kentucky Consolidated Educational Buildings Refunding Revenue Bonds, Series G, Series H and Series I (Third Series)" and bids must be received by the President of University of Kentucky prior to the date and hour stated above.
- J. It shall be the responsibility of the purchasers of the Series G, Series H and Series I (Third Series) Bonds to furnish or cause to be furnished to the Trustee at least five (5) days prior to the date of delivery of the Series G, Series H and Series I (Third Series) Bonds, a list of the names, addresses and social security numbers or employer identification numbers of each of the parties to whom the Series G, Series H and Series I (Third Series) Bonds are to be registered, and the principal amounts and maturities thereof. In the event of the failure to so deliver such list, the Series G, Series H and Series I (Third Series) Bonds delivered to the purchasers shall be registered in the name or names of such purchasers or their designated representatives appearing as the first name on the successful bid form, or otherwise appropriately designated, and shall be issued in denominations corresponding to the principal amount of each respective maturity, or in the denomination of \$5,000, as shall be determined by the Trustee.
- K. Delivery will be made in Louisville, Kentucky. The purchasers may elect to require delivery through a depository trust corporation, provided the purchasers agree to pay any additional expense in connection therewith, such expense to include shipping

expense, insurance in transit and the fee of the depository trust corporation. In connection with the issuance of the Series G, Series H and Series I (Third Series) Bonds, the Board of Trustees will pay for the printing of the Series G, Series H and Series I (Third Series) Bonds, which will contain the opinion of Bond Counsel.

- L. Upon wrongful refusal of the successful bidder to take delivery of and pay for the Series G, Series H and Series I (Third Series) Bonds when tendered for delivery, the amount of the good faith check shall be forfeited by such bidder, and such amount shall be deemed liquidated damages for such default; provided, however, if said Series G, Series H and Series I (Third Series) Bonds are not ready for delivery and payment within forty-five (45) days from the date of sale, said bidder shall be relieved of any liability to accept the Series G, Series H and Series I (Third Series) Bonds hereunder.
- M. The purchasers of the Series G, Series H and Series I (Third Series) Bonds will pay the CUSIP Service Bureau charge for the assignment of CUSIP numbers, which numbers will be printed on the Series G, Series H and Series I (Third Series) Bonds at no expense or cost to the purchasers. Neither the failure to print a CUSIP number on any Series G, Series H and Series I (Third Series) Bond, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchasers thereof to accept delivery of and payment for the Series G, Series H and Series I (Third Series) Bonds in accordance with the terms of the purchase agreement.
- N. The successful bidder shall promptly advise the Financial Advisor to the Board of Trustees of (i) the reoffering price for each maturity of the Series G, Series H and Series I (Third Series) Bonds, and (ii) the principal amount sold to the public of each principal maturity of the Series G, Series H and Series I (Third Series) Bonds on the reoffering date.
- O. If the successful bidder desires to obtain insurance guaranteeing the payment of the principal and/or interest on the Series G, Series H and Series I (Third Series) Bonds, the University agrees that it will cooperate with such successful bidder in obtaining such insurance, but all of the expenses and charges in connection therewith shall be borne by such bidder (with the exception of the costs of ratings by Standard & Poor's Corporation and Moody's


Investors Service), and the University shall not be liable to any extent therefor.

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

J.J.B. Hilliard, W.L. Lyons, Inc., Louisville, Kentucky, has been employed as Financial Advisor to the Board of Trustees and the University in connection with the issuance of the Series G, Series H and Series I (Third Series) Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Series G, Series H and Series I (Third Series) Bonds is contingent upon the issuance and delivery of the Series G, Series H and Series I (Third Series) Bonds. The Financial Advisor may submit bids for the purchase of the Series G, Series H and Series I (Third Series) Bonds at the time of the advertised public sale of the Series G, Series H and Series I (Third Series) Bonds, either independently or as a member of a syndicate organized to submit a bid for the purchase of the Series G, Series H and Series I (Third Series) Bonds.

(Signed) Board of Trustees of University of Kentucky by  
Lois C. Weinberg, Secretary.

The foregoing was approved by the Board of Trustees of University of Kentucky, Lexington, Kentucky, at a meeting held on September 21, 1993.

  
Secretary

(Seal)

#### NOTICE OF BOND SALE

The Board of Trustees of University of Kentucky, Lexington, Kentucky, will until 10:00 A.M., E.S.T., on October \_\_, 1993, at the office of the Controller and Treasurer of the University in Lexington, Kentucky, receive bids on \$27,530,000 (plus or minus up to \$2,750,000) of University of Kentucky Consolidated Educational Buildings Refunding Revenue Bonds, Series G, Series H and Series I (Third Series), dated October 1, 1993, maturing on May 1, 1994 through 2006. Minimum bid is \$27,048,225 (98 $\frac{1}{2}$ %). Legal Opinion by Rubin Hays & Foley, Louisville, Kentucky. Good faith deposit is \$275,300. The Bonds will be issued on a tax-exempt basis subject to certain qualifications set out in detail in the Official Terms and Conditions and in the Preliminary Official Statement. Bid Forms, Official Terms and Conditions and Preliminary Official Statements in a form deemed to be "near final" by the Board may be obtained from the Financial Advisor, J.J.B. Hilliard, W.L. Lyons, Inc., P.O. Box 32760, 501 South Fourth Avenue, Louisville, Kentucky 40232-2760, (502) 588-8400. Right to reject bids and to waive defects or informalities is expressly reserved. (Signed) Lois C. Weinberg, Secretary.



BID FORM

Subject to the terms and conditions set forth in the Official Terms and Conditions of Sale of Bonds, providing for the sale of \$27,530,000 (plus or minus up to \$2,750,000) of University of Kentucky Consolidated Educational Buildings Refunding Revenue Bonds, Series G, Series H and Series I (Third Series), dated October 1, 1993, and in accordance with the notice of sale of the Bonds as advertised, to all of which the undersigned agrees, the undersigned hereby submits the following offer to purchase said Bonds.

We hereby bid for said \$27,530,000 (plus or minus up to \$2,750,000) principal amount of Bonds, the sum of \$\_\_\_\_\_ (not less than \$27,048,225), plus accrued interest from October 1, 1993, to the date of delivery of the Bonds, such Bonds to bear interest payable semiannually on May 1 and November 1, commencing May 1, 1994, at the following annual rate(s):

<u>Maturity</u> <u>May 1,</u>	<u>Principal</u> <u>Amount</u>	<u>Rate</u>	<u>Maturity</u> <u>May 1,</u>	<u>Principal</u> <u>Amount</u>	<u>Rate</u>
1994	\$ 130,000	_____ %	2001	\$3,720,000	_____ %
1995	350,000	_____ %	2002	3,870,000	_____ %
1996	360,000	_____ %	2003	4,120,000	_____ %
1997	375,000	_____ %	2004	1,390,000	_____ %
1998	3,240,000	_____ %	2005	1,455,000	_____ %
1999	3,400,000	_____ %	2006	1,515,000	_____ %
2000	3,605,000	_____ %			

We understand that this bid may be accepted for as much as \$30,280,000 of Bonds and for as little as \$24,780,000 of Bonds, at the same price per \$1,000 of Bonds as the price bid per \$1,000 of Bonds by the undersigned with the variation in such amount being adjusted as determined by the Board of Trustees over the term of the Series G, Series H and Series I (Third Series) Bonds.

We understand that the Board of Trustees will furnish the final, approving legal opinion of Rubin Hays & Foley, Municipal Bond Attorneys, Louisville, Kentucky. If we are the successful bidder, we will cause to be deposited in Bank One, Lexington, NA, Lexington, Kentucky, for the account of University of Kentucky, immediately available funds in the amount of \$275,300 representing the good faith deposit on the Bonds, prior to the close of business on October \_\_, 1993, which amount, without interest, will be deducted from the purchase price of the Bonds when tendered to us for delivery. If we are the successful bidder, we agree to accept and make payment for the Bonds in accordance with the terms of sale.

Respectfully submitted,

\_\_\_\_\_  
\_\_\_\_\_

Total interest cost from October 1, 1993, to final maturity	\$ _____
Less premium bid or plus discount, if any	\$ _____
Net interest cost	_____ %
True Interest Cost	_____ %

The above computations of net interest cost and of true interest cost are submitted for information only and are not part of this Bid.

**ACCEPTANCE OF BID WITH  
ADJUSTMENT OF AMOUNT AND TOTAL BID PRICE**

Accepted by the Board of Trustees of the University of Kentucky on this October \_\_, 1993, as to \$\_\_\_\_\_ of Bonds at an adjusted price of \$\_\_\_\_\_, plus accrued interest, with the change in the amount of Bonds being reflected by the following changes in the maturities.

<u>Maturity</u> <u>May 1,</u>	<u>Principal</u> <u>Amount</u>	<u>Rate</u>	<u>Maturity</u> <u>May 1,</u>	<u>Principal</u> <u>Amount</u>	<u>Rate</u>
1994	\$ _____	_____ %	2001	\$ _____	_____ %
1995	_____	_____ %	2002	_____	_____ %
1996	_____	_____ %	2003	_____	_____ %
1997	_____	_____ %	2004	_____	_____ %
1998	_____	_____ %	2005	_____	_____ %
1999	_____	_____ %	2006	_____	_____ %
2000	_____	_____ %			

UNIVERSITY OF KENTUCKY

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

## ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of October 1, 1993, by and between the BOARD OF TRUSTEES OF UNIVERSITY OF KENTUCKY, a body corporate and public educational institution of higher learning of the Commonwealth of Kentucky (the "Board"), and BANK ONE, LEXINGTON, NA, Lexington, Kentucky, a national banking association, organized and existing under and by virtue of the laws of the United States of America, with its principal trust office located at 201 East Main Street, Lexington, Kentucky 40507-2002 (the "Trustee Escrow Agent"),

### W I T N E S S E T H :

WHEREAS, the Board, by Resolution adopted September 20, 1960 (the "Resolution"), has created and established an issue of Consolidated Educational Buildings Revenue Bonds (the "Bonds"), and authorized the issuance by the Board of said Bonds in one or more series pursuant to a resolution authorizing such series on a parity as to security and source of payment with all other series of Bonds; and

WHEREAS, the Board has previously authorized, sold, issued and has outstanding prior issues of Bonds designated "University of Kentucky Consolidated Educational Buildings Revenue Bonds, Series C, Series D (Refunding), Series E, Series I, Series J, Series K, Series L, Series M and Series N," and "University of Kentucky Consolidated Educational Buildings Refunding Revenue Bonds, Series F (Second Series), Series G (Second Series), Series H (Second Series) and Series I (Second Series), and Series K (Second Series), the Series I (Second Series) Bonds having been issued to defease and redeem on May 1, 1996, the Series I Bonds scheduled to mature on and after May 1, 1997, and the Series K (Second Series) having been issued to defease and redeem on May 1, 1999, the Series K Bonds scheduled to mature on and after May 1, 2000; and has determined that the Board is in compliance with the conditions set forth in Section 7.10 of the Basic Resolution relative to the issuance of the Series G, Series H and Series I (Third Series) Bonds on a basis of parity and equality as to security and source of payment with such outstanding Bonds of Series C, D (Refunding), E, F, I, J, K, L, M, N, and F (Second Series), G (Second Series), H (Second Series), I (Second Series) and K (Second Series) (hereinafter the "Series C through N Bonds"); and

WHEREAS, there are presently outstanding \$32,585,000 of the Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds, dated May 1, 1987, bearing interest at rates ranging from 5.80% per annum to 6.90% per annum, scheduled to mature on May 1 in each of the respective years 1994 through 2006; and

WHEREAS, because of favorable interest rates currently available in the marketplace, the Board has determined that the Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds in the principal amount of \$24,860,000, maturing on and after May 1, 1998, can be refunded and called for

redemption on May 1, 1997 (the first call date), at a redemption price of 102% of the principal amount to be redeemed, as provided in this Series G, Series H and Series I (Third Series) Resolution, at a substantial savings in debt service to the University; and

WHEREAS, by resolution adopted on September 21, 1993 (the "Series G, Series H and Series I [Third Series] Resolution"), the Board authorized the issuance of \$\_\_\_\_\_ of "Consolidated Educational Buildings Refunding Revenue Bonds, Series G, Series H and Series I (Third Series)," dated October 1, 1993 (the "Series G, Series H and Series I [Third Series] Bonds"); and

WHEREAS, under the Resolution and the Series Resolutions authorizing the Series C through N Bonds, and the Series G, Series H and Series I (Third Series) Resolution, Bank One, Lexington, NA (formerly, First Security National Bank & Trust Company), Lexington, Kentucky, has been appointed as Trustee (the "Trustee") for the owners of each of those Series of Bonds.

NOW, THEREFORE, in consideration of the mutual covenants of the parties hereto, it is agreed as follows:

1. The Trustee Escrow Agent will hold a special account designated as the "University of Kentucky Consolidated Educational Buildings Series G, Series H and Series I (Third Series) Escrow Account (the "Escrow Account"), created in Section 3.05 of the Series G, Series H and Series I (Third Series) Resolution. All funds in the Escrow Account shall be held in trust separate from all other funds of the Trustee Escrow Agent.

2. For the purpose of refunding and redeeming prior to maturity the Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds maturing on and after May 1, 1998, the Trustee Escrow Agent will accept investments for deposit in the Escrow Account (all investments in the Escrow Account being herein-after sometimes referred to as the "Investments") in (i) cash, and (ii) direct non-callable obligations of the United States of America, including United States Treasury Certificates, Notes or Bonds - State and Local Governments Series (investments in mutual funds or unit investment trusts are prohibited), all of which Investments, together with any uninvested cash, shall be scheduled to mature and be available at such times and in such amounts which will be adequate and necessary, as set out in Exhibit A attached hereto, to provide sufficient funds in ample time to meet the following requirements:

- (a) to pay all interest accruing on the \$24,860,000 of Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds, maturing on and after May 1, 1998, payable commencing May 1, 1994 and on November 1 and May 1 of each year thereafter until and including May 1, 1997; and
- (b) to redeem on May 1, 1997, the Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds scheduled to mature on and

after May 1, 1998, at a redemption price of 102% of the principal amount to be redeemed, plus accrued interest to date of redemption.

3. The Board has agreed, and the Trustee Escrow Agent has been informed and acquiesces, that the net proceeds (\$\_\_\_\_\_ ) received from the purchaser of the Series G, Series H and Series I (Third Series) Bonds, shall be held in cash, in part, and, in part, applied to the purchase of the Investments for deposit in said Escrow Account, as set out in Exhibit A attached hereto.

4. Amounts on deposit in the Escrow Account shall be transferred in such amounts and at such times to the Trustee for the purpose of providing for payment of the Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds in the manner set forth in Paragraph 2 hereof. The amount so deposited in the Escrow Account and all such Investments therein shall be held in the Escrow Account, subject to the following terms and conditions:

- (a) the amount to be provided by both the principal and investment earnings from such Investments plus any uninvested cash shall be sufficient, and shall be made available to the Trustee in ample time, to meet the requirements specified in Paragraph 2(a) and (b) hereof; and
- (b) on or immediately prior to each of the semiannual interest payment dates on the Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds maturing on and after May 1, 1998 (May 1 and November 1), commencing May 1, 1994, the necessary amounts of investments in the Escrow Account shall be converted to cash by the Trustee Escrow Agent for the benefit of the owners of the Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds and transferred to the Trustee for payment of the interest due on the \$24,860,000 of Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds maturing on and after May 1, 1998; and
- (c) on or immediately prior to May 1, 1997, a sufficient amount of investments in the Escrow Account shall be converted to cash by the Trustee Escrow Agent for the benefit of the owners of the Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds scheduled to mature on and after May 1, 1998, and transferred to the Trustee and applied to redeem on May 1, 1997, the \$24,860,000 of the Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds scheduled to mature on and after May 1, 1998, at a redemption price of \$25,357,200 (the redemption price being 102% of the principal amount of the

Series G [Second Series], Series H [Second Series] and Series I [Second Series] Bonds to be redeemed), plus accrued interest to date of redemption, which Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds will have been called for redemption on such date.

5. The Escrow Account is irrevocable and the owners of the Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds scheduled to mature on and after May 1, 1998, shall have an express lien on all monies and investments in the Escrow Account until used and applied in accordance with Paragraph 2 hereof.

6. The Escrow Agent will give written Notice of Redemption of the Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds maturing on and after May 1, 1998, by sending a Notice of Redemption substantially in the form attached hereto as Exhibit B "Second Notice" to each registered bondowner via first class mail not less than thirty (30) nor more than sixty (60) days prior to the redemption date. The Escrow Agent shall also send a copy of the Notice of Redemption substantially in the form attached hereto as Exhibit B "First Notice" to each registered bondowner as soon as practicable after the deposit into the Escrow Account of amounts sufficient to defease the Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds to be called for redemption on May 1, 1997.

7. After the application by the Trustee Escrow Agent of sufficient funds from the Escrow Account to meet all of the requirements of Paragraphs 2(a) and (b) hereof, including the requirements of any of the Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds called for redemption (and/or checks for payment of interest on the Series G [Second Series], Series H [Second Series] and Series I [Second Series] Bonds and/or for payment of the redemption price of the Series G [Second Series], Series H [Second Series] and Series I [Second Series] Bonds, which have not yet been cashed), any surplus remaining after May 1, 1997, shall be deposited into the Bond Fund created in Section 4.05 of the Resolution.

8. The parties hereto agree that all of the foregoing provisions are binding on each of the parties until and including May 1, 1997, the date on which all of the funds held in the Escrow Account have been transferred to the Trustee as hereinabove provided.

9. In the event of a change in Trustee pursuant to the provisions of the Resolution, the successor Trustee shall become the successor Trustee Escrow Agent, in which event the Trustee Escrow Agent shall, upon receipt of written notice of the aforementioned Successor Trustee Escrow Agent, transfer all investments and funds in the Escrow Account to the Successor Trustee Escrow Agent and thereupon the Trustee Escrow Agent shall be relieved from further liability of the administration of the Escrow Account.

10. The Trustee Escrow Agent may rely, and shall be protected in acting or refraining from acting, upon any instrument furnished to it hereunder and believed by it to be genuine and believed by it to have been signed or presented by the appropriate party or parties (including without limitation, with respect to any corporation, any instrument purporting to have been signed on its behalf by its president, any of its vice-presidents, its treasurer or its secretary). The Trustee Escrow Agent shall not be liable for any action (or any refraining from action) taken by it in good faith and believed by it to be authorized or within the rights or powers conferred upon it in this Agreement. The Trustee Escrow Agent may consult with counsel of its choice and shall be fully protected in acting or refraining to act in good faith and in accordance with the opinion of such counsel.

11. The Trustee Escrow Agent shall not be liable for any act done or step taken or omitted by it, or for any mistake of fact or law, or for anything which it may do or refrain from doing, except for its negligence or its default in the performance of any obligation imposed upon it hereunder. The Trustee Escrow Agent shall be responsible only for amounts or investments actually received by the Trustee Escrow Agent and shall not be responsible in any manner whatsoever for the statements contained herein, or in the Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds, or in the Series G, Series H and Series I (Third Series) Bonds, or in any proceedings taken in connection therewith, but the same are made solely by the Board. The Trustee Escrow Agent shall not be liable or responsible for any loss resulting from any investment made pursuant to this Agreement and in full compliance with the provisions hereof. None of the provisions contained in this Agreement shall require the Trustee Escrow Agent to use or advance its own funds or otherwise to incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder. The Trustee Escrow Agent shall be under no liability for interest on any funds or other property received by it hereunder, except as herein expressly provided.

12. This Agreement is made for the benefit of the Board and the holders and owners from time to time of the Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds and it shall not be repealed, revoked, altered, or amended, regardless of whether the consent of the parties hereto shall be given, other than for the purpose of subjecting to this Agreement additional funds, securities or properties. The Trustee Escrow Agent shall be entitled to rely exclusively on an unqualified opinion of nationally recognized attorneys on the subject of municipal bonds with respect to compliance with this Agreement, including the extent, if any, to which any change affects the rights of the owners of the Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds and/or is in compliance with the conditions and provisions of this Agreement. Moody's Investors Service shall be provided with draft copies of any draft amendments prior to their execution at Moody's Investors Service, 99 Church Street, New York, New York 10007, Attention: Public Finance Rating Desk Refunded Bonds.

13. If at any time there shall be insufficient funds on hand in the Escrow Account for the payment of the interest on, or the redemption price of, the Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds being called for redemption, the Trustee Escrow Agent shall promptly notify the Board of such deficiency, and the Board shall immediately supply such deficiency from funds of the Board to the extent of funds available therefor from the Revenues (as defined in the Resolution).

14. The Trustee Escrow Agent shall, on or before the 1st day of April and October of each year, deliver to the Board an investment statement with respect to the Escrow Account and shall, on or before August 1 of each year, deliver to the Board a transaction statement for the Escrow Account for the fiscal year ending the preceding July 1.

15. The Trustee Escrow Agent shall be entitled to payment and/or reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee Escrow Agent in connection with such services. Trustee Escrow Agent shall under no circumstances assert a lien against any funds in the Escrow Fund for any of its fees or expenses.

IN TESTIMONY WHEREOF, witness the signatures of the parties hereto as of the date first above written, the parties executing same each certifying that he had the authority to execute same on behalf of the party for whom he executes this Agreement. This Agreement may be simultaneously executed in several counterparts, all of which constitute one and the same instrument and each of which shall be, and shall be deemed to be, an original.

BOARD OF TRUSTEES OF  
UNIVERSITY OF KENTUCKY

By \_\_\_\_\_  
Signature and Title

BANK ONE, LEXINGTON, NA,  
Lexington, Kentucky,  
Trustee Escrow Agent

By \_\_\_\_\_  
Title \_\_\_\_\_



EXHIBIT A  
Investments

EXHIBIT B  
Notice of Redemption

"First Notice"

NOTICE OF REDEMPTION

RE: UNIVERSITY OF KENTUCKY CONSOLIDATED EDUCATIONAL BUILDINGS REFUNDING REVENUE BONDS, SERIES G (SECOND SERIES), SERIES H (SECOND SERIES) AND SERIES I (SECOND SERIES), DATED MAY 1, 1987

Notice is hereby given that the Board of Trustees of University of Kentucky has provided for the refunding of the Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds maturing on and after May 1, 1998, bearing CUSIP numbers 914386-\_\_\_\_; 914386-\_\_\_\_; 914386-\_\_\_\_; 914386-\_\_\_\_; 914386-\_\_\_\_; 914386-\_\_\_\_; 914386-\_\_\_\_; 914386-\_\_\_\_; and 914386-\_\_\_\_; through the deposit in escrow with Bank One, Lexington, NA, 201 East Main Street, Lexington, Kentucky 40507-2002, as Trustee Escrow Agent, of direct obligations of the United States of America maturing in such amounts and on such dates as will be sufficient to pay the interest on said Bonds as same becomes due, and, will be sufficient to redeem said Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds scheduled to mature on and after May 1, 1998, on May 1, 1997. The Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds called for redemption shall be payable solely from the investments held in escrow, and said Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds shall no longer be secured by the pledge of the Revenues of the Consolidated Educational Buildings Project created by the Resolution of the Board of Trustees of University of Kentucky pursuant to which the Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds have been issued.

The remaining Series G (Second Series), Series H (Second Series) and Series I (Second Series) Bonds scheduled to mature on May 1, 1994 through May 1, 1997 will be paid as and when they become due. Attention is called to the fact that no action is required by the owners of such called Bonds until May 1, 1997. Funds sufficient for the payment of the interest on the Bonds called for redemption through May 1, 1997, and the redemption price of the Bonds to be redeemed on May 1, 1997, have been placed on deposit and invested in United States Government obligations. (Signed) Bank One, Lexington, NA, Escrow Agent.

"Second Notice"

NOTICE OF REDEMPTION

RE: UNIVERSITY OF KENTUCKY CONSOLIDATED EDUCATIONAL BUILDINGS REFUNDING REVENUE BONDS, SERIES G (SECOND SERIES), SERIES H (SECOND SERIES) AND SERIES I (SECOND SERIES), DATED MAY 1, 1987

Owners of the above-identified Bonds scheduled to mature on May 1, 1998 through 2006, bearing CUSIP numbers 914386-\_\_\_; 914386-\_\_\_; 914386-\_\_\_; 914386-\_\_\_; 914386-\_\_\_; 914386-\_\_\_; 914386-\_\_\_; and 914386-\_\_\_; are advised that such Bonds are called for redemption on May 1, 1997, at the principal corporate trust office of Bank One, Lexington, NA, 201 East Main Street, Lexington, Kentucky 40507-2002. Owners of said called Bonds are notified to present them as set out above and upon surrender thereof, said Bonds will be redeemed at a price of \$5,100 per \$5,000 Bond (102%) plus accrued interest to May 1, 1997. Interest on said called Bonds will no longer accrue after May 1, 1997. (Signed) Bank One, Lexington, NA, Escrow Agent.

Office of the President  
September 21, 1993

FCR 11

Members, Board of Trustees:

RESOLUTION OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY ACCEPTING THE SUCCESSFUL BID FOR THE PURCHASE OF \$16,325,000 (PLUS OR MINUS UP TO 10%) PRINCIPAL AMOUNT OF THE UNIVERSITY OF KENTUCKY CONSOLIDATED EDUCATIONAL BUILDINGS REFUNDING REVENUE BONDS, SERIES D (SECOND SERIES), DATED SEPTEMBER 1, 1993

Recommendation: (i) that the Board of Trustees approve a Resolution accepting the successful bid of Goldman Sachs with reference to the sale of the \$16,325,000 (plus or minus up to 10%) of University of Kentucky Consolidated Educational Buildings Refunding Revenue Bonds, Series D (Second Series), dated September 1, 1993, at a net interest cost of 3.96955%; (ii) that the Board of Trustees approve the form of Official Statement as prepared by J.J.B. Hilliard, W.L. Lyons, Inc., the Financial Advisors to the Board of Trustees.

Background: On August 17, 1993, the Board of Trustees approved a Resolution authorizing the issuance of \$16,325,000 (plus or minus up to 10%) of University of Kentucky Consolidated Educational Buildings Refunding Revenue Bonds, Series D, (Second Series) dated September 1, 1993. Said Resolution also authorized the public advertising for sealed, competitive bids to be received on September 21, 1993. Bids were received by the Controller & Treasurer, tabulated by J.J.B. Hilliard, W.L. Lyons, Inc., the Financial Advisors for the bonds, and reported to the Finance Committee. The recommended bid is the lowest net interest cost to the University.

Four bids were received and tabulated as follows:

Goldman Sachs	3.96955%
The Robinson-Humphrey Company, Inc.	4.08236%
Griffin, Kubik, Stephens & Thompson, Inc.	4.14910%
J.J.B. Hilliard, W.L. Lyons, Inc.	4.22895%

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Action: Approved  Disapproved  Other

Dated: September 21, 1993

SALE RESOLUTION

RESOLUTION OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY ACCEPTING THE SUCCESSFUL BID FOR THE PURCHASE OF \$16,325,000 PRINCIPAL AMOUNT OF UNIVERSITY OF KENTUCKY CONSOLIDATED EDUCATIONAL BUILDINGS REFUNDING REVENUE BONDS, SERIES D (SECOND SERIES), DATED SEPTEMBER 1, 1993.

WHEREAS, Notice of Sale of \$16,325,000 (plus or minus up to 10%) principal amount of University of Kentucky Consolidated Educational Buildings Refunding Revenue Bonds, Series D (Second Series), dated September 1, 1993, has heretofore been advertised, and information as to such sale has been distributed in strict compliance with all legal requirements, which action is hereby authorized, ratified and confirmed, and

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

1.	2.	3.
<u>BIDDERS</u>	<u>AMOUNTS BID FOR SAID \$16,325,000 PRINCIPAL AMOUNT OF BONDS, PLUS ACCRUED INTEREST FROM SEPTEMBER 1, 1993</u>	<u>NET INTEREST COST</u>
Goldman Sachs	\$16,161,750.00	3.96955%
The Robinson-Humphrey Company, Inc.	\$16,178,075.00	4.08236%
Griffin, Kubik, Stephens & Thompson, Inc.	\$16,210,140.40	4.14910%
J.J.B. Hilliard, W.L. Lyons, Inc.	\$16,173,642.60	4.22895%

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

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

1. Determination of Best Bid; Acceptance. That the bid of Goldman Sachs for the purchase of said \$16,325,000 principal amount of University of Kentucky Consolidated Educational Buildings Refunding Revenue Bonds, Series D (Second Series), dated September 1, 1993, at a price of \$16,161,750.00, said bid having been adjusted to \$16,025,000.00 of Bonds at an adjusted sale price of \$15,864,750.00, plus accrued interest from September 1, 1993, to the date of delivery of the Bonds, be accepted and confirmed, such principal and interest to be payable semiannually as follows:

<u>Maturing</u> <u>May 1</u>	<u>Maturity</u> <u>Amount</u>	<u>Rate</u>	<u>Maturing</u> <u>May 1</u>	<u>Maturity</u> <u>Amount</u>	<u>Rate</u>
1994	\$ 2,390,000	2.85 %	1997	\$ 3,095,000	3.625 %
1995	2,685,000	3.125%	1998	3,200,000	3.875 %
1996	2,765,000	3.40 %	1999	1,890,000	3.875 %

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

2. All Other Bids Rejected. That all other bids are hereby rejected and the successful purchaser will deposit the good faith deposit, in immediately available funds, in Bank One, Lexington, NA, Lexington, Kentucky, prior to the close of business on September 22, 1993, in accordance with the published Notice of Bond Sale and the Official Terms and Conditions of Sale of Bonds.

3. Delivery of Bonds; Application of Proceeds. That said Bonds shall be delivered by the Treasurer and/or other appropriate officials of the University in accordance with the terms of the Resolution authorizing the Bonds, adopted by the University on August 17, 1993, as soon as said Bonds are printed, executed, authenticated and ready for delivery in accordance with such Resolution, and all of the proceeds of the Bonds shall be used only as provided in said Resolution.

4. Acceptance of Bid is Subject to Approving Legal Opinion of Bond Counsel. That said bid is accepted subject to the condition that such acceptance subjects the University to no obligation to deliver the Bonds if for any reason the University is unable to obtain the final approving legal opinion of the firm of

Rubin Hays & Foley, Municipal Bond Attorneys, Louisville, Kentucky, as to said Bonds, or if such Bonds shall be subject to ad valorem taxation by the Commonwealth of Kentucky, or if the receipt of interest on said Bonds shall be subject to income taxation by the Federal Government or by the Commonwealth of Kentucky, prior to or on the delivery date of said Bonds; and the purchasers shall not be required to take delivery of said Bonds without the final approving opinion of said attorneys accompanying said Bonds, or if said Bonds or the interest thereon should become subject to such ad valorem or income taxation prior to such delivery; provided such exemption from taxation shall be subject to compliance by the Board of Trustees with certain covenants necessary to establish that interest on the Bonds will continue to be exempt from Federal income taxation under the Internal Revenue Code of 1986.

5. Approval of Official Statement. That the form of Official Statement prepared and presented to the Board of Trustees by J.J.B. Hilliard, W.L. Lyons, Inc., for distribution to prospective purchasers of the Series D (Second Series) Bonds is hereby approved and the Chairman and Secretary are authorized and directed to execute and deliver said Official Statement.

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

Passed and adopted by the Board of Trustees of the University of Kentucky at a properly convened meeting of the University held on September 21, 1993.

BOARD OF TRUSTEES  
UNIVERSITY OF KENTUCKY

By Edward T. Beathitt  
Chairman

Attest:

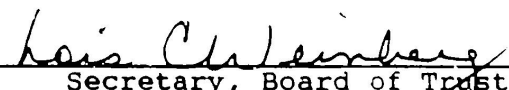
Lois C. Weinberg  
Secretary

CERTIFICATE

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

1. That the foregoing is a true copy of a Resolution adopted by said Board; signed by the Chairman of the Board and attested under seal by me as Secretary of the Board at a properly convened meeting of said University held on September 21, 1993, as shown by the official records of said University in my custody and under my control;
2. That there are attached hereto reproduced duplicate copies of each of the bids received for the purchase of \$16,325,000 principal amount of University of Kentucky Consolidated Educational Buildings Refunding Revenue Bonds, Series D (Second Series), dated September 1, 1993, referred to in said Resolution;
3. That there is attached hereto the form of Official Statement for the Series D (Second Series) Bonds, approved by the foregoing Resolution; and
4. That said meeting was duly held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.825, that a quorum was present at said meeting, that said Resolution has not been modified, amended, revoked or repealed, and that said Resolution is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature as Secretary and the official seal of said University this September 21, 1993.

  
Secretary, Board of Trustees

(Seal)