

Minutes of the Meeting of the Board of Trustees of the University of Kentucky, Tuesday, March 3, 1987.

The Board of Trustees of the University of Kentucky met at 1 p.m. (Eastern Standard Time) on Tuesday, March 3, 1987 in the Board Room on the 18th floor of the Patterson Office Tower on the Lexington Campus.

A. Meeting Opened and Oath of Office Administered

Mr. Robert T. McCowan, Chairman, called the meeting to order at 1 p.m., and the invocation was pronounced by Mr. T. A. Lassetter. Mr. McCowan welcomed the new members of the Board of Trustees and requested Mr. John C. Darsie, General Counsel, to administer the oath of office to the following:

Ted B. Bates, appointed by Governor Martha Layne Collins to replace Tommy Bell, deceased, for a term expiring December 31, 1990.

Lawrence E. Forgy, Jr., appointed by Governor Collins to replace Robert Larry Jones, for a term expiring December 31, 1989.

Walter D. Huddleston, appointed by Governor Collins to replace Brereton C. Jones, for a term expiring December 31, 1989.

Nicholas J. Pisacano, appointed by Governor Collins to replace George W. Griffin, for a term expiring June 30, 1990.

Jerome A. Stricker, appointed by Governor Collins to replace Bruce Lunsford, for a term expiring June 30, 1990.

Julia K. Tackett, appointed by Governor Collins to replace William R. Black, for a term expiring December 31, 1990.

Billy B. Wilcoxson, appointed by Governor Collins to replace Ronald G. Geary, for a term expiring June 30, 1989.

Tracy Farmer, reappointed by Governor Collins, for a term expiring December 31, 1990.

B. Roll Call

The following members of the Board of Trustees answered the call of the roll: Mr. Robert T. McCowan (Chairman), Mr. Ted B. Bates, Professor Raymond F. Betts, Governor Albert B. Chandler, Mr. Albert G. Clay, Professor David R. Driscoll, Jr., Mr. Tracy Farmer, Mr. Lawrence E. Forgy, Jr., Mr. Ronald G. Geary, Ms. Donna G. Greenwell, Mr. George W. Griffin, Mrs. Edythe Jones Hayes, Mr. Henry E. Hershey, Senator Walter D. Huddleston, Mr. R. Larry Jones, Mr. T. A. Lassetter, Dr. Nicholas J.

Pisacano, Mr. Frank Ramsey, Mr. James L. Rose, Mr. Jerome A. Stricker, Judge Julia K. Tackett, Mr. Bobby Watson, Mr. Billy B. Wilcoxson, and Professor Constance P. Wilson. Mr. Brereton C. Jones was absent from the meeting. The University administration was represented by President Otis A. Singletary; Mr. Edward A. Carter, Acting Vice President for Administration; Chancellors Peter P. Bosomworth, Art Gallaher, and Charles T. Wethington; Dr. Raymond R. Hornback, Vice President for University Relations; Mr. John C. Darsie, General Counsel; Mr. Henry Clay Owen, Controller and Treasurer; and Dr. Paul G. Sears, Special Assistant for Academic Affairs.

Members of the various new media were also in attendance. Mr. Darsie, Assistant Secretary of the Board, reported a quorum present, and Mr. McCowan declared the meeting officially open for the conduct of business at 1:06 p.m.

C. Nominating Committee Appointed

Mr. McCowan appointed Mr. Frank Ramsey (Chairman), Mr. James L. Rose, Mrs. Edythe Jones Hayes and Professor David R. Driscoll to serve as the Nominating Committee to recommend a replacement for Mr. William R. Black on the Executive Committee to be presented at the April 7 meeting of the Board of Trustees. Mr. McCowan indicated that he would also make appointments at that meeting to fill vacancies on other Board committees.

D. Minutes Approved

On motion made by Mr. Rose, seconded by Mr. Farmer and passed, the Minutes of the January 20, 1987 meeting of the Board of Trustees were approved as written.

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

President Singletary indicated his pleasure in announcing the appointment of William H. Fortune, Professor, College of Law, as the Academic Ombudsman for the 1987-88 academic year. He noted that Professor Fortune succeeds Professor Charles Byers, who has held the position for two years. Professor Fortune was asked to stand and be recognized following which he was given a round of applause. In view of the length of the agenda, President Singletary said he would not attempt to cover the other items in PR 1 and suggested the Trustees read it at their leisure.

F. Personnel Actions (PR 2)

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

G. Appointment of Vice Chancellor for Student Affairs (PR 3A)

Acting on the recommendation of Chancellor Gallaher, President Singletary recommended to the Board that James M. Kuder be named Vice Chancellor for Student Affairs, effective July 1, 1987. Chancellor

Gallaher reviewed briefly the credentials and experience of Dr. James M. Kuder, who is currently Director of Student Relations Services at Colorado State University. The motion, which was made by Ms. Greenwell and seconded by Mr. Stricker, was voted on and carried unanimously. (See PR 3A at the end of the Minutes.)

H. Authority for Acceptance of Gift from the Community Improvement Foundation, Inc. of Madisonville (PR 3B)

Mr. Ramsey moved that the Board authorize the acceptance of a gift of \$217,500 from the Community Improvement Foundation, Incorporated of Madisonville, Kentucky, as recommended by President Singletary. The motion was seconded by Judge Tackett and unanimously carried. (See PR 3B at the end of the Minutes.)

I. Confirmation of 1987-88 Fees Schedule (PR 3C)

With President Singletary so recommending, Mr. Jones moved and Ms. Greenwell seconded that the Board of Trustees (1) confirm changes in the fees as adopted by the Council on Higher Education, and (2) establish corresponding part-time and Summer School charges under the guidelines of the Council on Higher Education. Ms. Greenwell stated that she realizes tuition is set by the Council on Higher Education and that the Board only confirms changes in fees. However, she added that with the substantial decline in student financial aid the Board should understand that if the students must pay more then everybody at the University must pay accordingly. The motion was voted on and carried. (See PR 3C at the end of the Minutes.)

J. Appointments to University of Kentucky/Business Partnership Foundation (PR 5A)

President Singletary recommended that Mr. Gary D. Bello and A. Ronald Turner be appointed to membership on the Board of Directors of the University of Kentucky/Business Partnership Foundation for the terms indicated below:

Gary D. Bello	Through Spring 1990
A. Ronald Turner	Through Fall 1990

The motion, which was made by Professor Wilson and seconded by Judge Tackett, was voted on and carried. (See PR 5A at the end of the Minutes.)

K. Fringe Benefit Program (PR 5B)

President Singletary recommended that approval be given to the personnel assigned to the national headquarters of Omicron Delta Kappa (ODK), located on the Lexington Campus, to receive the fringe benefits currently enjoyed by the University employees. The Society will pay for all benefits; the request is solely for the right to participate. Professor Wilson so moved. The motion was seconded by Professor Betts and unanimously carried. (See PR 5B at the end of the Minutes.)

L. Background of Policy on International Teaching Assistants
(Information Only) (PR 5C)

At the request of President Singletary, Chancellor Gallaher reviewed the forthcoming new Policy on International Teaching Assistants. He stated that the policy, which will apply to those for whom English is not the native language, was formulated by a committee of faculty and students, examined by the deans, approved by the Senate Council and by the three Chancellors before forwarding to the President. He explained that the policy has two main objectives: (1) to ensure that teaching assistants be proficient in spoken English, and (2) to ensure that they be given adequate training and supervision. Chancellor Gallaher then listed the following procedures which will be incorporated in the policy:

The Chancellor of the Lexington Campus will appoint a committee each year that will recommend to the Vice Chancellor for Academic Affairs, Lexington Campus, on the qualifications of each candidate to teach. The committee will organize and coordinate an orientation each year prior to the beginning of the fall term. The committee will also direct the training, screening, evaluation and monitoring of all international teaching assistants.

The Orientation Committee will develop criteria for the screening of all international teaching assistants and these will include interviews and test scores, i.e., Test of English as a Spoken Language.

The Orientation Committee will recommend to the Vice Chancellor for Academic Affairs on the qualifications of each international teaching assistant to teach. Those not approved for teaching assignments shall be assigned duties not requiring classroom student contact; the departmental units will pick up such costs; and when this occurs, the Orientation Committee will recommend a program of remediation, following which the committee will reexamine the international teaching assistant.

The policy requires international teaching assistants to be on campus as early as August 16 for orientation activities and testing. In addition to the testing, interviewing, and monitoring the teaching assistants, the Orientation Committee will be responsible for reviewing any special departmental programs that have to do with training and orienting their teaching assistants and for monitoring the professional performance of the teaching assistants.

Chancellor Gallaher concluded his remarks by stating that he feels this is an excellent program that represents the highest level of participation and agreement by faculty, students, and graduate school representatives. Mr. Hershey made complimentary remarks about the content of the new policy. (See PR 5C at the end of the Minutes.)

M. Change in Name of an Educational Unit (PR 6A)

President Singletary recommended that the name of the Department of Medical Microbiology and Immunology, College of Medicine, be changed to the Department of Microbiology and Immunology. Mr. Hershey so moved. The motion was seconded by Mr. Clay and passed without dissent. (See PR 6A at the end of the Minutes.)

N. Revision of the Bylaws, Rules and Regulations of the Medical Staff, University Hospital (PR 6B)

On motion made by Mr. Hershey, seconded by Mr. Jones and passed, the revision of the Bylaws, Rules and Regulations of the Medical Staff of University Hospital, as presented in PR 6B, was approved. (See PR 6B at the end of the Minutes.)

O. Information Items

Mr. McCowan indicated that he received many letters regarding the University and the leadership provided by President Singletary, and said he would like to share two recent letters with the Board. One letter was from John R. Silber, President of Boston University, who sent a check for \$1,000 in recognition of President Singletary's outstanding contributions to the University of Kentucky.

The second letter was from David I. Carter, Associate Vice President for Business Services at the University. He and his wife Janet are adding a deferred gift of not less than \$50,000 to the endowment of the Otis A. and Gloria W. Singletary President's Discretionary Fund. Mr. Carter requested that the gift be used to designate the following individuals University of Kentucky Fellows: Janet G. Carter and Dale Baldwin. Mr. Carter was asked to stand and be recognized, following which he was given a round of applause.

P. Acceptance of Interim Financial Report for the University of Kentucky for the Seven Months Ended January 31, 1987 (FCR 1)

Mr. Clay, Chairman of the Finance Committee, reported that the Committee met on the morning of March 3, 1987 and reviewed the eight items to be presented for action. He then recommended and moved that the Board accept the University of Kentucky consolidated financial report for the seven months ended January 31, 1987. The motion was seconded by Mr. Rose, and it was so ordered. (See FCR 1 at the end of the Minutes.)

Q. Capital Construction Report (FCR 2)

On motion made by Mr. Clay, seconded by Mr. Jones and passed, the capital construction report for the six months ending December 31, 1986 was accepted. (See FCR 2 at the end of the Minutes.)

R. Disposal of Personal Property (FCR 3)

On motion made by Mr. Clay, seconded by Judge Tackett and passed, approval was given for the disposal of obsolete and surplus equipment as recommended in FCR 3. (See FCR 3 at the end of the Minutes.)

S. Report of Lease (FCR 4)

Mr. Clay moved that the report of lease in FCR 4 be accepted and made a matter of record. The motion was seconded by Mr. Stricker, and it was so ordered. (See FCR 4 at the end of the Minutes.)

T. Amendment of the Agreement with the Fayette-Urban County Government for the Relocation of the Reserved Boundary of the Arboretum Park (FCR 5)

With the concurrence of the Finance Committee, Mr. Clay moved that the boundaries for the 50-year reservation of land for the University of Kentucky--Lexington-Fayette County Arboretum Park be amended in conformity with the description and map in FCR 5; and that the President and the Chairman of the Board of Trustees be authorized to amend the agreement with the Lexington-Fayette Urban County Government for the development of this tract accordingly. The motion, which was seconded by Mr. Bates, was voted on and unanimously carried. (See FCR 5 at the end of the Minutes.)

U. External Auditor for Fiscal Year 1986-87 (FCR 6)

The Finance Committee so recommending, Mr. Clay moved that the Board engage the firm of Coopers & Lybrand, Certified Public Accountants, to perform an examination of the accounts of the University of Kentucky and affiliated corporations for the fiscal year ending June 30, 1987, for a fee, including expenses, of not more than \$119,225. The motion was seconded by Professor Driscoll and passed without dissent. (See FCR 6 at the end of the Minutes.)

V. Adoption of Resolution Accepting the Successful Bid for the University of Kentucky Consolidated Educational Buildings Revenue Bonds, Series J, dated March 1, 1987 (FCR 7)

Mr. Clay announced that bids had been received for the purchase of Consolidated Educational Buildings Revenue Bonds, Series J of the University of Kentucky, dated March 1, 1987 until 10:30 a.m. (Eastern Standard Time) on this date of March 3, 1987, pursuant to a Notice of Sale of Bonds which had been published. Since the hour of 1 p.m. (Eastern Standard Time) had arrived, it was appropriate that all Purchase Bids received should be publicly read and fully considered, such bids having been referred to the Treasurer of the Board and the Fiscal Agent of the University for analysis. It was further stated that at the time such bids had been received at 10:30 a.m. on this date, they had been referred also to the Finance Committee, which had considered such bids and had recommended that the best bid be accepted as had been recommended by the Treasurer and the Fiscal Agent with reference to the issuance of such Bonds. Mr. Clay noted that present at the meeting is a quorum of the Board of Trustees.

The Treasurer and the Fiscal Agent presented to the Finance Committee, after the analysis, the best offer for the purchase of said Consolidated Educational Buildings Revenue Bonds, Series J, dated March 1, 1987, and thereupon Trustee Clay moved that a Resolution, the form of which had been distributed to the members of the Board of Trustees prior to the meeting and was available at such meeting, be adopted, which Resolution was entitled:

RESOLUTION OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY
ACCEPTING THE SUCCESSFUL BID FOR THE PURCHASE OF \$29,350,000
PRINCIPAL AMOUNT OF UNIVERSITY OF KENTUCKY CONSOLIDATED EDUCATIONAL
BUILDINGS REVENUE BONDS, SERIES J, DATED MARCH 1, 1987

The motion for adoption of said Resolution was seconded by Trustee
Betts. Upon a vote being taken on such motion the result was as follows:

Yeas for the Motion

Nays for the Motion

Robert T. McCowan
Ted B. Bates
Raymond F. Betts
Albert G. Clay
David R. Driscoll, Jr.
Tracy Farmer
Lawrence E. Forgy, Jr.
Ronald G. Geary
Donna G. Greenwell
George W. Griffin
Edythe Jones Hayes
Henry E. Hershey
Walter D. Huddleston
R. Larry Jones
T. A. Lassetter
Nicholas J. Pisacano
Frank Ramsey
James L. Rose
Jerome A. Stricker
Julia K. Tackett
Bobby Watson
Billy B. Wilcoxson
Constance P. Wilson

None

Thereupon, the Chairman declared that such motion had carried and
that such Resolution, a copy of which Resolution is attached to the Minutes
of this meeting, and made a part thereof as if copied in full herein, had
been adopted. He then directed that the good faith check of the successful
bidder be deposited and that the checks of the unsuccessful bidders be
returned to such bidders.

The good faith checks were then returned to the unsuccessful
bidders. (See FCR 7 at the end of the Minutes.)

W. Adoption of Resolution Approving the Issuance and Sale of
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 (FCR 8)

Mr. Clay reported that the Resolution and official documents
regarding the Consolidated Educational Buildings Refunding Revenue Bonds,
Series G (Second Series), Series H (Second Series), and Series I (Second
Series), dated May 1, 1987 had been prepared by Bond Counsel. These

documents contemplate action by the Board of Trustees, approving same at this time and contemplating a sale of such Bonds at such time as may be determined by the President of the University to be most advantageous, which might possibly be at the next regular meeting of the Board of Trustees on April 7, 1987, it being provided that no bid may be accepted for such Bonds except upon specific action by the Board of Trustees or its Executive Committee. He stated that the Resolution supersedes and nullifies a previous Resolution adopted by the Board of Trustees on June 25, 1986. Mr. Clay again noted that present at the meeting is a quorum of the Board of Trustees.

Thereupon, motion was made by Trustee Clay and seconded by Trustee Hershey that a Resolution entitled:

A RESOLUTION AUTHORIZING THE ISSUANCE OF UNIVERSITY OF KENTUCKY CONSOLIDATED EDUCATIONAL BUILDINGS REVENUE BONDS, SERIES G (SECOND SERIES), SERIES H (SECOND SERIES), AND SERIES I (SECOND SERIES), DATED MAY 1, 1987,

be adopted and that the official documents relating to the advertisement and sale of said Revenue Bonds be approved, true copies of which Resolution and documents are attached to these Minutes. Upon such Resolution and documents having been read and fully considered, a vote was taken on the motion to adopt such Resolution, which resulted as follows:

Yeas for the Motion

Nays for the Motion

Robert T. McCowan
Ted B. Bates
Raymond F. Betts
Albert G. Clay
David R. Driscoll, Jr.
Tracy Farmer
Lawrence E. Forgy, Jr.
Ronald G. Geary
Donna G. Greenwell
George W. Griffin
Edythe Jones Hayes
Henry E. Hershey
Walter D. Huddleston
R. Larry Jones
T. A. Lassetter
Nicholas J. Pisacano
Frank Ramsey
James L. Rose
Jerome A. Stricker
Julia K. Tackett
Bobby Watson
Billy B. Wilcoxson
Constance P. Wilson

None

Thereupon, the Chairman declared that said Resolution had been adopted, and that said documents had been approved.

Thereupon, the Chairman declared that said Motion had been adopted and the President was authorized to proceed accordingly. (See FCR 8 at the end of the Minutes.)

X. Report of Investments (ICR 1)

Mr. Hershey, Chairman of the Investment Committee, reported that the Investment Committee met on the morning of March 3 and reviewed the report of changes made in investments for the three months ended December 31, 1986. He then moved that the report be accepted. The motion was seconded by Mr. Ramsey and it was so ordered. (See ICR 1 at the end of the Minutes.)

Y. Executive Session Called

The Board went into Executive Session at 1:45 p.m. to discuss a personnel matter. Following the Executive Session, the members of the Board reconvened at 2:50 p.m.

Z. Report of Presidential Search Committee

Mr. McCowan, Chairman of the Presidential Search Committee, presented the following report of the Committee:

On July 24, 1986, the Search Committee began its awesome task of finding a replacement for Otis Singletary. The Committee had only one objective: to find the individual who was the most qualified candidate available. The position was advertised in the Chronicle of Higher Education and announced to 92,000 alumni through a letter in the Kentucky Open Door. Invitations for nominations and applications also were announced through a memorandum to 3700 University faculty, administrators, and professional staff, and through individualized letters to presidents and chancellors of 178 universities and colleges, to the Chairmen of the Advisory Boards of the University of Kentucky Community Colleges, to the members of the Board of Directors of the University of Kentucky Development Council, and to the members of the University of Kentucky National Alumni Association. Thirty-five meetings were held with 1,000 man-hours devoted to screening and interviewing candidates. The Committee has over 160 files on individuals who were considered. Many outstanding individuals were interested in the presidency of the University of Kentucky, and the Committee felt this was due to the recognition the University is beginning to receive throughout the nation under the leadership of Otis Singletary. The 10-member Committee conducted its search in accordance with the procedures outlined in the Governing Regulations. Three faculty members of the Committee were in attendance and recognized: Mary Sue Coleman, Robert Guthrie and Wilbur Frye, along with student trustee Donna Greenwell. The Committee considered many outstanding candidates, including chancellors and presidents of some top universities. The process was narrowed to the two most outstanding candidates who met with the Trustees, representative members of the faculty, students and administrators of the University. One was Dr. Charles Wethington.

He and his wife Judy are great Kentuckians. His contribution to the University has been tremendous. The Community College System of the University provides a great education for those who might never have a higher education, and Charles Wethington has been a crucial part of that System. His leadership has been a key reason that we can point to that segment of the University with a great deal of pride. He is a gentleman, a scholar, and carries the respect and admiration of many throughout the Commonwealth of Kentucky.

The Search Committee's other candidate is Dr. David Roselle. Many of you have already seen his résumé. He is University Provost at Virginia Polytechnic Institute and State University. He has a B.S. from West Chester State College and a Ph.D. from Duke University. He is 47 years old and has a lovely wife Louise whom many of you have met, and two children. The Committee was impressed with his administrative record and with his style and relationship with administrators, students and faculty. The record he has achieved as an academic officer of a fine state university has been outstanding. He has a clear understanding of the role and mission of land-grant universities. The Committee was equally pleased that his teaching and administrative experience has been in three land-grant universities: Maryland, LSU and VPI. Dr. Roselle has achieved recognition for his scholarly and research background. The Committee received tremendous quality recommendations from his peers at Virginia Tech and elsewhere. His leadership role has been important in mathematical societies and other areas where he has particular interest. He has a reputation as a hard worker with a high level of energy and as a proven problem solver. The Committee was also impressed with his ability to gain research support from business and industry, and with his vision of a partnership role between universities and industry. Dr. Roselle is recognized for his leadership role in advancing Virginia Tech to a prominent level of expertise in communications. He has been the keynote speaker for IBM sponsored conferences throughout the United States and the Far East. He will soon be going to Rome to speak at an IBM-sponsored conference on VPI's use of a major computing system for various campus activities. C&P Telephone is sponsoring an advertising program on communications featuring Dr. Roselle and his work in education in Newsweek, Time, U.S. News and World Report, Fortune, Sports Illustrated, Chronicle of Higher Education, etc. The bottom line of this all comes down to the fact that we are in a world now where change is occurring in a geometric progression. More things are taking place in five years now than took place in 20 years before and everybody who is an expert on this subject says that increasing change is going to take place and that the universities especially should be ready to take advantage of such change. Under the leadership of Otis Singletary, and with the support by Governor Collins and the Legislature, the University is in a position poised for the future. The Committee feels Dr. Roselle has the vision and the ability to establish the strategy and implement the plan to move the University into the 90's. Now is the time and place for this man at the University. The Search Committee recommends Dr. David Roselle as the new President of the University of Kentucky, effective July 1, 1987.

Professor Wilson moved that Dr. Roselle be chosen to succeed Dr. Singletary as the next President of the University of Kentucky. The motion, which was seconded by Mr. Stricker, was voted on and unanimously carried.

President Singletary expressed appreciation to the Search Committee for its long, hard and valuable work and for its recommendation of a strong and able candidate. He commended the Board members for their selection of David Roselle and urged them to give the new president the strong support afforded him during his tenure. He wished David and Louise Roselle a very long, happy and fruitful tenure at the University, a University he said they will come to know and love. President Singletary pledged his support in making the transition period as smooth and accommodating as possible. He stated that the new president is coming to the University at an interesting and historic time. President Singletary expressed his deep affection for the University and what it has meant and will continue to mean to him, and stated he would continue to support the University in every possible way. President Singletary was given a round of applause.

Chancellor Wethington told the Board that he was honored and pleased to be among the finalists. He indicated his disappointment that he was not selected but stated that David Roselle would have his complete support. Chancellor Wethington was given a standing ovation.

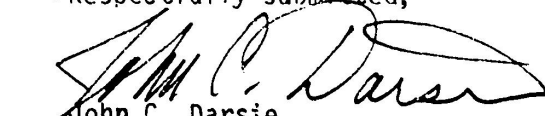
Dr. and Mrs. Roselle were invited to join the meeting. Dr. Roselle thanked the Board of Trustees for their vote of confidence, and stated it will be an honor to succeed Dr. Otis Singletary, one of the country's most respected and senior administrators of a major university. He thanked Chancellor Wethington for his kind comments. Dr. Roselle told the Trustees that probably they had given him the greatest honor in his life and that he would do his best to justify it.

Mrs. Roselle stated she was pleased and excited to be moving to Lexington and the University of Kentucky. She indicated she would serve in any way that may be appropriate.

AA. Meeting Adjourned

There being no further business to come before the Board, the Chairman adjourned the meeting at 3:13 p.m., E.S.T.

Respectfully submitted,


John C. Darsie
Assistant Secretary
Board of Trustees

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

Office of the President
March 3, 1987

PR 2

Members, Board of Trustees:

Personnel Actions

Recommendation: (1) that approval be given to the attached appointments and/or other staff changes which require Board action; and (2) that the report relative to appointments and/or changes already approved by the administration be accepted.

Background: The attached recommended appointments and/or other staff changes require approval by the Board of Trustees in accordance with Part VIII-8 of the Governing Regulations of the University. These recommendations are transmitted to the Board by the appropriate chancellor through the President and have his concurrence.

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

Action taken: Approved ☒ Disapproved ☐ Other ☐

Date: March 3, 1987

0197

COMMUNITY COLLEGE SYSTEM

I. BOARD ACTION

A. ADMINISTRATIVE APPOINTMENTS

Somerset Community College

Wahlman, Randy C., Assistant Professor in the Community College System, Chairman, Division of Social Sciences, Business and Related Technologies, 1/1/87 through 6/30/89.

II. ADMINISTRATIVE ACTION

A. ACADEMIC APPOINTMENTS

Ashland Community College

Jones, Kevin, Librarian IV in the Community College System, 1/26/87 through 6/30/87.

Hazard Community College

Chukwu, Joseph O., Assistant Professor in the Community College System, 1/5/87 through 6/30/87.
Fulton, Lou Vera, Instructor in the Community College System, 1/5/87 through 6/30/87.
Naylor, David, Instructor in the Community College System, 1/5/87 through 6/30/87.

Jefferson Community College

Ingram, John R., Instructor in the Community College System, 1/1/87 through 6/30/87.
Lambert, Thomas E., Instructor in the Community College System, 1/1/87 through 6/30/87.

Lexington Community College

Meade, Penelope M., Instructor in the Community College System, 1/1/87 through 5/16/87.

Prestonsburg Community College

Holler, Nancy L., Instructor in the Community College System, 1/1/87 through 6/30/87.

Somerset Community College

Crabtree, Ralph M., Instructor in the Community College System, 1/1/87 through 6/30/87.

Wahlman, Randy C., Assistant Professor in the Community College System, 1/1/87 through 6/30/87.

B. ADMINISTRATIVE APPOINTMENTS

Southeast Community College

Hogue, Joanne B., Professor in the Community College System (with tenure), Acting Chairman, Division of Social Sciences and Related Technologies, 2/10/87 through 6/30/87.

C. REAPPOINTMENTS

Jefferson Community College

Hand, Michael D., Instructor in the Community College System (voluntary), 1/1/87 through 6/30/87.

Madisonville Community College

Bellarmine, Thomas G., Assistant Professor in the Community College System, 11/21/86 through 6/30/87

D. LEAVES OF ABSENCE

Elizabethtown Community College

Judd, Mildred L., Associate Professor in the Community College System (with tenure), Leave of absence without pay, 7/1/87 through 6/30/88.

Keith, Angela, Assistant Professor in the Community College System, Leave of absence without pay, 1/1/87 through 6/30/87.

Lexington Community College

Birchfield, Martha, Librarian II in the Community College System (with tenure), Sabbatical leave at full salary, 7/1/87 through 12/31/87.

Carpenter, Gail, Associate Professor in the Community College System (with tenure), Sabbatical leave at full salary, 7/1/87 through 12/31/87.

Southeast Community College

Goode, James B., Professor in the Community College System (with tenure), Sabbatical leave at full salary, 1/1/88 through 6/30/88.

Simpson, Lillian F., Associate Professor in the Community College System (with tenure), Leave of absence without pay, 2/6/87 through 6/30/87.

LEXINGTON CAMPUS

I. BOARD ACTION

A. ACADEMIC APPOINTMENTS

College of Arts and Sciences

Berry, Wendell E., Professor (with tenure), English, effective 8/16/87.

College of Business and Economics

Lagace, Rosemary, Instructor, Marketing, 8/16/87 through 6/30/88.

College of Engineering

Kratochvil, Jan, Visiting Scholar, Engineering Mechanics, 1/11/87 through 7/11/87.

Graduate School

Hersman, Frank, Visiting Professor (part-time), James W. Martin School of Public Administration, 1/14/87 through 5/8/87.

Lai-Fook, Stephen J., Professor (with tenure), Biomedical Engineering, effective 7/1/87.

Patel, Dinker, Visiting Associate Professor, James W. Martin School of Public Administration, 1/1/87 through 6/30/87.

B. ADMINISTRATIVE APPOINTMENTS

College of Fine Arts

McIntosh, Suzanne, Associate Professor (with tenure)*, Music, appointed Associate Director, Music, effective 1/16/87.

C. PROMOTIONS

College of Agriculture

Love, Harold G., from Assistant Professor (without tenure), Agricultural Economics, to Associate Professor (with tenure), Agricultural Economics, effective 1/1/87.

D. CORRECTIONS

College of Architecture

de Hahn, Henri, Visiting Assistant Professor, 1/1/87 through 6/30/87. To correct rank from Visiting Assistant Professor (part-time) to Visiting Assistant Professor, as reported in January 20, 1987 Minutes.

*Special Title Series

E. RETIREMENTS

Vice Chancellor for Administration

Fox, Lucy Reed, Disabled Staff, Employee Benefits and Risk Management, after 17 consecutive years of service, under Section II.B of AR II-1.6-1, effective 5/1/87.

Nichols, Susie M., Disabled Staff, Employee Benefits and Risk Management, after 29 consecutive years of service, under Section II.B of AR II-1.6-1, effective 6/1/87.

Walker, John Henry, Disabled Staff, Employee Benefits and Risk Management, after 17.5 consecutive years of service, under Section II.B of AR II-1.6-1, effective 6/1/87.

Wheeler, Hattie, Custodial Worker I, Physical Plant Division, Services, after 24 consecutive years of service, under Section II.B of AR II-1.6-1, effective 3/1/87.

F. POST-RETIREMENT APPOINTMENTS

Graduate School

Johnson, Bernard, Instructor (part-time), Council on Aging, 7/1/86 through 6/30/87.

II. ADMINISTRATIVE ACTION

A. ACADEMIC APPOINTMENTS

College of Architecture

Gibbs, Kenneth T., Visiting Assistant Professor (part-time), 1/1/87 through 6/30/87.

College of Arts and Sciences

Adams, Todd L., Instructor (part-time), Philosophy, 1/1/87 through 5/31/87.

Brautigam, Curtis R., Instructor (part-time), Political Science, 1/1/87 through 5/31/87.

Carswell, Catherine M., Instructor (part-time), Psychology, 1/1/87 through 5/31/87.

Conners, Kevin E., Assistant Professor/Captain, Military Science, 6/1/87 through 6/1/90.

Duffy, William, Assistant Professor, Aerospace Studies, effective 7/15/86.

Higginbotham, Jerome C., Instructor (part-time), Philosophy, 1/1/87 through 5/31/87.

Kleppinger, Eugene D., Instructor (part-time), Philosophy, 1/1/87 through 5/31/87.

Marcotte, Paul L., Instructor (part-time), Sociology, 1/1/87 through 5/31/87.

*Special Title Series

Miller, Marilyn S., Instructor (part-time), English, 1/1/87 through 5/31/87.
Moore, James, Instructor (part-time), Biological Sciences, 1/1/87 through 5/31/87.
Mullinax, Maureen C., Instructor (part-time), Sociology, 1/1/87 through 5/31/87.
Olszewski, Deborah I., Visiting Assistant Professor, Anthropology, 1/1/87 through 5/31/87.
Shelby, Richard L., Instructor (part-time), Philosophy, 1/1/87 through 5/31/87.
White, Ronald F., Instructor (part-time), Philosophy, 1/1/87 through 5/31/87.
Wilson, David J., Instructor (part-time), Classics, 1/1/87 through 5/31/87.
Wurzelbacher, Jacqueline D., Instructor (part-time), Sociology, 1/1/87 through 5/31/87.
Young, Thomas W., Assistant Professor/Captain, Military Science, 6/1/87 through 6/1/90.

College of Communications

Atkinson, Johanna Lee, Instructor (part-time), Communication, 1/1/87 through 5/31/87.
Cook, Patsy L., Instructor (part-time), Communication, 1/1/87 through 5/31/87.
Grimes, Susan W., Instructor (part-time), Communication, 1/1/87 through 5/31/87.
Nair, Murali, Instructor (part-time), Communication, 1/1/87 through 5/31/87.
Peddicord, Jill Van Pelt, Instructor (part-time), Communication, 1/1/87 through 5/31/87.
Wheeler, Arlene, Instructor (part-time), Communication, 1/1/87 through 5/31/87.

College of Education

Lykins, Janice Ann, Instructor (part-time), Curriculum and Instruction, 1/14/87 through 5/15/87.

College of Fine Arts

Gron, Paula J., Instructor (part-time), Art, 1/1/87 through 5/31/87.
May, Robert C., Instructor (part-time), Art, 1/1/87 through 5/31/87.

Graduate School

Carruthers, Bruce, Instructor (part-time), James W. Martin School of Public Administration, 1/14/87 through 5/8/87.

College of Home Economics

Stuart, Mary Alan, Assistant Professor, Nutrition and Food Science,
2/1/87 through 6/30/87.

Libraries

Robinson, Christine, Librarian IV, Special Collections, 12/29/86
through 9/30/87.

B. REAPPOINTMENTS

College of Agriculture

Kovalic, Peter P., Instructor (part-time), Forestry, 1/1/87 through
5/31/87.

College of Arts and Sciences

Alkhameri, Shakib M., Instructor (part-time), Russian and Eastern
Studies, 1/1/87 through 5/31/87.

Baltus-Sih, Marie-Sylvie, Instructor (part-time), French, 1/1/87
through 5/31/87.

Bitetto, Vito, Instructor (part-time), Computer Science, 1/1/87
through 5/31/87.

Blythe, Marsha J., Instructor (part-time), French, 1/1/87 through
5/31/87.

Campbell, F. Diane, Instructor (part-time), English, 1/1/87 through
5/31/87.

Carter, Michael W., Instructor (part-time), English, 1/1/87 through
5/31/87.

Christ, Alice T., Instructor (part-time), Classics, 1/1/87 through
5/31/87.

Conway, Glenda, Instructor (part-time), English, 1/1/87 through
5/31/87.

Cooper, John B., Instructor (part-time), English, 1/1/87 through
5/31/87.

Coz, Sigred L., Instructor (part-time), French, 1/1/87 through
5/31/87.

Crawley, Bryan S., Instructor (part-time), Computer Science, 1/1/87
through 5/31/87.

Crocker, Lina E., Instructor (part-time), English, 1/1/87 through
5/31/87.

DeSimone, Shirley, Instructor (part-time), English, 1/1/87 through
5/31/87.

Duncan, Charles E., Instructor (part-time), Physics and Astronomy,
1/1/87 through 5/31/87.

Feinberg, David L., Instructor (part-time), Psychology, 1/1/87
through 5/31/87.

Foreman, Nancy K., Instructor (part-time), English, 1/1/87 through
5/31/87.

Francis, Melanie, Instructor (part-time), English, 1/1/87 through 5/31/87.
Galloway, Lynn A., Instructor (part-time), English, 1/1/87 through 5/31/87.
Gatton, John S., Instructor (part-time), English, 1/1/87 through 5/31/87.
Gilbert, Theresa, Instructor (part-time), English, 1/1/87 through 5/31/87.
Gregory, Howard, Instructor (part-time), French, 1/1/87 through 5/31/87.
Hamilton, Sarah, Instructor (part-time), English, 1/1/87 through 5/31/87.
Holwerk, Mildred S., Instructor (part-time), English, 1/1/87 through 5/31/87.
Isenhour, Janet L., Instructor (part-time), English, 1/1/87 through 5/31/87.
Janacek, Susan M., Instructor (part-time), Russian and Eastern Studies, 1/1/87 through 5/31/87.
McHenry-Hepner, Virginia, Instructor (part-time), English, 1/1/87 through 5/31/87.
Moss, Marvin T., Instructor (part-time), Mathematics, 1/1/87 through 5/31/87.
Nejarzadeh, Reza, Instructor (part-time), Mathematics, 1/1/87 through 5/31/87.
Najmuddin, Jane, Instructor (part-time), English, 1/1/87 through 5/31/87.
Nazhat, Saadi, Instructor (part-time), Sociology, 1/1/87 through 5/31/87.
Oaks, Janice H., Instructor (part-time), English, 1/1/87 through 5/31/87.
Pandit, Lalita, Instructor (part-time), English, 1/1/87 through 5/31/87.
Ralph, Margaret, Instructor (part-time), English, 1/1/87 through 5/31/87.
Reynolds, Thomas E., Instructor (part-time), English, 1/1/87 through 5/31/87.
Rommel, Lylas D., Instructor (part-time), English, 1/1/87 through 5/31/87.
Shelby, Anne, Instructor (part-time), English, 1/1/87 through 5/31/87.
Slusher, Kathleen C., Instructor (part-time), English, 1/1/87 through 5/31/87.
Smith, Christine M., Instructor (part-time), English, 1/1/87 through 5/31/87.
Stokes, Karah L., Instructor (part-time), English, 1/1/87 through 5/31/87.
Stonecipher, Mabel A., Instructor (part-time), English, 1/1/87 through 5/31/87.
Stribling, Marda, Instructor (part-time), Mathematics, 1/1/87 through 5/31/87.

Vanderpool, Betty, Instructor (part-time), Mathematics, 1/1/87 through 5/31/87.
Von Eggermont, Hilda, Instructor (part-time), French, 1/1/87 through 5/31/87.
Walden, Stephen, Instructor (part-time), French, 1/1/87 through 5/31/87.
Webb, A. Dean, Instructor (part-time), English, 1/1/87 through 5/31/87.
Willard, Norman, Instructor (part-time), Psychology, 1/1/87 through 5/31/87.
Zahniser, Ann, Instructor (part-time), English, 1/1/87 through 5/31/87.

College of Communications

Hansen, Elizabeth, Instructor (part-time), Journalism, 1/1/87 through 5/31/87.
Howerton, Jeffrey Scott, Instructor (part-time), Communication, 1/1/87 through 5/31/87.
Ireland, John W., Instructor (part-time), Journalism, 1/1/87 through 5/31/87.
Kearney, Philip M., Instructor (part-time), Journalism, 1/1/87 through 5/31/87.
Parlanti, Jean M., Instructor (part-time), Communication, 1/1/87 through 5/31/87.
Richard, Jennifer DePrima, Instructor (part-time), Communication 1/1/87 through 5/31/87.
Townsend, Donna F., Instructor (part-time), Journalism, 1/1/87 through 5/31/87.

College of Education

Borchardt, Richard, Instructor (part-time), Curriculum and Instruction, 1/14/87 through 5/15/87.
Owen, Harry E., Instructor (part-time), Curriculum and Instruction, 1/14/87 through 5/15/87.

College of Fine Arts

Bowles, Virginia, Instructor (part-time)*, Music, 1/1/87 through 5/31/87.
Boyd, Donna, Instructor (part-time)*, Music, 1/1/87 through 5/31/87.
Coldiron, Jill L., Instructor (part-time), Art, 1/1/87 through 5/31/87.
Morrison, Barbara, Instructor (part-time)*, Music, 1/1/87 through 5/31/87.
Stuchkus, Leo E., Instructor (part-time), Art, 1/1/87 through 5/31/87.
Wagner, Jeffrey, Instructor (part-time), Art, 1/1/87 through 5/31/87.

*Special Title Series

College of Home Economics

Duncan, Ruth H., Instructor (part-time), Human Environment:
Textiles, 1/1/87 through 5/30/87.

C. PROMOTIONS WITHOUT TENURE

College of Fine Arts

Rand, Richard S., from Instructor*, Theatre, to Assistant
Professor*, Theatre, 7/1/87 through 6/30/88.

Libraries

Jones, Roxanna M., from Librarian IV, Interlibrary Loans, to
Librarian III, Interlibrary Loans, 7/1/87 through 6/30/88.
Potts, Margaret E., from Librarian IV, Newspapers/Periodicals/
Microtext, to Librarian III, Newspapers/Periodicals/Microtext,
7/1/87 through 6/30/88.
Powell, Patricia Jean, from Librarian IV, Extension Library, to
Librarian III, Extension Library, 7/1/87 through 6/30/88.
Vass, Mary Miller, from Librarian IV, Education Library, to
Librarian III, Education Library, 7/1/87 through 6/30/88.

D. CHANGES

College of Communications

Crawley, Bruce A., from Instructor (part-time), Communication, to
Instructor (part-time), Journalism, 1/1/87 through 5/31/87.

E. TERMINAL REAPPOINTMENTS

College of Engineering

Lilly, John H., Assistant Professor, Electrical Engineering, 1/1/87
through 12/31/87.

F. LEAVES OF ABSENCE

College of Agriculture

Stoltz, Leonard, Associate Professor (with tenure), Horticulture
and Landscape Architecture, Sabbatical leave with half salary,
9/1/87 through 8/31/88.

College of Architecture

Graves, Charles P., Professor (with tenure), Sabbatical leave with
full salary, 7/1/87 through 12/31/87.
Hoppner, Peter J., Associate Professor (with tenure), Sabbatical
leave with full salary, 1/1/87 through 6/30/87.

*Special Title Series

College of Arts and Sciences

Beidleman, James C., Professor (with tenure), Mathematics,
Sabbatical leave with full salary, 7/1/87 through 12/31/87.
Molzon, Robert E., Associate Professor (with tenure), Mathematics,
Sabbatical leave with half salary, 7/1/87 through 6/30/88.
Newbery, A.C.R., Professor (with tenure), Computer Science,
Sabbatical leave with half salary, 7/1/87 through 6/30/88.

College of Engineering

DeAngelis, Robert J., Professor (with tenure), Metallurgical
Engineering, Leave without pay, 1/31/87 through 8/15/87.

College of Fine Arts

Pierce, James S., Professor (with tenure), Art, Sabbatical leave
with half salary, 7/1/87 through 12/31/87.

MEDICAL CENTER

I. BOARD ACTION

A. ACADEMIC APPOINTMENTS

College of Medicine

McQuillen, Michael P., Professor (with tenure), Neurology,
effective 4/1/87.

B. ADMINISTRATIVE APPOINTMENTS

College of Medicine

McQuillen, Michael P., Professor (with tenure), Neurology,
named Chairperson, Neurology, effective 4/1/87.

C. JOINT APPOINTMENTS

College of Medicine

Neill, John R., Associate Professor (with tenure),
Psychiatry, joint appointment as Associate Professor
(without tenure), Psychology, College of Arts and
Sciences, effective 8/16/87.

D. TENURE

College of Medicine

Johnson, James E., from Associate Professor* (without
tenure), Pathology, to Associate Professor* (with
tenure), Pathology, effective 4/1/87.

E. PROMOTIONS

College of Dentistry

Thomas, Charles A., from Assistant Professor* (without
tenure), Restorative Dentistry, to Associate
Professor* (with tenure), Restorative Dentistry,
effective 7/1/87.

*Special Title Series

College of Medicine

Booth, David C., from Assistant Professor* (without tenure), Medicine, to Associate Professor* (with tenure), Medicine, effective 7/1/87.

Hagen, Michael D., from Assistant Professor* (without tenure), Family Practice, to Associate Professor* (with tenure), Family Practice, effective 7/1/87.

Hager, W. David, from Assistant Clinical Professor (part-time), Obstetrics & Gynecology, to Associate Clinical Professor (part-time), Obstetrics & Gynecology, 1/1/87 through 6/30/87.

Humphries, Laurie, from Assistant Professor (without tenure), Psychiatry, to Associate Professor (with tenure), Psychiatry, effective 7/1/87.

Kaplan, Craig B., from Assistant Professor* (without tenure), Medicine, to Associate Professor* (with tenure), Medicine, effective 7/1/87.

Miller, Thomas W., Professor (with tenure), Psychiatry, joint appointment from Associate Professor (without tenure), Psychology, College of Arts and Sciences, to Professor (without tenure), Psychology, College of Arts and Sciences, effective 1/1/87.

Pulito, Andrew R., from Assistant Clinical Professor (part-time), Surgery, to Associate Clinical Professor (part-time), Surgery, 7/1/87 through 6/30/88.

Scherl, Eileen R., from Assistant Clinical Professor (part-time), Medicine, to Associate Clinical Professor (part-time), Medicine, 7/1/87 through 6/30/88.

Vernon, Michael, from Assistant Research Professor, Obstetrics & Gynecology, to Associate Research Professor, Obstetrics & Gynecology, 7/1/87 through 6/30/88.

F. CHANGES

College of Dentistry

Saxe, Stanley R., from Professor (with tenure), Periodontics, to Professor (with tenure), Community Dentistry, joint as Professor (without tenure), Periodontics, effective 2/1/87.

G. CORRECTION IN MINUTES

Office of the Chancellor

Bowen, Thomas Earle, Jr., Vice Chancellor for Academic Affairs, effective 1/20/87. Note: To correct beginning date from January 26, 1986 to January 20, 1987 as reported in December 9, 1986 Minutes.

*Special Title Series

College of Dentistry

Douglass, J. Burton, Assistant Professor* (with tenure), Orthodontics, reappointed Acting Chairperson, Orthodontics, 11/1/86 through 6/30/87. Note: To correct rank to Assistant Professor* as reported in December 9, 1986 Minutes.

Nash, David A., to correct beginning date as follows: Dean Designee, 3/2/87 through 6/30/87, Dean, College of Dentistry, effective 7/1/87 as reported to Board of Trustees 1/20/87.

H. RETIREMENTS

University Hospital

Hayden, Dorothy T., Manager, Environmental Services, after 24.5 consecutive years of service, "Under AR11-1.6-1 Section II.B., effective 4/30/87.

II. ADMINISTRATIVE ACTION

A. ACADEMIC APPOINTMENTS

College of Allied Health Professions

Hoover, Carolyn J., Instructor (part-time) (temporary), Medical Technology, 1/1/87 through 5/31/87.
Howell, Sandra, Clinical Instructor (voluntary), Physical Therapy, 11/1/86 through 6/30/88.
Minor, Mary Alice D., Assistant Professor*, Physical Therapy, 2/1/87 through 6/30/87.
Minor, Scott D., Assistant Professor, Physical Therapy, 1/15/87 through 6/30/88.
Thompson, Frederick G., Assistant Clinical Professor (voluntary), Community Health, 10/1/86 through 6/30/88.

College of Medicine

Balko, Michael G., Assistant Clinical Professor (voluntary), Pathology, 1/10/87 through 6/30/88.
Brown, Alan R., Adjunct Assistant Professor (voluntary), Medical Microbiology & Immunology, 12/1/86 through 6/30/88.
Fann, Benjamin B., Clinical Instructor (voluntary), Obstetrics & Gynecology, 1/1/87 through 6/30/88.
Franko, Therese M., Clinical Instructor (voluntary), Obstetrics & Gynecology, 1/1/87 through 6/30/88.
Lee, Yung Poe, Clinical Instructor (voluntary), Obstetrics & Gynecology, 1/1/87 through 6/30/88.

*Special Title Series

Levy, William I., Assistant Professor (Clinical Title Series), Anesthesiology, 1/1/87 through 6/30/87.
Meeker, William R., Associate Clinical Professor (voluntary), Surgery, 12/1/86 through 6/30/88.
Nichols, George R. II, Assistant Clinical Professor (voluntary), Pathology, 2/1/87 through 6/30/88.
Ray, J. Michael, Assistant Professor* (temporary), Surgery, 1/15/87 through 2/28/87.
Sadove, Richard C., Assistant Professor, Surgery, 2/1/87 through 6/30/88.
Weakley-Jones, Barbara, Assistant Clinical Professor (voluntary), Pathology, 2/1/87 through 6/30/88.

College of Pharmacy

Coons, Stephen J., Assistant Professor, 1/1/87 through 6/30/88.
Green, Dwaine, Assistant Professor (Adjunct Series), 12/1/86 through 6/30/87.

B. REAPPOINTMENTS

College of Pharmacy

Piasecik, Mary, Assistant Professor (temporary), 1/1/87 through 1/31/87.

C. PROMOTIONS

College of Nursing

Hunt, Margaret, from Instructor, to Assistant Professor*, 1/1/87 through 6/30/88.

D. CHANGES

College of Medicine

Hessel, Eugene, from Assistant Professor, Anesthesiology, to Assistant Professor*, Anesthesiology, 12/1/86 through 6/30/87.

E. TERMINAL REAPPOINTMENTS

College of Medicine

McKeown, J. Wade, Assistant Professor, Medicine, 7/1/87 through 6/30/88.
Shedlofsky, Steven I., Assistant Professor, Medicine, 7/1/87 through 6/30/88.

*Special Title Series

College of Pharmacy

Byron, Peter R., Assistant Professor, 7/1/87 through 6/30/88.

F. SPECIAL ASSIGNMENTS

College of Dentistry

Packer, Merrill W., Professor (with tenure), Periodontics, 10/1/87 through 12/31/87.

College of Medicine

Broughton, Robert A., Assistant Professor*, Pediatrics, 3/1/87 through 4/30/87.

G. LEAVES OF ABSENCE

College of Dentistry

Ferretti, Gerald, Associate Professor* (with tenure), Pediatric Dentistry, Sabbatical leave at full-salary, 1/26/87 through 4/24/87 and 2/1/88 through 4/29/88.

College of Nursing

Robinson, Mary Kathryn, Associate Professor* (with tenure), Leave without pay, 6/15/87 through 7/31/87.

College of Pharmacy

Diamond, Louis, Professor (with tenure), Leave without pay, 1/1/87 through 12/31/87.

*Special Title Series

Office of the President
March 3, 1987

PR 3A

Members, Board of Trustees:

APPOINTMENT OF VICE CHANCELLOR FOR STUDENT AFFAIRS

Recommendation: that James M. Kuder be named Vice Chancellor for Student Affairs, effective July 1, 1987.

Background: Dr. James M. Kuder comes to the University of Kentucky from Colorado State University where he has served as Director of Student Relations Services and Associate Professor of Education since 1979. Dr. Kuder has bachelors degrees in social studies and psychology, and a masters in school psychology, all from Western Washington University. He has a Ph.D. from Oregon State University in the area of college student personnel administration. He has served as a teacher and administrator at Colorado State University; an instructor at Seattle University; and as a school psychologist and teacher in the public school system. Dr. Kuder was selected from 131 applicants following a nation-wide search for the position of Vice Chancellor for Student Affairs. Dr. Kuder and his wife, Joan, are the parents of two children--Jennifer and Michael.

Action taken: Approved Y Disapproved _____ Other _____

Date: March 3, 1987

Office of the President
March 3, 1987

PR 3B

Members, Board of Trustees:

AUTHORITY FOR ACCEPTANCE OF GIFT FROM
THE COMMUNITY IMPROVEMENT FOUNDATION, INC. OF MADISONVILLE

Recommendation: that the Board of Trustees authorize the President to accept a gift of \$217,500 from the Community Improvement Foundation, Incorporated of Madisonville, Kentucky.

Background: The Community Improvement Foundation previously has made a \$500,000 gift to the Madisonville Community College to be used to defray, in part, the cost of designing and constructing an academic/auditorium building at the college. The University and the Foundation have agreed upon a cooperative effort whereby the University has allocated \$2.4 million toward the cost of the facility and the Foundation has contributed \$500,000. The Foundation has authorized an additional gift of \$217,500 to be given to the University when these funds are needed for construction. These funds will provide the additional dollars necessary for a balcony and orchestra lift to be included in this project.

Action taken: Approved ☒ Disapproved ☐ Other ☐

Date: March 3, 1987.

Office of the President
March 3, 1987

PR 3C

Members, Board of Trustees:

CONFIRMATION OF 1987-88 FEES SCHEDULE

Recommendation: That the Board of Trustees (1) confirm changes in the fees as adopted by the Council on Higher Education, and (2) establish corresponding part-time and Summer School charges under the guidelines of the Council on Higher Education.

Background: Under KRS 164.020, the Council on Higher Education is charged with the duty of determining the amount of entrance and/or registration fees for enrollment at Kentucky public institutions of higher education.

The complete schedule recommended for adoption follows. Charges for part-time and Summer School students are derived, as the Council has directed, from the semester rate, using the institution's definition of what constitutes a full-time load for each level and program area.

Action taken: Approved ☒ Disapproved ☐ Other ☐

Date: March 3, 1987

UNIVERSITY OF KENTUCKY
FEES SCHEDULE
(Effective Fall, 1987)

	<u>Semester Full-Time Charge</u> ¹	<u>Eight-Week Summer Session Full-Time Charge</u> ²	<u>Part-Time and Four-Week Intersession Charge Per Credit Hour</u>
<u>Lexington Campus and Medical Center</u>			
Undergraduate (Includes Lexington Community College)			
Resident	706	336	56
Non-Resident	2,026	996	166
Graduate			
Resident	776	410	82
Non-Resident	2,236	1,220	244
Law			
Resident	991	475	95
Non-Resident	3,331	1,645	329
Pharmacy			
Resident	706	336	56
Non-Resident	2,026	996	166
Medicine ³			
Resident	4,381	-	-
Non-Resident	14,521	-	-
Dentistry ³			
Resident	3,631	-	-
Non-Resident	13,711	-	-
<u>Community College System</u>			
Resident	280	144	24
Non-Resident	840	420	70

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

Office of the President
March 3, 1987

PR 5A

Members, Board of Trustees:

APPOINTMENTS TO UNIVERSITY OF KENTUCKY/BUSINESS
PARTNERSHIP FOUNDATION

Recommendation: that approval be given to the appointments of Mr. Gary D. Bello and Mr. A. Ronald Turner to membership on the Board of Directors of the University of Kentucky/Business Partnership Foundation for the terms indicated below.

Gary D. Bello	Through Spring 1990
A. Ronald Turner	Through Fall 1990

Background: Both Mr. Bello and Mr. Turner were unanimously elected to the Board of Directors of the University of Kentucky/Business Partnership Foundation. These appointments require approval by the Board of Trustees in accordance with the Articles of Incorporation of the University of Kentucky/Business Partnership Foundation approved by the Board of Trustees at its meeting on August 25, 1981.

Action taken: Approved ☒ Disapproved _____ Other _____

Date: March 3, 1987.

Office of the President
March 3, 1987

PR 5B

Members, Board of Trustees:

FRINGE BENEFIT PROGRAM

Recommendation: that approval be given to the personnel assigned to the national headquarters of Omicron Delta Kappa (ODK), located on the Lexington Campus, to receive the fringe benefits currently enjoyed by University employees. The Society will pay for all benefits; the request is solely for the right to participate.

Background: At the Omicron Delta Kappa National Convention in Baton Rouge, the University of Kentucky was established as the National Headquarters of the Society with Maurice Clay acting as the Executive Director. On behalf of the General Council of ODK, we are requesting that permission be granted for the Society to use its University account and, on a completely self-supporting basis, be permitted to establish for its staff, currently limited to two (2) full-time persons, a series of appropriate fringe benefits currently enjoyed by the University's employees.

Approved ☒ Disapproved ☐ Other ☐

Date: March 3, 1987

Office of the President
March 3, 1987

PR 5C

BACKGROUND OF POLICY ON INTERNATIONAL TEACHING ASSISTANTS
(Information Only)

A committee jointly appointed in 1985 by the Graduate Dean and the Vice Chancellor of Academic Affairs of the Lexington Campus, has recommended a policy to ensure the proficiency of international teaching assistants in spoken English. The committee's recommendation is that a special program involving comprehensive screening and training be developed. This program will address language and communication problems and assist teaching assistants in bridging cultural differences.

The committee's recommendations on the screening, training, and monitoring of foreign teaching assistants were reviewed thoroughly by all parts of the University through the spring and summer of 1986. A committee of three, representing Academic Affairs, the Graduate School, and Student Government, considered the suggestions and concerns expressed by faculty and students, and revised the original document so as to ensure both fairness to graduate students and improved undergraduate teaching.

The policies that resulted from this work (AR II-1.0-9) will:

1. Require that international teaching assistants have scores of at least 550 on the Test of English as a Foreign Language and 250 on the Test of Spoken English or equivalent test.
2. Assign a committee responsibility for assessing the communication skills and potential performance as a teacher of each prospective international teaching assistant. The committee will recommend to the Vice Chancellor for Academic Affairs on the qualifications to teach of each candidate. Candidates not approved for teaching assignments will be assigned duties not requiring classroom student contact. A program of remediation will be established for international teaching assistants not granted approval to teach.
3. Require new international teaching assistants to participate in an orientation program that will include components of communicating clearly, cross-cultural understanding, and University policies and procedures.
4. Require continued monitoring of the performance of international teaching assistants.

Office of the President
March 3, 1987

PR 6A

Members, Board of Trustees:

CHANGE IN NAME OF AN EDUCATIONAL UNIT

Recommendation: that the name of the Department of Medical Microbiology and Immunology, College of Medicine, be changed to the Department of Microbiology and Immunology.

Background: The current name is cumbersome and, in part, inaccurate in reflecting the research thrust of the Department. Additionally, the proposed name is consistent with the national trend at other Medical Centers. The mission and function of the Department will remain unchanged.

The Chairman of the Department, the Dean of the College of Medicine, the College of Medicine's Faculty Council and Chairmen's Council, the Chancellor for the Medical Center, the University Senate Committee on Academic Organization and Structure, and the University Senate Council have recommended approval of this change.

1618A

Action taken: Approved ☒ Disapproved ☐ Other ☐

Date: March 3, 1987

Office of the President
March 3, 1987

PR 6B

Members, Board of Trustees:

Revision of the Bylaws, Rules and Regulations
of the Medical Staff, University Hospital

Recommendation: that the attached revision of the Bylaws, Rules and Regulations of the Medical Staff of University Hospital, Albert B. Chandler Medical Center, be approved.

Background: The revised Bylaws, Rules and Regulations of the Medical Staff were approved by the Hospital Clinical Board on December 4, 1986 and by the Council of Supervisors, University Hospital, on January 20, 1987. This revision reflects (1) the organizational and title changes which have occurred within the University and the Medical Center since the Bylaws were last amended in 1983; and (2) incorporates the functional and procedural changes necessary to conform with the requirements of the accrediting and licensing agencies.

Specific changes are in Article XI, Sections 7 and 9, Article II, Section 1d (1) (c), and Article IV, Section 2. The Rules and Regulations section has also been reformatted and reorganized.

Action taken: Approved ☒ Disapproved ☐ Other ☐

Date: March 3, 1987

SECTION 7. Products Evaluation Committee

a. Composition:

This Committee shall consist of a chairman and two members of the active Medical Staff. Other members include the Materials Manager, Purchasing representative, Pharmacist, Assistant Director of Nursing, Director of Operating Room, Housestaff representative, Nurse Epidemiologist, and a representative of Hospital Administration.

b. Duties:

This Committee shall:

- (1) make recommendations regarding the purchase of medical equipment and supplies that best serve the needs of patients and Medical Staff within reasonable fiscal limits;
- (2) make recommendations concerning the standardization of equipment and supplies to best serve the needs of the Medical Staff; and
- (3) appoint subcommittees as necessary to effectively perform these duties.

This Committee shall report its recommendations to the Associate Dean for Clinical Affairs, the Clinical Board and the Hospital Director.

c. Meetings:

This Committee shall meet monthly or more often as needed.

SECTION 8. Sterilization and Therapeutic Abortions Committee

a. Composition:

The Committee shall consist of the Chairman of the Department of Obstetrics and Gynecology who shall chair the Committee and the Chairman of the Department of Urology plus one active staff obstetrician-gynecologist and one active staff urologist.

b. Duties:

It shall be the duty of this Committee to recommend appropriate rules and regulations concerning sterilization and abortion to the Associate Dean for Clinical Affairs and the Clinical Board.

SECTION 9. Anatomic Pathology

a. Composition:

The committee shall be chaired by the Director of Anatomic Pathology. Committee membership shall include at least four members of the medical staff who represent the major surgical services. The Hospital Director or his designee shall be represented.

b. Duties and Responsibilities:

- (1) assure that all tissue removed at a surgical procedure is sent to the Pathology Laboratory and that a report is submitted;
- (2) study periodically agreement or disagreement among preoperative, postoperative and pathologic diagnosis for the purposes of determining the justification for surgical procedures undertaken in University Hospital, including those procedures where no tissue was removed.
- (3) Annually review the necropsy service including physical facilities, equipment and staffing, the reports and performance of the service, its infection control, and radioactive material policies.

c. Meetings:

The Committee shall meet at least monthly and shall report to the Associate Dean for Clinical Affairs and the Clinical Board.

SECTION 10. Operating Room Committee

a. Composition:

The Operating Room Committee shall consist of a Chairman and one representative from General Surgery, Anesthesiology, Obstetrics/Gynecology, the surgical sub-specialties, Ophthalmology and Dentistry. The Nursing supervisor of the Operating Room and the representative of Hospital Administration in charge of the OR are ex-officio members.

b. Duties:

This Committee shall make recommendations concerning proper utilization of the operating rooms and recommend rules and regulations for the operating room areas to the Associate Dean for Clinical Affairs and the Clinical Board. The Committee shall supervise the proper utilization of the operating room and enforce adopted rules and regulations.

c. Meetings:

The Committee shall meet at least quarterly.

- 2) Urgent Admissions: The category includes those so designated by a member of the Medical Staff and shall be reviewed by the department concerned to determine priority when all such admissions for a specific day are not possible.
- 3) Scheduled Admissions: This includes all scheduled admissions including those already scheduled for surgery. Except for Emergency Admissions patients for surgery shall not be admitted later than 4:00P.M.

If it is not possible to handle all such admissions on a service (2 and/or 3) the Admitting Office with approval of the Associate Dean for Clinical Affairs may decide on the urgency of any specific admissions and may borrow beds from other services if such are available. The Medical Staff of services that have lent beds shall have priority for subsequent admission in these categories (2 and 3) until the Clinical Board determined bed allocation for teaching purposes is re-established. The Associate Dean for Clinical Affairs shall be held responsible to re-establish this balance.

- 4) Routine Admissions: This will include elective unscheduled admissions involving all services.

d. Admissions Procedures:

- 1) Bed Availability and Financial Review

- a) The Admitting Office must be contacted prior to accepting a patient for admission to determine bed availability.
- b) A Financial Counselor shall be responsible for collecting pertinent data and determining the admissibility of all patients.
- c) The attending physician shall be responsible for obtaining required preadmission certification from third party intermediaries.

- 2) Emergency Room and Clinical Admissions

- a) Patients identified as required admissions shall be classified as either emergent, urgent review or elective.
- b) Patients classified as emergent who are unable to pay shall require the concurrence of the attending physician of the service as to the emergent nature of the patient.

submit a written protocol to the Human Investigations Committee for review. The protocol should also be reviewed by the Pharmacy and Therapeutics Committee.

f. Radioactive Materials:

Radioactive materials shall be used only under the supervision of a qualified Radiation Medicine physician and personnel. All radioactive materials for human use shall be administered only by individuals approved by the Chairman of the Department of Radiation Medicine, with advice of the Human Safety and Environmental Health Office and the Medical Center Radiation Safety Committee. They will follow regulations set forth in Hospital Policy.

ARTICLE IV
RULES REGARDING SURGICAL CARE:

Each Medical Staff member involved in patient care in the operating rooms agrees to practice within the guidelines of the O.R. Committee. The Committee's Rules and Regulations are as follows:

1. General Considerations:

All surgery performed will be under the control of the Chairman of the Department or the attending physician or dentist of the case in question.

2. Surgery Scheduling:

The Medical Director of the Operating Room (the anesthesiologist in charge) will be appointed by the Chairman of the Department of Anesthesiology with the approval of the Operating Room Committee. This individual will be responsible for the interpretation and enforcement of these policies and procedures on a day-to-day basis as they relate to the medical aspects of scheduling cases.

- A. All operations must be scheduled with the Operating Room scheduling office. The scheduling office is located on the 2nd floor, room HS237, telephone number 233-5636.

Cases are accepted on the anticipated procedure time (patient in room to patient out of room) based on previous experience for the scheduled procedure and the surgeon involved. In the absence of previous data, cases will be accepted on the estimated time provided by the surgical service. A total room schedule should not exceed the allotted scheduled time for that room which will be determined and published on a regular basis by the Operating Room Committee.

B. The following information is needed when scheduling a patient for an operation:

1. Surgeon and first assistant.
2. Date and time desired
3. Patient's full name and hospital number.
4. Age and sex of patient.
5. Estimated total room time for case.
6. Inpatient or outpatient status of patient.
7. If local anesthesia only is required or if local standby is required.

The following is requested to facilitate the operating procedure:

8. All anticipated procedures including requests for special equipment and details of joint procedures with other services.
9. Whether the case is grossly contaminated.
10. Amount of blood or blood products requested.
11. If frozen sections or x-rays are required.
12. If the patient has any coincidental serious medical problems.
13. Availability of ICU bed for appropriate cases.

C. Advance Schedule: The deadline for advanced scheduling of cases is at 13:00 two days before the date of surgery, or Fridays at 13:00 for Tuesday's schedule. Cases may be scheduled by telephone at 233-5636, or by visiting the Operating Room scheduling office.

D. Final Schedule: The deadline for the final surgical schedule is 13:00 the day prior to surgery. The deadline for Monday's schedule will be 13:00 hours on Friday; however, all block time assignments will be reserved until 12:00 hours on Sunday. After that time, unscheduled hours for Monday can be assigned by the Medical Director by 14:00.

E. Inhouse Queue: Following the deadline for the final schedule, the Medical Director reviews those cases that are ready for surgery for which there is no scheduled time. Those cases of suitable length to fill the gaps in the schedule will be selected and placed on the final schedule by 14:00. Priorities within surgical divisions will be determined by the Division Chiefs. Setting priorities among different divisions will be the prerogative of the Medical Director.

PART II

MEDICAL STAFF RULES AND REGULATIONS

ARTICLE I. DELINIATION OF PRIVILEGES

1. Attending Physician - Attending Dentist Delineation of Privileges

Attending physician/attending dentist privileges shall be delineated by specialty and by subspecialty. Each specialty will be divided into categories which will define the scope of patient care responsibilities that may be assumed by the practitioner. The classes will be generally defined as:

CLASS I Limited privileges that must be individually defined at the time of assignment. The definition of privileges must be delineated to the Clinical Board and Council of Supervisors, communicated to the attending physician/dentist and made a part of the staff members file.

CLASS II Full privileges in the specialty including generally accepted routine procedures of the specialty. Board certification or Board qualification with equivalent experience and Medical College faculty appointment are criteria for these privileges. This class may also assume limited subspecialty procedures if specifically defined at the time of appointment. Attending staff with subspecialty qualifications but with defined procedure limitations may also be given Class II privileges. The definition of privileges must be delineated to the Clinical Board and Council of Supervisors, communicated to the attending physician/dentist and made a part of the staff members file.

CLASS III Full privileges in the medical subspecialty including all generally accepted procedures of the subspecialty. Subspecialty certification and Medical College faculty appointment are criteria for granting these privileges. If an individual in this class desires privileges in addition to those generally recognized, such privileges will be specifically delineated at the time of appointment. The definition of privileges must be delineated to the Clinical Board and Council of Supervisors, communicated to the attending physician/dentist and made a part of the staff members file.

SPECIALLY DEFINED PRIVILEGES

a) ANESTHESIOLOGY (Hyperbaric Chamber Therapy and Supervision)

Hyperbaric Chamber Supervision and Therapy privileges will be requested on an individual basis by faculty who have demonstrated expertise and/or training.

The Department Chairman will recommend such privileges for qualified individuals to the Associate Dean for Clinical Affairs and the Clinical Board as "Anesthesiology (Class II or III) and privileges for hyperbaric chamber therapy and supervision".

Approval will follow the usual process. The file of the individual faculty will indicate the privileges and approvals.

b) MEDICAL (Gastroenterology - Intestinal Endoscopy Privileges)

CLASS III Privileges in Medicine Gastroenterology and for Surgeons wishing intestinal endoscopy privileges includes full privileges in the specialty including the following list of procedures:

1. Upper Gastrointestinal endoscopy - 50
2. Dilatations - 15
3. Colonoscopy - 50
4. Polypectomy - 15
5. ERCP - 25
6. Sphincterotomy - 10
7. Laparoscopy - 10
8. Flexible sigmoidoscopy - 15
9. Sclerotherapy - 15
10. Liver biopsy - 10

Class II privileges would include a specifically defined limited list of privileges and if appropriate conditions of performance.

Privileges are obtained by request on a separate form at the time of entrance to the Medical Staff. Privileges will be provided on the basis of experience and training program certification (the required number of supervised performances are listed after each procedure). For faculty that are unable to document training and/or experience, supervised performance in an academic setting will be required.

Review for privileges and annual quality assurance will be carried out and reviewed by the Chief of Gastroenterology and the Chief of Surgical Intestinal Endoscopy who shall make recommendation to the appropriate Departmental Chair.

c. PSYCHIATRY
(Electroshock Therapy)

Electroshock therapy privileges will be requested on an individual basis by faculty who have demonstrated expertise and/or training.

The Departmental Chairman will recommend such privileges for qualified individuals to the Associate Dean for Clinical Affairs and the Clinical Board as "Psychiatry (Class II or III) and privileges of electroshock therapy".

Approval will follow the usual process. The file of the individual faculty will indicate the privileges and approvals.

2. Attending Physician - Attending Dentist

Each patient admitted to University Hospital for inpatient services must be attended by a physician or dentist who is a member of the active, associate, or voluntary Medical Staff, who has appropriate privilege assignment for the management of the patient and who assumes responsibility for the patient's overall medical care.

The attending physician or dentist shall ensure the prompt completeness and accuracy of the patient's medical record. It is the responsibility of each attending physician or dentist to make entries in the patient's medical record sufficient to indicate his/her approval and involvement in the treatment rendered.

The admitting attending physician or dentist shall be held responsible for documenting in the medical record such information as may be necessary to assure the protection of the patient from self harm and to assure the protection of others whenever a patient might be a source of danger from any cause whatever.

The attending physician is responsible for upholding and maintaining the Behavioral Standards in Patient Care as affirmed at the time of initial appointment or reappointment to the medical staff.

3. Billing for Professional Services

All professional services rendered in the University Hospital and Clinics shall be billed in the name of the attending physician, handled by the billing mechanisms of the Professional Service Plan (PSP) and/or by the Kentucky Medical Service Foundation, Inc. (KMSF).

Collections shall be handled according to the established rules and regulations of these two organizations.

The only exceptions shall be:

- 1) occasional personal patients of volunteer staff physicians admitted to the Markey Cancer Center or University Hospital for patient care and teaching purposes;
- 2) special arrangements that are developed to improve the Education and Care Programs of the Medical Center. These arrangements must be specifically documented and approved prior to the admitting and care process. They must be recommended by the appropriate Department Chairman, have the approval of the Dean of the College of Medicine and the approval of the PSP and/or KMSF. The agreement must be provided to the Hospital Director and the Associate Dean for Clinical Affairs for their information.

4. Oral Surgery:

The Oral Surgery Service, a section of the Hospital Dental Service, will be responsible for all patients referred directly to it and for unreferred patients admitted to its service. All dental patients must receive the same basic medical appraisal as patients admitted to other clinical services. Oral Surgical patients admitted without medical problems may have their admission history and physical exam and surgical risk assessment completed by a qualified member of the Oral Surgical staff. A history and physical completed by a qualified physician will be part of all other dental patients' basic medical appraisal. A physician member of the Medical Staff will be responsible for the care of any medical problem that may be present or that may arise during the hospitalization of dental patients.

Requests for consultation will be made to the appropriate medical or surgical services. An attending dentist will be named for each dental patient. All surgical procedures performed by oral surgeons will be in keeping with the guidelines for accreditation of oral surgery postgraduate programs as prescribed by the American Board of Oral Surgery and Maxillofacial, Council on Dental Education of the American Dental Association, and the Kentucky Board of Dentistry.

ARTICLE II
ADMISSION TRANSFER, AND DISCHARGE OF PATIENTS

1. Admission for Inpatient Care

a. Relation to the Admitting Department:

A patient may be admitted to the Hospital only by a member of the Medical Staff. Before patients are accepted for admission, it is the responsibility of the admitting staff member to contact the Admitting Office and ascertain whether there is an available bed and obtain approval. This should be done as far in advance of admission as possible to assure smooth functioning and efficient utilization of the Hospital.

b. Priority of Admission:

Individuals will be admitted dependent upon the facility's capacity and the availability of the required services and will be admitted in one of the following categories:

- 1) Category I - Persons requiring care which, if not provided without delay (immediately), would endanger life.
- 2) Category II - Persons requiring care not in Category I, who have made prior arrangements regarding payment for service.

This policy applies to all admissions, including patients referred by or seeking transfer from other hospitals, or institutions, as well as patients seen in the Emergency Department, Ambulatory Care Program and others seeking admission.

The requirement of prior arrangements may be met by evidence of (1) applicable insurance coverage, or (2) eligibility and funding availability under programs which assume responsibility for payment (including Medicare and Medicaid), or (3) other sufficient assurance of payment.

c. Provisions Concerning Admissions:

- 1) Emergency Admissions: Within 24 hours following an emergency admission, the Medical Staff member shall document in the patient's medical record the need for this admission. Failure to provide this documentation or evidence of willful or continued misuse of this category of admission will be brought to the attention of the Clinical Board for appropriate action.

- 2) Urgent Admissions: The category includes those so designated by a member of the Medical Staff and shall be reviewed by the department concerned to determine priority when all such admissions for a specific day are not possible.
- 3) Scheduled Admissions: This includes all scheduled admissions including those already scheduled for surgery. Except for Emergency Admissions patients for surgery shall not be admitted later than 4:00P.M.

If it is not possible to handle all such admissions on a service (2 and/or 3) the Admitting Office with approval of the Associate Dean for Clinical Affairs may decide on the urgency of any specific admissions and may borrow beds from other services if such are available. The Medical Staff of services that have lent beds shall have priority for subsequent admission in these categories (2 and 3) until the Clinical Board determined bed allocation for teaching purposes is re-established. The Associate Dean for Clinical Affairs shall be held responsible to re-establish this balance.

- 4) Routine Admissions: This will include elective unscheduled admissions involving all services.

d. Admissions Procedures:

1) Bed Availability and Financial Review

- a) The Admitting Office must be contacted prior to accepting a patient for admission to determine bed availability.
- b) A Financial Counselor shall be responsible for collecting pertinent data and determining the admissibility of all patients.
- c) ~~The attending physician shall be responsible for obtaining required preadmission certification from third party intermediaries.~~

2) Emergency Room and Clinical Admissions

- a) Patients identified as required admissions shall be classified as either emergent, urgent review or elective.
- b) Patients classified as emergent who are unable to pay shall require the concurrence of the attending physician of the service as to the emergent nature of the patient.

- c) Concurrence of the emergent nature of the patient shall be documented in the medical record within 24 hours of hospitalization.
- d) Patients classified as urgent review shall be required to meet with a financial counselor prior to admission.
- e) Urgent review patients who do not have adequate financial coverage can only be admitted if they are reclassified as emergency and meet the above mentioned criteria.

3) Referred Patients

All patients referred to the University Hospital must meet the following criteria:

- 1) The Admitting Office must be contacted prior to accepting a patient for admission to determine bed availability.
- 2) Prior to the acceptance of the patient by the Hospital, financial arrangements must be made through the Admitting Office.
- 3) An attending physician must accept the responsibility for the treatment of the patient.

e. Responsible Attending Physician:

A patient to be admitted on an emergency or urgent basis who does not have an attending physician may select an attending physician from the Medical Staff of the applicable department or division. Where no such selection is made a member of the active or associate staff on duty in the department or division may be assigned to the patient on a rotation basis. The Chief of each service will provide a schedule for such assignments.

2. Admission for Outpatient Care (See Ambulatory Medical Services By-Laws and Rules and Regulations)

- a. Patients will be seen in Ambulatory Medical Services by appointment upon the referral by a licensed physician, dentist or by the request of the patient. If the patient is not referred to a specific attending physician and has no personal preferences from the available staff, the patient may be assigned an attending from a list provided by the appropriate Chief of Service. Advance arrangements are desirable to assure availability of appointments.

- b. Without appointment: Whenever possible such patient will be seen by the active staff member previously responsible for the patient's care. If this is not possible, the patient will be seen by available Medical Staff in the appropriate clinic.

3. Admission for Emergency Care

- a. Emergency patient referred by a physician or dentist with prior consultation and admission arrangements will be directly admitted for inpatient care by the accepting attending physician.
- b. Non-Referred Emergency Patients: Emergency patients who are not referred under the conditions stated above will be admitted for inpatient care, subject to the availability of beds.

If the Hospital is operating at a maximum capacity, a full-time faculty member or resident designated by the service will assure appropriate disposition of the patient by returning the patient to the referring physician or dentist and medical facility of origin, or arranging for the transfer of the patient to another Lexington hospital after an attending physician or dentist is identified.

- c. Out-of-State Admissions: A patient from out-of-state is eligible for admission to University Hospital by referral of his/her physician or dentist or, in case of emergency, through the Emergency Room.

4. Admission Diagnosis

Except in an emergency, no patient shall be admitted to the Hospital until a provisional diagnosis or valid reason for admission has been stated. In the case of an emergency, the provisional diagnosis shall be stated as soon as possible, but within 24 hours after admission.

5. Admission of Suicidal Patients

For the protection of patients, the Medical Staff and employees of the Hospital, certain principles are to be met in the care of the potentially suicidal patient:

- a. Any patient known or suspected to be suicidal in intent and who is to be admitted, will ordinarily be admitted to the Psychiatric Unit of the Hospital. If the patient's physical condition warrants, the patient may be admitted to another unit of the Hospital and a psychiatric consultation requested. If no accommodations are available on the Psychiatric Unit,

the patient may be transferred to another institution where suitable facilities are available. When transfer is not possible, the patient may be admitted to a general area of the Hospital where special precautionary measures will be taken.

- b. Any patient known or suspected to be suicidal must have consultation by a member of the Psychiatry Staff.

6. Admissions to or Discharge From Intensive and Cardiac Care Units

If any question as to the validity of admission to or discharge from an intensive care or cardiac care unit should arise, that decision is to be made through consultation with the respective Special Care Unit designated representative or the Associate Dean for Clinical Affairs.

7. Patient Transfers

a. Between Services:

When a patient is to be transferred between major clinical services (e.g., Medicine, Surgery, etc.) or between major divisions of a service (e.g., Orthopedics, Urology), the patient's attending physician or dentist and the appropriate accepting attending physician or dentist of the service to which the patient is being transferred must mutually agree upon the written order of the physician or dentist requesting the transfer. Notification of such transfer must be made to the Admitting Office.

b. Between Physicians or Dentists:

When two attending physicians or dentists within a service agree to transfer a patient from one to the other, the physician or dentist from whom the patient is being transferred is responsible for writing a transfer order. The physician or dentist who is accepting responsibility for the patient will so indicate in the Progress Notes. In the case of a transfer between two attending physicians or dentists within a service, the absence of a written order will result in the original physician or dentist remaining the responsible physician or dentist of record for legal purposes, for purposes of completing the record, for purposes of setting professional fees, etc. Notification of such transfer will be made to the Admitting Office. When scheduled changes in attendings are made for reason of illness, absence from the city or teaching purposes, notes and notification of these changes are required as above.

c. Bed Transfer Priority:

The transfer of a patient from one bed to another requires the approval of the transfer and assignment to the new bed by the Admitting Office.

1) Transfers to increase bed availability

- a) From Emergency Department to appropriate patient bed.
- b) From Post-operative Recovery to an appropriate bed.
- c) From Obstetrical patient care area to general care.
- d) From Intensive Care area to general care area.

2) Internal transfer to improve patient care services

- a) From a bed that is inappropriate for infection control to appropriate assignment for infection control.
- b) From temporary placement in an inappropriate geographic or clinical service area to the appropriate area for that patient.
- c) Patient desire for a different room.

8. Patient Discharge

- a. When the attending physician or dentist (or physician or dentist acting on his/her behalf) determines an inpatient no longer needs hospital lodging and care on a continuous daily basis, a written discharge order and discharge diagnosis with appropriate instructions will be entered in the patient's medical record. When any of the following conditions exist, the attending physician or dentist (or physician or dentist acting on his/her behalf) will also issue the patient discharge order and discharge diagnosis with appropriate instructions:
- b. To the extent possible, the attending physician or dentist should schedule patients for discharge the day prior to the dismissal date so relatives or friends can be notified and transportation arranged. Discharge orders need to be recorded in the patient's medical record prior to 8:30 p.m. the night before discharge. Discharges normally will be processed between the hours of 8:00 a.m. and 10:00 a.m., but patients shall be allowed until 11:00 a.m. to check out. Patients awaiting special diagnostic reports on work done on the preceding day shall be discharged by 1:00 p.m.

- 1) The patient did not return to the Hospital from an authorized leave of absence at the time specified. Unless specific information is available with respect to the patient's delay in returning, a discharge order should be entered into the patient's medical chart within five hours, and in no event later than the date the patient was due to return.
- 2) The patient left the Hospital without a physician's or dentist's authorization and failed to return. Discharge order should be written within two hours except where circumstances indicate that the patient had left the Hospital unauthorized and, therefore, is being discharged "Against Medical Advice."
- 3) Patient leaves the Hospital against medical advice. Discharge order should be written immediately, regardless of whether or not the patient or his/her responsible agent signed the release form. Writing the discharge order does not in any way relieve the physician or dentist of his/her responsibility to take all reasonable steps to dissuade the patient from leaving against medical advice or to take any subsequent reasonable steps which the physician or dentist believes to be in the patient's best interests.

ARTICLE III.
GENERAL CONDUCT OF CARE:

1. Consent for Care:

a. General Consent:

General consent is obtained by the Admitting Department at the time of a patient's admission, and is designed to cover all procedures in the Hospital which are not of a nature to require a special consent. If it is not possible to obtain the general consent at the time of admission or registration, the responsibility for securing the general consent will rest with the nurse in charge of the division accepting the patient. This includes, but is not limited to, routine hospital care, laboratory procedures, intravenous feedings, diagnostic X-ray procedures, and most outpatient treatments. It provides protection for procedures done by Hospital personnel, the attending physician or dentist, his/her assistants, or any other physician or dentist called into the case by the attending physician or dentist. It has the merit of providing personal coverage for all persons who have a legitimate reason for touching or ministering to the patient, and protects both the Hospital, physician, or dentist.

b. Special Consent:

A special consent form must be prepared before any of the following procedures are carried out:

- all major and minor surgery which involves an entry into the body, either through an incision or through one of the natural body openings;
- any procedure in which anesthesia is used, whether or not an entry into the body is involved;
- all non-operative procedures which involve more than a slight risk of harm to the patient, or which involve the risk of a change in the patient's body structure;
- all procedures where radium or X-ray is used in treatment of the patient;
- all procedures which involve electroshock therapy;
- all uses of investigational drugs or procedures on patients;
- all other procedures which in the physician's or dentist's judgment require a special consent; any question as to the necessity of obtaining a special consent from a patient should be resolved in favor of procuring the consent.

Responsibility for securing a special consent will rest with the physician or dentist or person performing the procedure. In all cases the physician, dentist, or person performing the procedure shall be responsible to confirm that a special consent has been signed before the procedure is performed.

c. Special Consent Concerning Minors:

KRS214.185 as amended, provides for treatment of minors under the following:

- (1) The physician to examine and prescribe treatment for a minor with the minor's consent only in cases of venereal disease, pregnancy, alcohol, and other drug abuse or addiction.
- (2) Any emancipated minor or any minor who has contracted a lawful marriage or borne a child may give consent to the furnishing of hospital, medical, dental, or surgical care to his or her child, or himself or herself and such consent shall not be subject to disaffirmance because of majority.
- (3) Health services may be rendered to minors without consent of a parent or legal guardian in an emergency situation.

- (4) The consent of a minor who represents that he/she may give consent for the purpose of receiving health care services but who may not, in fact, do so should be deemed effective without the consent of the minor's parent or legal guardian, if the professional rendering care relied in good faith upon the word of the minor.
- (5) The professional MAY inform the parent of the minor patient of any treatment given or needed where informing the parent or guardian would benefit the health of the minor.

d. Emergency Consent:

Where an emergency exists which requires immediate action of the Hospital, physician, or dentist to preserve the patient's life, or prevent a possible permanent impairment of the patient's health, and it is impossible to obtain the consent of the patient or someone legally authorized to consent for him/her, the required procedure should be undertaken only under the following two conditions:

- (1) it can be shown that the emergency is of sufficient magnitude to justify action without consent;
- (2) it can be shown that under the circumstances there is not sufficient time to obtain consent.

In order to constitute an emergency, the threat of life or health must be immediate. If delay in performance of the procedure would not increase the hazard, then a bona fide emergency does not exist. The Hospital and physician or dentist must make every effort to document the pathological necessity of proceeding with treatment without consent. Consultations should be undertaken, and the findings recorded in the patient's medical chart. Notations should clearly indicate the conditions stated above.

When an emergency consent is needed, the Hospital Director or the Associate Dean for Clinical Affairs must be contacted, informed in detail, and must give approval. This approval must be documented in the medical record at the earliest possible time.

2. Physicians' Orders:

a. Verbal Orders:

Verbal orders may be initiated only when the life of a patient would be jeopardized by failure to take immediate action, and are applicable only to orders

given by the physician or dentist in the presence of a professional nurse. Such verbal order(s) shall be recorded on the physician order sheet by the physician or dentist not later than 24 hours following the order.

b. Telephone Orders:

It is expected that Active Staff physicians will write, initial, or personally approve orders for the prescribed care of patients in the medical record. However, it is recognized that there may be circumstances where the patient's medical needs necessitate care which is unanticipated by the Active Staff physician and should not be delayed until the physician is available on the unit to write orders. If this situation should occur with an Active Staff physician, registered nurses may accept the physician's orders by telephone within the following guidelines.

1. Telephone orders may be taken from an Active Staff physician who is the patient's physician of record.
2. A telephone order may be taken only by a registered nurse who has successfully completed the probationary period.
3. The nurse receiving the telephone order will write the complete order in the patient's medical record including the time and date the order was taken, physician's name, and title of the nurse receiving the phone order.
4. If, in the nurse's judgment, the nurse believes the patient should be seen by the Active Staff physician, she will state the rationale for her request and the physician is expected to come to see the patient immediately. Following this review of the patient the Active Staff physician or resident will write the appropriate orders.
5. A telephone order must be countersigned within twelve (12) hours of the time it is given, and should be limited to orders necessary for management of patient's difficulties.

c. Telephone Orders for Care of Terminally Ill:

Senior residents may take and record a telephone order from an attending to withhold resuscitation procedures on terminally ill patients when a decision is made by an appropriately informed patient's family or other responsible individual after the attending has left the hospital or is otherwise unable to write the order personally as defined in the hospital policy. The required charting activities documenting informed patient, family or responsible persons must be completed.

d. Written Orders:

All orders, except in the situations described above, must be signed by staff or resident physician or dentist before they are executed.

e. Acting Interns' Orders:

Senior students may write orders when they are appointed as acting interns by the Department Chairmen. Hospital Administration will be notified in writing prior to students assuming these responsibilities by the Department Chairmen of such appointments. Nursing Services will recognize the orders of acting interns only if the notification of Hospital Administration has been received and these orders are countersigned by a physician or dentist.

f. X-ray Requests:

All X-ray requests, except in the emergency situation described above, require a completed X-ray request signed by an attending or resident physician or dentist or a validly appointed acting intern.

g. Cancellation of Orders:

Cancellation of all existing orders for a patient is effected on change in service or when the patient is sent to the Operating Room or Delivery Room. An exception may be made if the physician or dentist so indicates in the pre-operative orders.

3. Nursing Involvement in Care of Patients:

If a nurse has any reason to doubt or question the order written on, or the care provided to, any patient or believe that appropriate consultation is needed and has not been obtained, the nurse shall call this to the attention of the patient's Active Staff physician. If the situation is not resolved satisfactorily, the nurse shall contact the Divisional Director of Nursing. If warranted, the Assistant Director of Nursing may bring the matter to the attention of the Chief of Service wherein the physician or dentist treating the patient in question has clinical privileges. Where circumstances are such as to justify such action, the Chief of Service shall personally request a consultation.

4. Drugs, Medications and Radioactive Materials:

a. General Guidelines:

(1) Generic Names:

Physicians and dentists must use generic names as listed in the Hospital Formulary. Trade names will be accepted on physicians' or dentists' orders if available in Pharmacy. If not available, the physician or dentist will be contacted by PCS to rewrite his/her orders.

(2) Orders in Metric System:

Drugs will be ordered in the metric system. If the physician or dentist orders a drug in the apothecary system, and the nurse recognizes the error before the physician or dentist leaves the unit, the nurse will ask that he/she rewrite the order in the metric system. If the order reaches PCS in the apothecary system, a pharmacist will then contact the physician or dentist and ask that the order be rewritten in the metric system.

(3) Take Home Drugs:

All prescriptions for take home drugs must be signed by a licensed physician or dentist.

b. Ordering Drugs:

(1) Formulary Drugs:

Members of the house staff are authorized to use only those drugs listed in the Formulary.

(2) Non-Formulary Drugs:

Attending physicians and dentists may order non-formulary drugs for particular patients whenever justified. Since non-formulary drugs are not routinely stocked by Pharmacy Central Supply, a quantity of the drug must be ordered specially, and the patient must be billed for the entire supply. Frequently this results in a time lag before the drug can be obtained and therapy begun. In order to use a non-formulary drug repeatedly, the attending staff member is expected to request approval of the drug by the Pharmacy and Therapeutics Committee.

For a non-formulary drug to be utilized the original order must be written and signed by an attending physician. Each non-formulary drug request is followed up by the staff of the Drug Information Center and is reviewed by the Pharmacy and Therapeutics Committee.

c. Automatic Stop Orders:

At the time of this printing, drug orders are discontinued automatically according to the following timetable:

Orders for narcotic drugs (Schedules II and III) will be discontinued automatically after five days when no stop date is indicated by the physician or dentist in his/her order. Orders for antibiotic drugs will be discontinued automatically after three days when no stop date is indicated by the physician or dentist in his/her order. Other drugs may have Automatic Stop Order limits as approved by the Clinical Board.

Physicians or dentists are encouraged to write for a specific length of therapy on appropriate drugs and to limit their orders for drugs which require frequent monitoring of response such as anti-coagulants and cancer chemotherapeutic agents. Daily, the floor pharmacists are provided with a list of all drug orders which are stopping due either to the stated Automatic Stop Policy or to the end of therapy as specified by the physician or dentist.

d. Controlled Substances:

Each member of the house staff should be registered by the Drug Enforcement Administration (formerly BNDD) in order to prescribe controlled substances. This registration is required in addition to the Kentucky license to practice. All orders for Schedule II Controlled Substances must be written in ink or indelible pencils; out-patient prescriptions for Schedule II substances must be written on special Schedule II prescription blanks supplied by the Ambulatory Medical Services Pharmacy.

e. Investigational Drugs:

Investigational drugs shall be used only under the direct supervision of the principal investigator who shall be a member of the Medical Staff, and who shall obtain the informed consent of the patient prior to the administration of the drug. To initiate use of an investigational drug, the principal investigator shall

f. Radioactive Materials:

-59-

B. The following information is needed when scheduling a patient for an operation:

1. Surgeon and first assistant.
2. Date and time desired
3. Patient's full name and hospital number.
4. Age and sex of patient.
5. Estimated total room time for case.
6. Inpatient or outpatient status of patient.
7. If local anesthesia only is required or if local standby is required.

The following is requested to facilitate the operating procedure:

8. All anticipated procedures including requests for special equipment and details of joint procedures with other services.
 9. Whether the case is grossly contaminated.
 10. Amount of blood or blood products requested.
 11. If frozen sections or x-rays are required.
 12. If the patient has any coincidental serious medical problems.
 13. Availability of ICU bed for appropriate cases.
- C. Advance Schedule: The deadline for advanced scheduling of cases is at 13:00 two days before the date of surgery, or Fridays at 13:00 for Tuesday's schedule. Cases may be scheduled by telephone at 233-5636, or by visiting the Operating Room scheduling office.
- D. Final Schedule: The deadline for the final surgical schedule is 13:00 the day prior to surgery. The deadline for Monday's schedule will be 13:00 hours on Friday; however, all block time assignments will be reserved until 12:00 hours on Sunday. After that time, unscheduled hours for Monday can be assigned by the Medical Director by 14:00.
- E. Inhouse Queue: Following the deadline for the final schedule, the Medical Director reviews those cases that are ready for surgery for which there is no scheduled time. Those cases of suitable length to fill the gaps in the schedule will be selected and placed on the final schedule by 14:00. Priorities within surgical divisions will be determined by the Division Chiefs. Setting priorities among different divisions will be the prerogative of the Medical Director.

3. Urgent and Emergency Cases

- A. Urgent Cases - All cases which are not strictly elective or emergent in nature are defined as urgent cases. The Medical Director or his designee should be notified by the posting surgeon to acquaint him/her with the surgical problems involved in urgent cases. Cases will be done in the order posted provided the next patient on the list is ready for surgery when sent for and that in the judgement of the Medical Director this constitutes the best use of available OR resources.
- B. Emergency Cases - When a surgeon feels that the patient's deteriorating condition or other reasons warrants jumping the queue of posted urgent cases, the case may be declared an emergency and will be scheduled ahead of urgent cases. Similarly, the surgeon may declare an emergency during the elective daily schedule. This declaration may interrupt the elective schedule. The Chairman of Surgery has the final authority to resolve all issues related to the declaration of emergency cases. The surgeon declaring an emergency will complete a form indicating the reasons for the declaration of an emergency within 24 hours and submit this to the Director of Operating Room Services. The Operating Room Committee will review all emergency case documentation on a monthly basis. Scheduled cases displaced by urgent or emergency cases will take priority over Provisional and Add-on Elective cases.

4. Identification of Patient:

Neither preparation of the patient for surgery nor surgery shall be initiated until positive identification of the patient is made by checking the armband of the patient against the operating room schedule. A record shall always be made of this positive identification in the patient's medical record.

5. Preoperative Evaluation and Documentation:

Prior to preparing the patient for surgery, the medical record will always be examined to see that a consent for the particular surgical procedure to be performed exists. Surgery will not take place without consent except in cases of immediate life threatening emergency. The preoperative diagnosis and current required laboratory work must be recorded on the patient's record, except in cases of an immediate life threatening emergency. If not recorded, the operation will be cancelled. In any emergency, the surgeon shall make at least a comprehensive note regarding the patient's condition prior to initiation of anesthesia and start of surgery.

6. Time of Admission:

All patients scheduled for surgery must be in the Hospital by 3:00 p.m. the day prior to surgery. The Director of Operating Room Services will be responsible for checking with the Admitting Office at 3:00 p.m. each day, and those patients scheduled for surgery the next day, but who have not reported at that time will be removed from the Operating Room schedule and rescheduled.

7. Starting Time of Operations:

Elective surgical cases will be removed from the OR and rescheduled if the attending surgeon is more than 30 minutes late for the case.

8. Outpatient Operations Requiring General Anesthesia:

Any outpatient procedures done in the Outpatient Surgical Suite with general anesthesia will require a minimal three hour recovery time period, and a note must be placed in the patient's chart by the anesthesiologist at the time of discharge. Also, the patient must always be accompanied by another individual who will transport the patient safely from the Hospital.

9. Care in Transport of Patients:

All Operating Room transport personnel shall receive training in first aid techniques including the ability to recognize immediately symptoms of cardiac or respiratory arrest.

10. Efficient Utilization of Operating Room:

The Medical Director of the Operating Room coordinating with the Director of the Operating Room Services shall be responsible for the efficient utilization of Operating Room resources.

A. Contaminated Cases:

1. Operations that are expected to be grossly contaminated must be so designated when the patient is scheduled for surgery.
2. Such contaminated operations will be placed at the end of the service elective schedule in the room assigned to that service.

- B. All Operating Rooms in which surgery on a contaminated patient is performed shall be thoroughly scrubbed on completion of surgery. A contaminated patient shall be housed in an isolated area of the Recovery Room. Procedures throughout his/her stay in the Operating Room and Recovery Room shall be in accordance with the

Communicable Disease Center's Handbook on Infection Control and Isolation Techniques pending available facilities.

11. Environment Control of Operating Room

A. Conductivity Environmental Control:

Quarterly tests will be made on the conductive properties of all appropriate instrumentation and equipment within the Operating Room. Environmental control will include periodic monitoring of the humidistats in all of the Operating Rooms to insure that they are registering accurately and not in need of calibration.

B. Radiation Safety:

Safety of radiation sources will be the responsibility of the Director of Human Safety and Environmental Health of the Medical Center and the Chairman of the Radiation Medicine Department. Specific safety control procedures are outlined in Hospital Policy.

12. Tissue Removed:

All tissue removed during an operation shall be sent (specific handling in laboratory manual) to the anatomical laboratories so that a pathologist can make such examination as he/she may consider necessary to arrive at a diagnosis. The authenticated report shall be made a part of the patient's medical record.

13. Operating Room Patient Record (Form H-425)

The operation record is the document recording the patient's surgical experience in the Operating Room, and also is the document used to gather data for efficient use of Operating Room resources. The circulating nurse has primary responsibility for completing the Operating Room Patient Record, and the attending surgeon and anesthesiologist must verify the correctness of this information by signing the record on completion. It is imperative the information on this record be accurate and complete.

14. Surgical Consent:

Written, signed, informed, surgical consent shall be obtained prior to the operative procedure except in those situations wherein the patient's life is in jeopardy and suitable signatures cannot be obtained due to the condition of the patient. In emergencies involving a minor or

unconscious patient in which consent for surgery cannot be immediately obtained from parents, guardian, or next of kin, these circumstances should be fully explained on the patient's medical record. A consultation in such instances may be desirable before the emergency operative procedure is undertaken if time permits.

15. Anesthesia Record:

The anesthetist shall maintain a complete anesthesia record to include evidence of pre-anesthetic evaluation and post-anesthetic follow-up of the patient's condition. The circumstances surrounding all deaths occurring in the Operating Room or Recovery Room, after the administration of an anesthetic, shall be reported in writing to the Chairman of the Department of Anesthesiology within twenty-four (24) hours by the person administering the anesthetic and reported by the Chairman of the Department of Anesthesiology to the Associate Dean for Clinical Affairs within forty-eight (48) hours.

16. Risk Management

In the event of an incident in the Operating Room which results in or could have resulted in an injury to a patient, the most senior person witnessing or involved in the event must complete a report and submit it to the Associate Dean for Clinical Affairs and the Office of Risk Management immediately.

ARTICLE V
RULES REGARDING OBSTETRICAL CARE

1. Abortions and Sterilizations:

a. Abortions may be performed when necessary to preserve the life of the mother following the approval of the Therapeutic Abortion Committee.

b. Sterilizations:

The operation is performed for the sole purpose of sterilization of the patient, whether male or female. Prior to ANY tubal ligation or hysterectomy being performed, appropriate consent forms and authorization for administration of anesthesia must be completed.

The general rule is that sterilization may be performed under one or more of the following circumstances; however, depending upon payment source, the procedure may not be reimbursed:

- when medical disease complicates pregnancy or may be injurious to the health of the mother or the baby;
- many times, socio-economic factors may be used to support the sterilization decision;
- at the request of the patient when informed consent is evident.

The written request for sterilization and the report of the consultant shall be filed in the patient's medical record.

c. Sterilization Incident to Therapy:

A sterilization incident to therapy performed primarily for some other medically valid purpose must be documented in the patient's medical record.

2. Admission of Non-Obstetrical Patients to Obstetrics Division:

"Clean" surgical patients with a negative chest X-ray within the last 48 hours may be admitted to the Obstetrical Division only on the order of the Director of Obstetrics or his/her designee who will review the situation daily with the senior Nursing Service staff member on duty on the Division.

ARTICLE VI EMERGENCY SERVICES:

1. Emergency Room Medical Coverage and Responsibilities:

Patient Care in the Emergency Room is under the direction of the Chairman of Emergency Medicine Department. The Medical Staff of the Emergency Room shall have primary responsibility for the care of all patients in the Emergency Room until such time as the patient is admitted or formally transferred to the care of another physician, dentist, service, or clinic. Attending physicians and dentists, and a staff of house officers, who are assigned to the Emergency Room, will personally see each patient and be responsible for:

- a. Initiating early and appropriate consultation with the proper service ascertaining that the patient has been:
 - treated and released with the indicated instructions for further follow-up by a private physician or dentist or an appointment made for OPD visit;

- accepted by a written note in the chart for care by another service, either on an outpatient basis, or for hospital admission; or
 - sent to another hospital or another physician or dentist for care after that hospital, physician, or dentist has agreed to assume such care.
- b. Appropriate documentation of care and treatment rendered will be made by the treating physician or dentist and reviewed by an attending physician or dentist.
- c. Limiting treatment of patients who will be referred to other services to emergency measures until the consultant arrives and is delegated responsibility for the patient's care.
2. Emergency Room Consultation Coverage:
- All clinical departments will furnish the Chairman of Emergency Medicine Department, with a list of house officers and active staff on Emergency Room call who can be notified by the Emergency Room physicians as soon as it is determined that service should be called for consultation, or when the case might be of teaching interest to them.
3. Admission of Patients from the Emergency Room:
- a. Admission with Prior Consultation:
- An Emergency Room physician will ordinarily obtain the consultation and approval of the appropriate service prior to admitting the patient.
- b. Direct Admission with Prior Consultation:
- The Chairman of Emergency Medicine Department, or the Emergency Room attending physician may admit any patient at any time if he/she believes this is the correct disposition of the patient and that failure to admit the patient will result in death or serious complications.
4. Referral to Another Hospital:
- In the instance where a patient requiring hospital admission must be sent to another hospital, such transfer will only be carried out with the prior approval of the patient's attending physician.

5. Observation in Emergency Room:

There are no designated observation beds in the Emergency Medicine Department. Patients needing observation while awaiting admission or awaiting evaluation for diagnosis may be observed by staff in the Emergency Medicine Department provided the following conditions are met:

1. It is anticipated that the period of observation will not extend beyond 12 hours from time of arrival.
2. The necessary observation can be done adequately. It cannot be assured that a Registered Nurse will be available to carry out the observation.
3. The patient for observation must not detract from the care of other patients with emergency conditions.

Patients who are "direct admits" are to be registered by the Emergency Medicine Department to assure accurate documentation of any treatments, diagnostic work and medications. Situations not included above will require that the patient either be admitted or "treated and released."

The expected period of observation to facilitate diagnosis is four (4) hours with a maximum of twelve (12) hours. At this time, the patient is either admitted or discharged. (This may be waived in individual cases, such as when the twelve (12) hour limit terminates at an early a.m. hour.) Progress notations are to be entered into the chart every four hours by the physician or dentist caring for the patient.

ARTICLE VII MANAGEMENT OF DEATH AND TERMINALLY ILL

1. Care of Terminally Ill Patients

A. INFORMATION

1. For legal, ethical, and pedagogical reasons, only a faculty member should determine whether a patient is terminal, that further extension of therapy is unadvisable, or that the patient should not be resuscitated at the time of the terminal event.
- 2) The faculty should assume direct personal involvement in the care of a terminally ill patient.
- 3) The faculty should carefully develop and document care plans, orders, and other communications.
- 4) Whenever possible and appropriate, the family and the patient should be involved in the care plan. The physician should carefully document this involvement.

B. INSTRUCTIONS:

- 1) When a faculty member recognizes an impending death, the faculty member or faculty and resident should place a note to that effect in the patient's chart. The note should be clear and concise and should specifically describe the patient's terminal illness, the anticipated prognosis, the therapeutic plan for disease treatment and patient comfort, and orders for the patient prior to death. In addition, the note should provide guidance to the nursing, hospital, and resident staff for carrying out the treatment plan. The note also should document communications with the patient and/or family.

NOTE: The note on family communication should include:

- a. The patient's (if possible) and/or family's expressed wishes concerning medical management of terminal care prior to or during hospitalization. A signed informed consent is strongly recommended if the terminal care plan includes orders not to resuscitate. If a signed informed consent is not obtained, the medical and/or nursing staff member(s) who witnessed the discussion and concurrence of the family must document such in the medical chart.
 - b. Names and relationships of family participants.
 - c. Names and relationships of hospital and medical staff involved.
- 2) The nursing staff member(s) assigned to the care of the patient should review the physician's orders with the attending physician. These orders should include the name and telephone and/or pager number of the physician that the nurse should contact for changes in the care/treatment plan.

NOTE: If the patient's status changes to the extent that a new treatment plan is necessary, the nurse or physician should document the change in the medical record. If the terminal event does not occur within 72 hours of initiation of the care/treatment plan, the physician must add a note to the medical chart reconfirming the previously defined plan or making appropriate adjustments.

- 3) Only the attending physician can write an order to withhold resuscitation. Before the order to withhold resuscitation can be written, the patient or legal representative must sign an informed consent or the family's concurrence with the defined plan must be witnessed and documented in the medical chart by a hospital or medical staff member.
 - 4) If the treatment plan includes orders to withhold resuscitation or other major therapeutic measures such as volume respirators, dialysis, or vasopressors, the attending should notify the Risk Manager (3-6212)/Associate Dean for Clinical Affairs (3-6086).
 - 5) If communication problems arise between medical or hospital staff members and the patient or family, the physician or nurse should contact the Risk Manager.
 - 6) If the patient's condition and/or treatment plan present an ethical dilemma to any of the principals, including the family, the physician should contact the Associate Dean for Clinical Affairs.
- 2 Guidelines for Determining Death - UKMC:
- A. In ordinary circumstances

The traditional signs of death are unresponsiveness, absence of pulse and heartbeat, absence of spontaneous respiratory movement, and all other movement, absence of all reflexes including fixed pupils.
 - B. In cases where artificial ventilation is employed, the determination of death shall be made by no fewer than two active medical staff physicians.

The time of death shall be determined by the physician(s) who attend(s) the patient at death and, if none, the physicians who certify the death.

The presumptive cause of death should be determined and the fact of death should be ascertained by scientific evidence which, in the opinion of the physicians making the determination is current, acceptable, and adequate to demonstrate irreversible cessation of cerebral and brain stem function.
 - C. Currently acceptable criteria for determination of cerebral death in the presence of heartbeat and relatively normal blood pressure, whether or not artificial means are used to maintain the circulation of oxygenated blood, shall include:

1. Absence of hypothermia (body temp. 32.20C) neuromuscular blockade, shock and significant levels of sedatives and central nervous system depressants in the patient's serum; (e.g. phenobarbital, benzodiazepines). Severe metabolic disturbance (e.g. hyperosmolar coma, hepatic encephalopathy).
 2. Cerebral unconsciousness and motor unresponsiveness to stimuli which are normally intensely painful. True decerebrate or decorticate posturing or seizures are inconsistent with the diagnosis of brain death.
 3. Absence of spontaneous movements for an observation period of at least one hour.
 4. Absence of reflexes which involve cranial nerves. The pupils must be fixed mid point in diameter and nonreactive to sharp changes in the intensity of incipient light. No ocular responses or eye movements to head turning or irrigation of ear with ice water.
 5. Absence of corneal reflexes.
 6. No gag, cough, or retching reflex in response to bronchial stimulation with suction catheter.
 7. No respiratory movements occur when the patient is disconnected from the mechanical ventilator. Adequate testing for apnea is very important. An accepted method is ventilation with pure oxygen for a ten minute period before withdrawal of the ventilator followed by passive flow of oxygen. A ten minute period of apnea is sufficient to attain hypercarbia (60mm. Hg.) which adequately stimulates a respiratory effort. Testing of arterial blood gases can be used to confirm this level. Any spontaneous breathing efforts indicates that part of the brain stem is functioning and that the patient is not brain dead.
- D) When the preceding reflexes cannot be adequately assessed and documented, or in children under the age of five additional confirmatory tests is recommended.
1. An EEG, obtained under the supervision of a recognized electroencephalographer, demonstrating isoelectric activity, provided that severe hypothermia, etc. (see C 1) is not present.

2. Angiography revealing absence of cerebral circulation.
 3. Short latency auditory or somatosensory evoked potentials demonstrating absent brain stem and cortical activation.
- E. In the absence of conformatory tests, the seven conditions described earlier (C 1. through 7.) in this guideline must persist unchanged for at least 12 hours. A six hour period is required in the presence of confirmatory tests. In anoxia brain death, a 24 hour observation period OR demonstrated electrocerebral (EEG) silence and 12 hours of observation is required. In case of children under the age of one year, 72 hours of observation and an EEG demonstrating isoelectric activity is required. In case of children age one through five, 24 hours of observation and isoelectric activity on EEG is required. In cases of brain injury where there is such gross anatomical damage visible on physical examination or craniotomy as to indicate that the brain is irreparably damaged, extruded, divided, or destroyed, the period of observation for the persistence of the conditions described in (C 1. through 7.) may be reduced to one hour.
- F. The pronouncement of death in cases where artificial ventilation is employed shall be made on the basis of the foregoing criteria. When possible, the legally responsible family member or members shall be informed before cessation of artificial ventitation.
- G. In the case of potential organ donors, all of the foregoing criteria must be met and a witnessed informed consent of legally responsible family member(s) for the specific donation(s) must be obtained. The two physicians determining death must not be involved in determining the suitability of the donor and must not be members of the surgical team performing the transplant.

3. Pronouncing a Patient's Death:

Upon suspicion of death, the observing nurse will ask the physician closest at hand to see the patient. If death is confirmed and the physician is from another service, the nurse will immediately notify the service physician involved, giving the name of the physician who confirmed the death. The physician pronouncing the patient dead shall indicate such pronouncement and the time of death in the patient's medical record. The formal death note shall be written and signed by the physician pronouncing or confirming death from the service involved before the body will be released from the Hospital.

4. Notification of Next-of-Kin:

Responsibility for providing immediate notices of death to the immediate next-of-kin rests with the attending physician or dentist or his/her physician designee.

5. Request for Autopsy:

The duty of all staff members or his/her physician designee shall be to secure an autopsy whenever possible. An autopsy may be performed only with a written consent, signed in accordance with state law. The following order of legal authority will generally apply to the procurement of consent for autopsy authorization in a non inquest situation in the absence of permission of the decedent:

- 1) Spouse of decedent
- 2) All children (of at least age 18) of decedent
- 3) All grandchildren (of at least age 18) of decedent
- 4) Parents of decedent
- 5) All siblings (of at least age 18) of decedent
- 6) All grandparents of decedent
- 7) The person who assumes responsibility to dispose of the body.

It is recommended that as many signatures of a given class be obtained as possible or assurances received that there are no contrary indications from members of that class or a prior class. A minor who has married or borne a child is considered to be an adult for purposes of consent to perform an autopsy. Thus, the additional consent of the parents of such minor is not necessary. Questions concerning obtaining authorization for autopsy should be directed to the Department of Pathology or the Hospital Administrator on call.

All autopsies shall be performed by the Department of Pathology. Provisional anatomic diagnoses shall be recorded on the medical record within 48 hours and the complete protocol should be made a part of the record within three months of the autopsy.

6. Donation of Organs:

Bodies or parts thereof will be accepted only if they have not been autopsied. Whole bodies to be accepted may not have served for organ donation. Donation of organs may be accomplished only with a written consent signed and in accordance with state law. Written consent must be given on the Anatomical Gift consent form or be initiated by the deceased having previously completed an organ donation form or the consent on the Kentucky driver's license.

If an autopsy is to be performed, the donation of cornea and scleral rims is included in the authorization for autopsy, unless restricted. Separate authorization is required to include the donation of the whole eyes.

The priority for granting permission for an anatomical gift in the absence of an Anatomical Gift consent form completed by the donor or in the absence of consent on the Kentucky driver's license or when persons in prior classes are not available at the time of death is as follows:

- 1) Spouse of decedent;
- 2) An adult son or daughter;
- 3) Either parent of decedent;
- 4) An adult brother or sister;
- 5) Legal guardian of the person of the decedent at time of death;
- 6) Any other person authorized or under obligation to dispose of the body (this would include the executor of the estate of the decedent).

The person(s) signing the authorization for anatomical gift is to certify that no one in a prior class is available and that they are not aware of contrary indications or opposition by others in line (of their same class or a prior class) to make their gift.

The appropriate service to receive the donation must be notified by the staff member obtaining the anatomical gift consent.

7. Notification of Funeral Home:

The Admitting Office is responsible for coordinating with the funeral director relative to the time of body release.

ARTICLE VIII MEDICAL RECORDS

1. General Guidelines:

The attending physician or dentist shall be responsible for the preparation of a complete and legible medical record for each patient. Its contents shall be pertinent and current. This record shall include identification data, complaint; personal history, family history; history of present illness; physical examination; special reports such as consultations, clinical laboratory and radiology services and others; provisional diagnosis; medical or surgical treatment; operative report; pathological findings; progress notes; final diagnosis; condition on discharge; discharge summary; and autopsy report when performed.

a. History and Physical:

A complete admission history and physical examination shall be recorded within 24 hours after the admission of the patient. This report should include all pertinent findings resulting from an assessment of all systems of the body. When the history and physical examination are not recorded before an operation or any potentially hazardous diagnostic procedure, the procedure shall be cancelled, unless the attending practitioner states in writing that such delay would be detrimental to the patient. The attending physician or dentist shall countersign the history and physical examination when they have been recorded by a member of the house staff. This may be performed in an attending note within the first 48 hours after admission.

b. Progress Notes:

Pertinent progress notes shall be recorded at the time of observation, sufficient to permit continuity of care and transferability. Whenever possible, each of the patient's clinical problems should be clearly identified in the progress notes and correlated with specific orders as well as results of tests and treatment. Progress notes shall be written at least daily on all patients. On critically ill patients and those where there is difficulty in diagnosis or management of the clinical problem, interim notes are expected. The house staff daily progress note, in addition to the above, should document the presence, evaluation, and recommendations of the attending medical staff (this note should be countersigned by the attending physician). The attending staff countersignature indicates concurrence. A note providing additional evaluation and recommendations is recommended. When care is provided by an attending in the absence of a house staff officer, a complete attending daily progress note must be present. The attending practitioner is required to document the need for continued hospitalization identified by the Utilization Review and PSRO plans of this Hospital, and approved by the Clinical Board. This documentation must contain:

- an adequate written record of the reason for continued hospitalization; a simple reconfirmation of the patient's diagnosis is not sufficient;
- the estimated period of time the patient will need to remain in the Hospital;
- plans for post-hospital care.

c. Operative Reports:

Operative reports shall include indications for surgery, a detailed account of the findings at surgery as well as the details of the surgical technique. Operative reports shall be dictated immediately following surgery for outpatients as well as inpatients and the report promptly signed by the surgeon and made a part of the patient's medical record.

d. Required Anesthesia Records and Reports:

The following records and reports will be maintained for each patient:

- a pre-anesthetic note will be placed in the patient's chart indicating the patient's physical status, special problems, and contemplated surgery;
- an anesthesia record will be maintained during the administration of anesthesia; vital signs and the conduct of anesthesia will be recorded;
- a recovery room discharge note will be placed on the patient's chart indicating the patient's status at the time of discharge from the recovery room;
- within 48 hours after the operation, a post-anesthetic note should be placed on each patient's chart.
- when inpatients who have had surgery are discharged from the Hospital on the same date of the procedure, the discharging physician or dentist will be responsible for writing the post-op anesthesia and discharge note. This note should be clearly titled "Post-op anesthesia and discharge note". The note must mention blood pressure, pulse, presence or absence of the swallowing reflex and cyanosis, any post-operative abnormalities or complications, and the general condition of the patient.

e. Clinical Entries:

All clinical entries in the patient's medical record shall be accurately dated and signed by the responsible physician or dentist. All entries must be written in blue, blue-black or black ink or ball-point pen.

f. Corrections in Clinical Entries:

Corrections in clinical entries may be made only by crossing through as neatly as possible without obliteration of the error. Corrections must be labeled as such and signed by the responsible physician or dentist.

g. Abbreviations:

Abbreviations are not to be used in recording final diagnosis or operations. Abbreviations and symbols should be limited to those listed in the approved list of UKMC located on each inpatient floor and in the Medical Record Department.

h. Final Diagnosis:

Final diagnosis and operative procedures must conform to preferred terminology listed in the Standard Nomenclature of Diseases and Operations. The disease of first importance (primary diagnosis) should be named first. The final diagnosis shall be recorded, signed and dated by the responsible physician or dentist at the time of discharge of each patient.

i. Discharge Summary:

A discharge summary shall be dictated on the day of discharge on all patients hospitalized over 48 hours except for normal obstetrical deliveries; normal newborn infants; and certain selected patients with problems of a minor nature. These minor cases shall be identified by the Medical Record Review Committee and approved by the Clinical Board. On these minor cases, a final summation-typed progress note shall be sufficient. In all cases, the content of the medical record shall be sufficient to justify the diagnosis and warrant the treatment and end result.

j. Release of Medical Information:

Written consent of the patient is required for release of medical information to persons not otherwise authorized to receive this information. Any information released from the medical record should be handled through the Medical Record Department.

k. Removal of Medical Records:

The medical records are the property of the Hospital. Under no circumstances shall physicians or dentists remove the medical records from the Hospital's custody except in accordance with a court order, subpoena or statute.

1. Access to Medical Records:

Free access to all medical records of all patients shall be afforded to members of the Medical Staff for bona fide study and research consistent with preserving the confidentiality of personal information concerning the individual patient. All such projects shall be approved by the respective department chairman and, where appropriate, the approval of the Human Investigation Sub-committee before records can be studied.

2. Medical Records Deficiencies:

The time period for dictation of operative reports, if not done immediately after surgery, will be within 24 hours of surgery or suspension proceedings will be initiated.

The time period for dictation/completion of discharge summaries, face sheets, attending notes, and reports to be signed, if not done immediately after discharge, will be completed within 24 hours of discharge or suspension procedures will be initiated.

(Suspension actions involve removal of all hospital privileges for faculty and house staff including admitting, operating, writing orders, and rendering treatment.)

Suspension action shall be initiated in writing under the authority of the Director of Medical Records. If any staff member wishes to contest the suspension, he/she may show cause to the Associate Dean for Clinical Affairs within 24 hours or receipt of the suspension notice as to why he/she has been unable to complete the records.

The suspension will last until the deficiencies have been corrected. The resident staff member will be placed on leave without pay for the duration of the suspension.

For resident staff, the time period of suspension will be added to the length of internship or residency. Lost time will be made up at the end of the regular period of internship or residency without pay; otherwise, the physician will lose credit for the entire year.

For active staff, three such suspensions of admitting privileges within any 12 month period may be sufficient cause for permanent suspension of the privileges of the Hospital for that practitioner. In such a case, a deficiency report will be submitted by the Associate Dean for Clinical Affairs regarding the matter to the Clinical Board. Suspension of staff appointment will be considered by the Clinical Board for the delinquent faculty member.

3. Consultation:

An adequate consultation shall consist of an examination of the patient and the patient's record and a written or typed report entered in the patient's medical record. Consultation may be performed by residents, fellows or attending physicians, and dentists. When an intern or medical student is involved in the consultation, the consulting attending will be indicated on the report.

a. Requested:

When consultation from another physician or dentist is desired, a request form should be fully completed with the necessary information and should make clear the questions being asked of the consultant. It should be initiated as early as possible in the course of the patient's hospitalization so that any pertinent findings in the consultation may be incorporated in the evaluation of the patient and so that action on any recommendation may be initiated prior to discharge. If a consultation is needed urgently, e.g., within 24 hours, the consultation request form should be supplemented by telephone or personal contact with the resident or staff physician or dentist on call.

b. Emergency:

The responsible physician or dentist shall proceed without consultation in emergencies when it is his/her opinion that to delay surgery or treatment in order to obtain consultation would endanger the life of the patient. In these situations, the responsible physician or dentist shall make a note in writing in the patient's medical record of both the indications for the operation and the nature of the emergency. In those emergency situations in which the surgery or treatment does involve sterilization or the termination of a known or suspected pregnancy, the attending physician or dentist will be responsible to inform another attending physician or dentist of the situation and the treatment or surgery contemplated, prior to carrying out the surgery or treatment. The physician or dentist so informed will be responsible to confirm such notification at the earliest opportunity by means of a note in writing in the patient's medical record.

ARTICLE IX
SPECIAL RULES AND REGULATIONS

1. CLINICAL STAFF DISASTER ASSIGNMENTS:

All Medical Staff members shall be assigned to locations in the Hospital and it is their responsibility to report to their assigned stations upon notification of a disaster. The Associate Dean for Clinical Affairs, or his/her designee will coordinate and work with all assignments and specific procedures for a disaster as set forth in the University of Kentucky Medical Center Disaster Plan.

The Chiefs of Clinical Services and the Director of the Hospital will work as a team to coordinate activities and directions. In cases of evacuation of patients from one section of the Hospital to another or evacuation from the Hospital premises, the Chiefs of Clinical Services during the disaster will authorize the movement of patients. All policies concerning direct patient care will be the joint responsibility of the Department Chairmen and the Director of the Hospital. In their absence, the deputy chairmen and alternate in administration are next in line of authority respectively. The disaster plan should be rehearsed at least twice a year, preferably as part of a coordinated drill in which other community emergencies and agencies participate. There should be a written evaluation of all drills which must involve the medical staff, house staff and hospital employees.

2. SPECIAL CARE UNITS:

Special Rules and Regulations are available for each Special Care Unit in the Hospital to include:

- Respiratory/Cardiothoracic Intensive Care
- Surgical Intensive Care
- Medical Intensive Care
- Coronary Care
- Pediatric Intensive Care
- Bone Marrow Transplantation Unit
- Neonatal Intensive Care
- Burn Unit
- Model Care Unit 3 North
- Markey Cancer Center

Please refer to these specific Rules and Regulations located in each of the above units.

3. REQUIRED PATHOLOGY REPORTS:

For patients who received oncologic diagnosis at facilities or programs other than the UKMC a formal documented consultation and review of tissue and slides by the Pathology Department is required.

The review should, unless there is need for urgent therapy, be accomplished prior to the initiation of definitive therapy. Declaration of urgent need for therapy must be made by two physicians and be subject to retrospective audit.

The physician providing therapy or surgical management has the responsibility of ensuring that a review of the appropriate tissue has been conducted by the Pathology Department.

These consulting and tissue review services are provided by the Pathology Department at no charge to the patient consulting physician or third party intermediary.

Medical Staff Rules and Regulations approved by the University of Kentucky Board of Trustees on 4/4/78.

Amendments approved by the Hospital Clinical Board on 10/25/83 and by the Council of Supervisors on 12/12/83.

Amendments approved by the Clinical Board on 3/27/84, and by the Council of Supervisors on 4/17/84.

Amendments approved by the Hospital Clinical Board on 4/23/85, and by the Council of Supervisors on 5/7/85.

Amendments approved by the Hospital Clinical Board on 10/22/85, and by the Council of Supervisors on 11/12/85.

Amendments approved by the Hospital Clinical Board on 11/26/85, and by the Council of Supervisors on 1/21/86.

Amendments approved by the Hospital Clinical Board on 6/24/86, and by the Council of Supervisors on 9/16/86.

Office of the President
March 3, 1987

FCR 1

Members, Board of Trustees:

ACCEPTANCE OF INTERIM FINANCIAL REPORT FOR THE
UNIVERSITY OF KENTUCKY FOR THE SEVEN MONTHS ENDED
JANUARY 31, 1987

Recommendation: that the Board of Trustees accept the University of Kentucky consolidated financial report for the seven months ended January 31, 1987.

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

As of January 31, 1987, the University had realized income of \$368,833,000 representing 75% of the 1986-87 estimate of \$495,059,000. Expenditures and commitments total \$280,536,000 or 57% of the approved budget of \$495,059,000.

Action taken: Approved ☒ Disapproved _____ Other _____

Date: March 3, 1987

CONSOLIDATED BALANCE SHEET
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
JANUARY 31, 1987
(in thousands)

Statement 1

	Current Unrestricted Funds	Current Restricted Funds	Loan Funds	Endowment Funds	Plant Funds	Totals January 31, 1987
ASSETS						
Cash and cash equivalents	\$ 96,057	\$ 24,196	\$ 1,420	\$ 553	\$101,568	\$ 223,794
Notes, loans, and A/R (less bad debt allowances of \$2,639)	31,655	3	14,573		287	46,518
Investments	10,045	31,208		40,815	34,325	116,393
Property, plant, and equipment					556,420	556,420
Inventories and other	7,188	111				7,299
Total Assets	\$144,945	\$ 55,518	\$15,993	\$41,368	\$692,600	\$ 950,424
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 15,096	\$ 397				\$ 15,493
Employee withholdings and deposits		10,019				10,019
Other liabilities	487	178			\$ 1,407	2,072
Estimated settlements for cost reimbursement	3,378					3,378
Deferred income	7,902					7,902
Bonds payable					174,657	174,657
Capitalized lease obligation					36,545	36,545
Net deferred revenues and appropriated fund balances (Schedule 4)	97,195	(804)				96,391
Total Liabilities	124,058	9,790	0	0	212,609	346,457
Interfund Balances	(17,241)	21,892			(4,651)	0
Fund Balances						
Current						
Unrestricted						
Working capital	31,552					31,552
Other	6,576					6,576
Restricted						
		23,836				23,836
Loan						
			\$15,993			15,993
Endowment						
True				21,852		21,852
Term				593		593
Quasi				18,923		18,923
Plant						
Allocated for designated projects					77,729	77,729
Net investment in plant					406,913	406,913
Total Fund Balances	38,128	23,836	15,993	41,368	484,642	603,967
Total Liabilities and Fund Balances	\$144,945	\$ 55,518	\$15,993	\$41,368	\$692,600	\$ 950,424

CONSOLIDATED STATEMENT OF CURRENT FUNDS
REVENUES AND APPROPRIATED FUND BALANCES
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE SEVEN MONTHS ENDED JANUARY 31, 1987
with comparative totals for January 31, 1986
(in thousands)

Schedule 1

	1986-1987				1985-1986	
	ORIGINAL BUDGET	REVISED BUDGET	REALIZED TO DATE	PERCENT REALIZED	REALIZED TO DATE	PERCENT REALIZED
UNIVERSITY OF KENTUCKY UNRESTRICTED CURRENT REVENUES AND APPROPRIATED FUND BALANCES						
STATE APPROPRIATION	\$ 205,084	\$ 199,571	\$ 153,517	77	\$ 140,501	75
STUDENT FEES	46,405	47,588	43,886	92	39,833	91
FEDERAL APPROPRIATIONS	12,541	12,828	7,783	61	7,618	54
COUNTY APPROPRIATIONS	3,364	3,554	1,488	42	963	30
ENDOWMENT INCOME	689	689	212	31	334	49
INVESTMENT INCOME	9,491	9,491	6,006	63	5,304	57
GIFTS AND GRANTS						
Affiliated corporations	6,212	8,736	57	1	21	1
Other	4,214	2,737	772	28	436	15
SALES AND SERVICES	11,080	10,954	6,927	63	6,439	67
HOSPITAL						
Revenues	72,940	67,467	51,549	76	48,774	64
Fund Balances	6,820	17,271	17,271	100	12,535	100
Total Hospital and clinics	79,760	84,758	68,820	81	61,309	69
FUND BALANCES	8,281	11,988	11,988	100	14,571	100
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TOTAL GENERAL FUND AND HOSPITAL	387,121	392,894	301,456	77	277,329	73
AUXILIARY SERVICES	24,817	25,050	15,439	62	14,275	60
RESTRICTED FUNDS	34,915	35,551	20,575	58	19,603	50
AFFILIATED ORGANIZATIONS	41,528	41,564	35,440	85	29,943	69
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TOTAL REVENUES AND APPROPRIATED FUND BALANCES	\$ 488,381	\$ 495,059	\$ 372,910	75	\$ 341,150	70
	=====	=====	=====	---	=====	---

CONSOLIDATED STATEMENT OF CURRENT FUND
EXPENDITURES AND TRANSFERS SUMMARY BY PROGRAM - ALL FUNDS
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE SEVEN MONTHS ENDED JANUARY 31, 1987
(in thousands)

Schedule 2

	1986-1987			
	ORIGINAL BUDGET	REVISED BUDGET	EXPENDITURES/ ENCUMBRANCES TO DATE	PERCENT EXPENDED/ ENCUMBERED
INSTRUCTION	\$ 137,381	\$ 140,698	\$ 75,853	54
RESEARCH	56,465	58,188	33,027	57
PUBLIC SERVICE	45,000	45,455	30,439	67
ACADEMIC SUPPORT	32,949	33,851	17,637	52
STUDENT SERVICES	11,142	11,144	6,729	60
STAFF BENEFITS	7,689	7,689	3,559	46
INSTITUTIONAL SUPPORT	18,384	18,766	10,473	56
STUDENT FINANCIAL AID	20,088	20,162	16,389	81
OPERATION AND MAINTENANCE	29,808	30,643	17,953	59
MANDATORY TRANSFERS (DEBT SERVICE)	13,867	12,848	9,784	76
HOSPITAL	80,873	80,873	39,219	48
AUXILIARY ENTERPRISES	34,735	34,742	20,983	60
	<u>\$ 488,381</u>	<u>\$ 495,059</u>	<u>\$ 282,045</u>	<u>57</u>

EXPENDITURES AND TRANSFERS SUMMARY
BY CATEGORY OF EXPENDITURES
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE SEVEN MONTHS ENDED JANUARY 31, 1987
(in thousands)

	ORIGINAL BUDGET	REVISED BUDGET	EXPENDED/ ENCUMBERED	% EXPENDED ENCUMBERED
PERSONNEL COSTS	\$ 290,706	\$ 291,742	\$ 162,862	56
OPERATING EXPENSES	161,342	167,032	92,266	55
MANDATORY TRANSFERS (DEBT SERVICE)	13,867	12,848	9,784	76
CAPITAL OUTLAY	22,466	23,437	17,133	73
	<u>\$ 488,381</u>	<u>\$ 495,059</u>	<u>\$ 282,045</u>	<u>57</u>

CONSOLIDATED STATEMENT OF CURRENT FUNDS
EXPENDITURES AND TRANSFERS
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE SEVEN MONTHS ENDED JANUARY 31, 1987
with comparative totals for January 31, 1986
(in thousands)

Schedule 3

EXPENDITURES AND TRANSFERS	1986-1987				1985-1986	
	ORIGINAL BUDGET	REVISED BUDGET	EXPENDED ENCUMBERED TO DATE	PERCENT EXPENDED/ ENCUMBERED	EXPENDED ENCUMBERED TO DATE	PERCENT EXPENDED/ ENCUMBERED
UNRESTRICTED CURRENT FUNDS						
INSTRUCTION	\$ 128,443	\$ 128,628	\$ 70,719	55	64,182	56
RESEARCH	26,347	27,329	13,020	48	13,678	62
PUBLIC SERVICE	37,734	38,476	24,563	64	17,745	64
ACADEMIC SUPPORT	30,167	30,518	15,310	50	16,990	58
STUDENT SERVICES	10,999	10,999	6,625	60	4,920	57
STAFF BENEFITS	7,689	7,689	3,559	46	3,263	44
INSTITUTIONAL SUPPORT	16,830	16,824	9,939	59	11,037	59
STUDENT FINANCIAL AID	4,524	4,524	3,701	82	3,062	64
OPERATION AND MAINTENANCE	29,708	29,248	17,904	61	15,725	61
MANDATORY TRANSFERS DEBT SERVICE	13,867	12,848	9,784	76	8,919	72
HOSPITAL	80,813	85,811	39,214	46	37,398	42
TOTAL CURRENT UNRESTRICTED FUNDS	387,121	392,894	214,338	55	196,919	52
RESTRICTED CURRENT FUNDS						
INSTRUCTION	2,288	2,540	2,003	79	771	34
RESEARCH	13,872	14,119	5,160	37	6,186	34
PUBLIC SERVICE	1,194	1,194	985	82	626	18
ACADEMIC SUPPORT	1,246	1,250	424	34	515	51
STUDENT SERVICES	133	134	44	33	1,136	97
INSTITUTIONAL SUPPORT	594	648	284	44	12	14
STUDENT FINANCIAL AID	15,428	15,502	12,510	81	11,071	86
OPERATIONS AND MAINTENANCE	100	104	24	23	14	58
HOSPITAL	60	60	18	30	15	22
TOTAL RESTRICTED CURRENT FUND	34,915	35,551	21,452	60	20,346	52
AUXILIARY ENTERPRISES	24,817	25,050	14,500	58	12,951	54
AFFILIATED ORGANIZATIONS	41,528	41,564	31,755	76	30,005	69
TOTAL EXPENDITURES	\$ 488,381	\$ 495,059	\$ 282,045	57	\$ 260,221	54

CONSOLIDATED SUMMARY OF NET DEFERRED REVENUES
AND APPROPRIATED FUND BALANCES
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE SEVEN MONTHS ENDED JANUARY 31, 1987
(in thousands)

Schedule 4

REVENUES, REALIZED		\$ 343,651
APPROPRIATED FUND BALANCES		
Current unrestricted fund	\$ 11,988	
University Hospital	17,271	

TOTAL APPROPRIATED FUND BALANCES		29,259

TOTAL REVENUES AND APPROPRIATED FUND BALANCES (SCHEDULE 1)		372,910

EXPENDITURES/ENCUMBRANCES (SCHEDULE 2)	282,045	
LESS: RESERVE FOR ENCUMBRANCES	(5,526)	

TOTAL EXPENDITURES		276,519

NET DEFERRED REVENUES AND APPROPRIATED FUND BALANCES (STATEMENT 1)		\$ 96,391

Office of the President
March 3, 1987

FCLR 2

Members, Board of Trustees:

CAPITAL CONSTRUCTION REPORT

RECOMMENDATION: that the capital construction report for the six months ending December 31, 1986, be accepted.

BACKGROUND: Under House Bill 622 enacted in the 1982 session of the Kentucky General Assembly, the University is authorized to enter into architectural, engineering, and related consultant contracts for the purpose of accomplishing capital construction at the University of Kentucky.

The report shows that during the six months ending December 31, 1986, the University has:

1. Awarded ten (10) architect and engineer contracts.
2. Made seven (7) amendments to architect and engineer contracts.
3. Made eleven (11) final payments for eleven (11) architect and engineer contracts.
4. Awarded or requisitioned for the award of thirty-one (31) construction contracts.
5. Made sixty-three (63) change orders to construction contracts.
6. Made sixteen (16) final payments for sixteen (16) construction contracts.

Action taken: Approved ☒ Disapproved _____ Other _____

Date: March 3, 1987

DIVISION OF DESIGN AND CONSTRUCTION
REPORT TO FINANCE COMMITTEE OF BOARD OF TRUSTEES
UNIVERSITY OF KENTUCKY
FOR THE PERIOD JULY 1, 1986 - DECEMBER 31, 1986

I. ARCHITECT & ENGINEER CONTRACTS

<u>ARCHITECT & ENGINEER</u>	<u>PROJECT</u>	<u>PROJECT SCOPE</u>	<u>ARCHITECT & ENGINEER FEES</u>	<u>EFFECTIVE CONTRACT DATE</u>
CHRISMAN MILLER WOODFORD LEXINGTON	LEXINGTON COMMUNITY COLLEGE ACADEMIC/TECHNICAL BLDG Project No. 468.0	\$ 3,600,000	\$ 158,031	8/29/86
SHERMAN CARTER BARNHART LEXINGTON	HAZARD COMMUNITY COLLEGE TECHNICAL/L.R.C. BUILDING Project No. 469.0	2,900,000	127,600	8/29/86
LOUIS & HENRY ARCHITECTS LOUISVILLE	ELIZABETHTOWN COMMUNITY COLLEGE ACADEMIC/TECHNICAL BUILDING Project No. 470.0	3,600,000	165,311	8/29/86
ARRASMITT, JUDD, RAPP, INC. LOUISVILLE	PRESTONSBURG COMMUNITY COLLEGE TECHNICAL/L.R.C. BUILDING Project No. 471.0	2,900,000	134,488	8/29/86
KNAPP GIVENS VEAZY & SHOULDERS - LEXINGTON	MADISONVILLE COMMUNITY COLLEGE ACADEMIC/AUDITORIUM BUILDING Project No. 472.0	2,900,000	175,000	10/31/86
JOHNSON/ROMANOWITZ ARCHITECTS - LEXINGTON	AGRICULTURAL REGULATORY SERVICES Project No. 395.0	3,500,000	150,100	10/31/86
OMNI/COLLIGNON & NUNLEY LEXINGTON	OWENSBORO COMMUNITY COLLEGE Project No. 425.0	12,500,000	550,000	10/31/86
BICKEL-GIBSON LOUISVILLE	AGRICULTURAL ENGINEERING BLDG. Project No. 475.0	11,000,000	475,838	10/31/86
CONGLETON MORRIS THORUP LEXINGTON	CHEMISTRY/PHYSICS BUILDING FIRE SAFETY Project No. 855.0	163,000	15,350	12/24/86
JOHNSON DEPP QUISENBERRY OWENSBORO	OWENSBORO COMMUNITY COLLEGE SITE SURVEY Project No. 461.0	31,000	24,062	12/24/86

II. CHANGES TO ARCHITECT & ENGINEER CONTRACTS

<u>ARCHITECT & ENGINEER</u>	<u>PROJECT</u>	<u>CHANGE NUMBER</u>	<u>DATE TO LRC</u>	<u>AMOUNT</u>
CHRISMAN, MILLER, WOODFORD LEXINGTON	PER DIEM CONSULTANT ARCHITECT	1	7/30/86	-0-
Nature of Change: Insurance to be carried by second party.				
Reason for Change: For protection from claims under Workman's Compensation Acts; damages due to bodily injury, including death to their employees, and for other liability normally covered by such insurance. If unable to obtain insurance coverage against exposure to asbestos; none shall be required.				
PARROTT, ELY & HURT LEXINGTON	PER DIEM CONSULTANT CIVIL ENGINEER	1	8/29/86	-0-
Nature of Change: Add Aerial Photography (flying & mapping) to Schedule of Rates.				
Reason for Change: Provides the University the capability of obtaining aerial photography and mapping services from the Engineers.				
GRW ENGINEERS LEXINGTON	PER DIEM CONSULTANT CIVIL ENGR. SERVICES	1	9/30/86	-0-
Nature of Change: Increase maximum fee for each assignment from \$15,000 to \$20,000.				
Reason for Change: \$15,000 limit was insufficient for certain projects which require full range of services.				

II. CHANGES TO ARCHITECT & ENGINEER CONTRACTS
(CONTINUED)

<u>ARCHITECT & ENGINEER</u>	<u>PROJECT</u>	<u>CHANGE NUMBER</u>	<u>DATE TO LRC</u>	<u>AMOUNT</u>
FULLER, MOSSBARGER, SCOTT & MAY LEXINGTON	PER DIEM CONSULTANT GEOTECHNICAL SERVICES	1	10/31/86	-0-
Nature of Change: Increase maximum fee for two assignments, from \$10,000 to \$40,000.				
Reason for Change: \$10,000 limit per assignment was insufficient for Owensboro Community College and Hospital Expansion Projects.				
GODSEY ASSOCIATES ARCHITECTS LOUISVILLE	HILARY BOONE FACULTY CLUB Project No. 339.0	2	11/26/86	- \$ 3,960.00
Nature of Change: Reduced design services requested relating to interiors.				
Reason for Change: Pay consultant for actual expenditures for interior design proposal.				
SHERMAN/CARTER/BARNHART LEXINGTON	PARKING STRUCTURE #3 Project No. 109.0	3	11/26/86	+ 38,865.00
Nature of Change: Additional services.				
Reason for Change: Site development design services and contract administration.				
JOHNSON/ROMANOWITZ/ARCHITECTS LEXINGTON	HOSPITAL INTERIOR DECOR 4TH FLOOR PEDIATRICS Project No. 129.5		12/24/86	+ 8,000.00
Nature of Change: Additional Phase A services. Establish fees for Phases B and C.				
Reason for Change: Replacement of heating piping was added to Phase A. Phase B and C were undetermined when contract was initiated.				

III. ARCHITECT & ENGINEER FINAL PAYMENTS

<u>ARCHITECT & ENGINEER</u>	<u>PROJECT</u>	<u>FINAL CONTRACT AMOUNT</u>	<u>DATE</u>
OMNI ARCHITECTS LEXINGTON	HOSPITAL INTERIOR DECOR RENOVATION 5TH, 6TH, 7TH, & 8TH FLOORS Project No. 129.0	\$ 115,993	7/11/86
HI-TECH ENGINEERING LEXINGTON	HAZARD COMMUNITY COLLEGE PARKING LOT PAVING Project No. 274.0	6,000	8/04/86
JOHNSON/ROMANOWITZ LEXINGTON	HOSPITAL 6TH FLOOR NORTH RENOVATION Project No. 126.0	40,632	8/25/86
CONGLETON-MORRIS-THORUP & ASSOC. LEXINGTON	HOSPITAL ELEVATOR AIR CONDITIONING Project No. 108.1	6,700	9/17/86
PECK, FLANNERY, GREAM, WARREN, INC. PADUCAH	PADUCAH COMMUNITY COLLEGE SCIENCE LAB RENOVATION Project No. 306.0	23,750	10/20/86
GRW ENGINEERS, INC. LEXINGTON	ELIZABETHTOWN COMMUNITY COLLEGE PARKING LOT PAVING & LIGHTING Project No. 122.0	23,715	10/20/86
BIAGI, CHANCE, CUMMINS, LONDON, TITZER SHELBYVILLE	PRESTONSBURG COMMUNITY COLLEGE STUDENT CENTER HVAC REPLACEMENT Project No. 289.0	17,650	11/7/86
POITS & POTTS ARCHITECTS LEXINGTON	FUNKHOUSER RENOVATION ADMISSIONS & HOUSING Project No. 381.0	22,150	11/10/86

III. ARCHITECT & ENGINEER FINAL PAYMENTS
(CONTINUED)

<u>ARCHITECT & ENGINEER</u>	<u>PROJECT</u>	<u>FINAL CONTRACT AMOUNT</u>	<u>DATE</u>
COLEMAN HOPFNER ASSOCIATES LEXINGTON	SPINDLETOP RESEARCH ANIMAL CONDITIONING UNIT Project No. 270.0	21,341	11/20/86
PRESNELL ASSOCIATES LOUISVILLE	HOPKINSVILLE COMMUNITY COLLEGE PARKING LOT PAVING & LIGHTING Project No. 272.0	10,750	12/16/86
WATKINS & ASSOCIATES, INC. LEXINGTON	V.A. HOSPITAL STEAM LINE RELOCATION Project No. 474.0	20,000	12/17/86

IV. CONSTRUCTION CONTRACTS

<u>CONTRACTOR</u>	<u>PROJECT</u>	<u>CONTRACT PRICE</u>	<u>AWARD DATE</u>	<u>NO. OF BIDDERS</u>	<u>BID RANGE</u>
CENTRAL ROCK MINERAL CO. LEXINGTON	PARKING LOT CLIFTON & COLUMBIA. Project No. 437.0	\$ 172,493	7/09/86	5	\$ 172,493 - 220,000
CAREY CONSTRUCTION COMPANY LEXINGTON	BUS ROUTE ROAD IMPROVEMENTS Project No. 452.0	22,150	7/10/86	5	22,150 - 27,510
ASPHALT STONE COMPANY HOPKINSVILLE	HOPKINSVILLE C. C. PARKING LOT PAVING AND LIGHTING. Project No. 272.0	95,548	7/24/86	3	95,548 - 116,662
LUTHER STONE CONSTRUCTION HENDERSON	HENDERSON C. C. ADMINISTRATION BLDG. DOORS & PANIC HARDWARE Project No. 293.0	18,968	8/01/86	2	18,968 - 23,964
PACK'S, INC. MOREHEAD	PRESTONSBURG C. C. STUDENT CTR. ROOF REPLACEMENT Project No. 291.0	64,886	8/04/86	3	64,886 - 78,441
NORWOOD CONSTRUCTION CO. LEXINGTON	DEMOLITION OF STRUCTURES 424 & 428 CLIFTON PARK Project No. 493.0	3,484	8/04/86	1	3,484
WILLIAM HEPBURN ELECTRIC, INC. LEXINGTON	KIRWAN/BLANDING ELEVATOR SMOKE DETECTORS Project No. 388.0	7,461	8/05/86	4	7,461 - 11,120
DEERING & SONS, INC. LEXINGTON	KIRWAN I & II ROOF REPAIRS Project No. 447.0	102,763	9/10/86	5	102,763 - 140,986
NORWOOD CONSTRUCTION CO. LEXINGTON	DEMOLITION OF STRUCTURES 451 COLUMBIA AVENUE Project No. 504.0	3,264	9/26/86	1	3,264
PACK'S INC. MOREHEAD	HOSPITAL/AMBULANT WING ROOF REPAIRS Project No. 203.0	19,486	10/02/86	5	19,486 - 43,500
PACK'S INC. MOREHEAD	MEDICAL CENTER WALKWAY ROOF REPLACEMENT Project NO. 326.0	18,886	10/02/86	5	18,886 - 42,316
CAREY CONSTRUCTION CO. LEXINGTON	PARKING STRUCTURE #3 SITE DEVELOPMENT Project No. 109.1	501,260	10/17/86	2	501,260 - 655,317

IV. CONSTRUCTION CONTRACTS
(CONTINUED)

<u>CONTRACTOR</u>	<u>PROJECT</u>	<u>CONTRACT PRICE</u>	<u>AWARD DATE</u>	<u>NO. OF BIDDERS</u>	<u>BID RANGE</u>
P & R ROOFING & SHEET METAL LEXINGTON	DONOVAN HALL ROOF REPAIRS Project No. 449.0	85,710	11/13/86	5	85,710 - 155,000
NORWOOD CONSTRUCTION LEXINGTON	DEMOLITION OF STRUCTURES 458 ROSE LANE Project No. 501.0	3,794	11/24/86	3	3,794 - 5,642
HOPKINS COUNTY ASPHALT MADISONVILLE	MADISONVILLE COMMUNITY COLLEGE CONCRETE CONCOURSES - 3RD LEVEL Project No. 387.0	66,890	11/26/86	3	66,890 - 131,772
VARIOUS (See Below):	HOSPITAL EXPANSION PHASE II MARKEY 4TH FLOOR RENOVATION Project No. 304.4				
STRUCK CONSTRUCTION CO. LEXINGTON	GENERAL WORK	721,764	12/02/86	9	721,764 - 836,000
BROWN SPRINKLER CORP.	FIRE PROTECTION	85,250	11/26/86	2	85,250 - 89,325
HUSSUNG MECHANICAL CONTRACTORS	MECHANICAL	731,446	12/01/86	4	731,446 - 804,550
MARRS ELECTRIC CO., INC.	ELECTRICAL	223,900	12/01/86	10	223,900 - 273,990
SHILLER HARDWARE	Hollow Metal Doors & Frames	8,500	10/21/86	4	8,500 - 12,813
ATLAS METAL	Builders Hardware	15,665	10/21/86	4	15,665 - 21,134
VARIOUS (See Below):	FOOTBALL TRAINING FACILITY Project No. 211.0				
B & B ELECTRIC LEXINGTON	ELECTRICAL	187,091	10/21/86	5	187,091 - 229,504
R & W CONSTRUCTION	EXCAVATION	329,000	10/21/86	4	329,000 - 411,000
GLOBAL	STRUCTURAL STEEL	328,000	10/21/86	1	328,000
BLUEGRASS ARTCAST WINCHESTER	PRECAST CONCRETE PANELS	366,600	10/21/86	1	366,600
CENTRAL KENTUCKY GLASS LEXINGTON		194,643	10/21/86	1	194,643
CENTRAL KENTUCKY GLASS	EXTERIOR GLAZING	59,624	11/26/86	1	59,624
A-B ROOFING CO., INC.	ROOFING	140,000	11/26/86	6	140,000 - 217,500
FINNEY COMPANY	SITE, BLDG. PLUMBING & HVAC	1,233,000	11/26/86	6	1,223,000 - 1,410,000
ARROW ELECTRIC CO.	ELECTRIC	319,000	11/26/86	10	319,000 - 560,093
AMERICAN INSULATED STRUCTURES CINCINNATI, OH	ASBESTOS ABATEMENT MCVEY HALL Project No. 483.0	54,000	12/12/86	5	54,000 - 148,072

V. CHANGE ORDERS TO CONSTRUCTION CONTRACTS
(CONTINUED)

<u>CONTRACTOR</u>	<u>PROJECT</u>	<u>CHANGE NUMBER</u>	<u>DATE APPROVED</u>	<u>AMOUNT</u>
STRUCK CONSTRUCTION CO. LOUISVILLE	JOURNALISM BUILDING RENOVATION Project No. 105.0	1	07/10/86	+ \$ 13,975.71
Nature of Change: 1. Remove asbestos containing pipe insulation from ground floor and 1st floor. 2. Remove ceiling on 1st floor. 3. Remove asbestos from water lines on 1st floor. 4. Add door frame, hardware opening.				
Reason for Change: 1. Pipe not indicated on plans as having asbestos containing insulation. Additional quantities of asbestos was encountered. 2. To prevent delay in asbestos removal. 3. Item not covered in contract. 4. Omitted from schedule.				
STRUCK CONSTRUCTION CO., INC LOUISVILLE	JOURNALISM BUILDING RENOVATION Project No. 105.0	2	07/15/86	+ 13,106.60
Nature of Change: Install kitchen cabinet and sink, power conditioner, automatic chill water cut-off, activated by Energy Management System, and assist Honeywell for including Journalism Building as part of Energy Management System.				
Reason for Change: Items were deleted by consultant prior to bidding because of budget constraints.				
STRUCK CONSTRUCTION CO. LOUISVILLE	JOURNALISM BUILDING RENOVATION Project No. 105.0	3	08/07/86	+ 14,001.82
Nature of Change: 1. Revise outside air, return air duct work. Delete louver and connect unit outside air duct to louver on ground floor. Revise hot, chilled water and condensation drain piping. 2. Furnish and install HVAC system in mini-computer rooms.				
Reason for Change: 1. Intake grill is too large to pass existing structure. Relocation, rerouting required to resolve conflict with structure not visible during design. 2. Item was deleted prior to bidding due to budget constraints.				
STRUCK CONSTRUCTION CO. LOUISVILLE	JOURNALISM BUILDING RENOVATION Project No. 105.0	4	8/11/86	+ 13,150.00
Nature of Change: Remove additional 400 sq. ft. of asbestos.				
Reason for Change: Additional asbestos discovered during construction.				
STRUCK CONSTRUCTION CO. LOUISVILLE	JOURNALISM BUILDING RENOVATION Project No. 105.0	6	10/23/86	+ 699.20
Nature of Change: 1. Widen walls from 3 5/8" to 6" in Rooms 026, 047, 216 & 224. 2. Install wider glazing tape in ground floor windows.				
Reason of Change: 1. Walls widened to accommodate electrical cabinets. 2. Window frames on ground floor were 7/8" deep, not 5/8" as shown.				
AMERICAN INSULATED STRUCTURES, INC. CINCINNATI, OH	PRESTONSBURG COMMUNITY COLLEGE ASBESTOS REMOVAL Project No. 401.0	1	7/9/86	+ 46,438.00
Nature of Change: Remove additional acoustical ceiling tiles containing asbestos from Johnson Administration Building.				
Reason for Change: Asbestos testing at job site showed additional tiles containing asbestos.				

V. CHANGE ORDERS TO CONSTRUCTION CONTRACTS
(CONTINUED)

<u>CONTRACTOR</u>	<u>PROJECT</u>	<u>CHANGE NUMBER</u>	<u>DATE APPROVED</u>	<u>AMOUNT</u>
JOE HAWKINS AND COMPANY, INC. LEXINGTON	HOSPITAL RENOVATION 2ND FLOOR PATIENT CARE Project No. 349.0	1	8/6/86	+ \$ 1,046.50
Nature of Change: 1. Install two fire alarm break glass stations in Corridor. 2. Replace slate window stools in five rooms.				
Reason for Change: 1. Fire alarm break glass stations did not exist as shown on drawings. 2. Existing slate window stools did not project sufficiently to install insulation required by Kentucky Energy Codes.				
CAREY CONSTRUCTION, INC. LEXINGTON	COMPLEX BASKETBALL COURT RELOCATION Project No. 391.0	2	8/18/86	- 504.00
Nature of Change: 1. Provide conduit with bituminous coating, conductors and control to feed relocated lights. 2. Credit for damaged standard. 3. Extend contract period 116 calendar days (to September 30, 1986).				
Reason for Change: 1. Existing area lights to be relocated do not have conductors in conduit. 2. Contractor damaged a basketball standard furnished by U. K. 3. Time extension due to allow plantings to be installed in the proper planting season.				
ELLIOTT CONTRACTING, INC. PIKEVILLE	PRESTONSBURG COMMUNITY COLLEGE STUDENT CENTER HVAC SYSTEM Project No. 289.0	1	9/15/86	+ 331.00
Nature of Change: 1. Contractor is offering a credit for electrical conduit. 2. Install two gate valves in heating water supply and return lines at boiler.				
Reason for Change: 1. Reused existing section of electrical conduit. 2. Required per State Boiler Code.				
LICHTEFELD-MASSARO, INC. LOUISVILLE	HARRY C. LANCASTER AQUATICS CENTER Project No. 146.0	1	7/10/86	+ 18,968.10
Nature of Change: Install changes in back-wash and pool drain lines.				
Reason for Change: Required by Lexington-Fayette County Health Department and City Engineer.				
LICHTEFELD-MASSARO, INC. LOUISVILLE	HARRY C. LANCASTER AQUATIC CENTER Project No. 146.0	2	7/28/86	+ 9,511.65
Nature of Change: Revise steam manhole and valve pit.				
Reason for Change: Provide for future tie in to Training Center and alleviate outage during winter months.				
LICHTEFELD-MASSARO, INC. LOUISVILLE	HARRY C. LANCASTER AQUATICS CENTER Project No. 146.0	3	8/15/86	+ 908.50
Nature of Change: Relocate 4" water line feeding existing Seaton Center.				
Reason for Change: Change due to interference with new storm sewer line location.				
LICHTEFELD-MASSARO, INC. LOUISVILLE	HARRY C. LANCASTER AQUATICS CENTER Project No. 146.0	4	8/25/86	- 23,626.00
Nature of Change: Class C concrete changed to concrete utilizing Type I cement.				
Reason for Change: Elimination of shrinkage compensating cement.				

V. CHANGE ORDERS TO CONSTRUCTION CONTRACTS
(CONTINUED)

<u>CONTRACTOR</u>	<u>PROJECT</u>	<u>CHANGE NUMBER</u>	<u>DATE APPROVED</u>	<u>AMOUNT</u>
LICHTEFELD-MASSARO, INC. LOUISVILLE	HARRY C. LANCASTER AQUATIC CENTER Project No. 146.0	5	10/07/86	+ \$ 12,723.60
Nature of Change: Revisions as required by State Plumbing Dept. for final Approval and release for installation of all building plumbing.				
Reason for Change: Required by State Plumbing Department.				
LICHTEFELD-MASSARO, INC. LOUISVILLE	HARRY C. LANCASTER AQUATIC CENTER Project No. 146.0	6	10/02/86	+ 3,611.91
Nature of Change: Extra work required in setting rock anchors.				
Reason for Change: During blasting rock anchors and pool drain trench expanded.				
LICHTEFELD-MASSARO LOUISVILLE	HARRY C. LANCASTER AQUATIC CENTER Project No. 146.0	7	12/11/86	- 1,558.46
Nature of Change: 1. Utility line repair.				
Reason for Change: 2. Utility lines severed during excavation.				
LICHTEFELD-MASSARO, INC. LOUISVILLE	HARRY C. LANCASTER AQUATIC CENTER Project No. 146.0	8	12/22/86	-0-
Nature of Change: 1. Contract time extension.				
Reason for Change: 1. Extra work request by Health Department.				
LICHTEFELD-MASSARO, INC. LOUISVILLE	HARRY C. LANCASTER AQUATICS CENTER Project No. 146.0	9	12/23/86	+ 4,153.68
Nature of Change: Revise chemical room exhaust system.				
Reason for Change: Required by the Lexington-Fayette County Health Department.				
LICHTEFELD-MASSARO, INC. LOUISVILLE	HARRY C. LANCASTER AQUATICS CENTER Project No. 146.0	10	12/23/86	+ 35,193.70
Nature of Change: 1. Delete plaster finish from foot ledge upward. 2. Add ceramic tile to side of pool from foot ledge upward. 3. Delete ceramic tile lane stripes and targets. 4. Modify form work and concrete work.				
Reason for Change: Request of University's Design & Construction Division.				
LICHTEFELD-MASSARO, INC. LOUISVILLE	HARRY C. LANCASTER AQUATICS CENTER Project No. 146.0	11	12/23/86	+ 7,645.69
Nature of Change: 1. Furnish all valves and strainers rated at 250 psig in lieu of 150 psig. 2. Lower east-west run of 16 inch pool drain piping.				
Reason for Change: 1. To obtain a minimum 250 psig operating pressure rating. 2. To meet University of Kentucky requirements. 3. Drawings show top of pipe in structural slab.				

V. CHANGE ORDERS TO CONSTRUCTION CONTRACTS
(CONTINUED)

<u>CONTRACTOR</u>	<u>PROJECT</u>	<u>CHANGE NUMBER</u>	<u>DATE APPROVED</u>	<u>AMOUNT</u>
WOODFORD BUILDERS, INC. LEXINGTON	HILARY J. BOONE, JR. FACULTY CLUB Project No. 339.0	2	7/28/86	+ \$ 29,000.40
Nature of Change: Remove existing face brick, relay brick & prepare additional sample panel.				
Reason for Change: To better meet the program requirements of the donor.				
WOODFORD BUILDERS, INC. LEXINGTON	HILARY J. BOONE, JR. FACULTY CLUB Project No. 339.0	3	10/02/86	+ 257.44
Nature of Change: Change doors in Opening AZ from wood to hollow metal.				
Reason for Change: It is felt that hollow metal doors will function better as related to long term maintenance.				
WOODFORD BUILDERS, INC. LEXINGTON	HILARY J. BOONE, JR. FACULTY CLUB Project No. 339.0	4	10/02/86	+ 1,413.35
Nature of Change: Add wood base in lieu of vinyl in Rooms 107, 110, 111, 119 and 120.				
Reason for Change: Wood base will be more suitable in these areas that have carpet flooring.				
WOODFORD BUILDERS, INC. LEXINGTON	HILARY J. BOONE, JR. FACULTY CLUB Project No. 339.0	5	10/02/86	+ 1,289.00
Nature of Change: Construct a building inspection sign.				
Reason for Change: Cost of sign desired is in excess of allowance in Contract.				
WOODFORD BUILDERS, INC. LEXINGTON	HILARY J. BOONE, JR. FACULTY CLUB Project No. 339.0	6	11/12/86	+ 1,915.90
Nature of Change: 1. Change plastic laminate color on vanity in Mens Toilet Room. 2. Drywall changes in Dining & Meeting Room. 3. Delete fryer and filter and 2 burner range from kitchen equipment and add one 6 burner range with oven. Add end cowl with exhaust control dampers to dishwasher. 4. Time extension due - 16 days.				
Reason for Change: 1, 2, 3. Owner requested change. 4. Weather conditions caused unproductive work days.				
WOODFORD BUILDERS, INC. LEXINGTON	HILARY J. BOONE, JR. FACULTY CLUB Project No. 339.0	7	11/12/86	+ 709.55
Nature of Change: Add two areas of ceramic tile at Waitress Stations in Dining Room.				
Reason for Change: In these heavily travelled areas it was felt that tile would be more serviceable.				
WOODFORD BUILDERS LEXINGTON	HILARY J. BOONE, JR. FACULTY CLUB Project No. 339.0	8	12/12/86	- 3,851.00
Nature of Change: 1. Delete approx. 500 sq. ft. of concrete walk and 50 l.f. integral curb. 2. Construct service drive per original drawings and specifications to shape shown on drawings. 3. Delete approx. 150 l.f. of concrete curb. 4. Delete approx. 200 sq. ft. of concrete paving at loading dock. 5. Delete regrading of entry drive. 6. Provide access to loading dock using existing construction entrance. 7. Delete entrance (3/G4) approx. 432 sq. ft. of concrete paving.				
Reason for Change: 1. Owner will complete site work and drive under a separate contract.				

V. CHANGE ORDERS TO CONSTRUCTION CONTRACTS
(CONTINUED)

<u>CONTRACTOR</u>	<u>PROJECT</u>	<u>CHANGE NUMBER</u>	<u>DATE APPROVED</u>	<u>AMOUNT</u>
WILLIAM HEPBURN ELECTRIC CO. LEXINGTON	FIRE ALARM SYSTEM SIX BUILDINGS Project No. 801.0	2	8/8/86	+ \$ 3,364.00
Nature of Change: 1. Clean and bag smoke detectors in Animal Pathology. 2. Add two exit lights, relocate 3 exit lights, add 1 pull station in Animal Pathology. 3. Relocate fire alarm panel to junction box location in Anderson Hall. 4. Replace 17 smoke detectors with heat detectors, add 1 fire alarm light in Engineering Quadrangle. Reason for Change: 1. Construction of the Animal Care Facility (dust) was causing false alarms. The bags keep out the dust, and allow the smoke detector to operate as heat detectors until the construction is completed. 2. Requirement of State Fire Marshal's office. Noted during inspection. 3. Provide needed space for future EMS panel. 4. To prevent non-fire related alarms caused by smoke, and meet requirement of State Fire Marshal's office.				
WILLIAM HEPBURN CO. LEXINGTON	FIRE ALARM SYSTEM SIX BUILDINGS Project No. 801.0	3	9/29/86	+ 7,990.00
Nature of Change: Replace existing fire alarm control panel with new 20 zone panel. Reason for Change: Requested by State Fire Marshal's Office.				
VERVILLE CONSTRUCTION CO., INC. MAYSVILLE	MAYSVILLE COMMUNITY COLLEGE ACADEMIC/TECHNICAL BUILDING STRUCTURAL REPAIRS Project No. 262.0	1	8/11/86	+ 4,913.83
Nature of Change: 1. Set footers and piers extra depth. 2. Repair wall finish in storage room. 3. Replace light fixture. 4. Repair crack in wall at corner of main lobby. 5. Replace carpet in auditorium. 6. Break out concrete, install wire mesh and pour new concrete. Reason for Change: 1. Footing elevations for new footings at corner of library were lowered to get below soft material and on to firm undisturbed clay. 2. Face of block in poor condition; additional work required for smooth finish. 3. Mechanical unit had rusted out due to water leakage from condensation line. 4. Observed crack on inspection trip. 5. Due to construction of riser in auditorium, repair to slab caused damage to carpet. 6. To bring storage room floor level even with adjoining floors.				
VERVILLE CONSTRUCTION CO. MAYSVILLE	MAYSVILLE COMMUNITY COLLEGE ACADEMIC/TECHNICAL BUILDING STRUCTURAL REPAIRS Project No. 111.0	2	8/18/86	+ 43,285.00
Nature of Change: Extra grouting. Reason for Change: Required to fill unexpected voids in fill material at walls and mechanical ducts.				
M. B. MCGREGOR CO. LEXINGTON	MAYSVILLE COMMUNITY COLLEGE LANDSCAPING Project No. 111.3	3	9/12/86	+ 981.67
Nature of Change: Add perforated drain line in gravel at plant beds. Reason for Change: Facilitate proper drainage so plants would not die.				

V. CHANGE ORDERS TO CONSTRUCTION CONTRACTS
(CONTINUED)

<u>CONTRACTOR</u>	<u>PROJECT</u>	<u>CHANGE NUMBER</u>	<u>DATE APPROVED</u>	<u>AMOUNT</u>
STRUCK CONSTRUCTION COMPANY LOUISVILLE	ANIMAL CARE FACILITY Project No. 259.0	3	9/12/86	+ \$ 33,809.46
Nature of Change: 1. Revise the backflow preventer in the domestic water line and provide a backflow preventer in the fire service main. 2. Construct two concrete supports on top slab to support and contain the surface drains. 3. Clear rock, over and above allowance in specifications, and provide additional concrete. 4. Remove and replace concrete walk under canopy at east Dental Wing entrance. Provide filter over the stone in area to receive unit pavers above building. Reason for Change: 1. Local water company has recently had a change of policy and they now require a backflow preventer in the fire service main. 2. After reviewing the waterproofing requirements it was determined that it would be much more desirable to have a rigid support for the surface sidewalk. 3. Required to fill additional excavation. 4. The existing sidewalk was severely cracked and excavation and shoring work further aggravated this condition.				
W. ROGERS COMPANY LEXINGTON	ANIMAL CARE FACILITY BLASTING AND EXCAVATION Project No. 259.1	3	7/23/86	+ 963.55
Nature of Change: Shore the existing water line. Reason for Change: Protect existing water line from freezing and displacement.				
LICHTEFELD-MASSARO, INC. LOUISVILLE	PARKING STRUCTURE #3 EXPANSION Project No. 109.0	2	7/10/86	+ 3,204.00
Nature of Change: 1. Furnish and install three new anchor bolts. 2. Remove existing concrete encased electrical duct; delete, remove, and relocate existing sprinkler line in elevator pit. 3. Furnish and install six horizontal stiffener connections at 6 existing perimeter columns. 4. Furnish a different type of barrier cable from that originally specified. Reason for Change: 1. Existing conditions were not known when project originally bid. Existing anchor bolts were damaged. 2. Required to clear elevator pit. 3. Six existing columns were found to be out of plumb. 4. Barrier cable changed to provide cable with heavier sheathing.				
LICHTEFELD-MASSARO, INC. LOUISVILLE	PARKING STRUCTURE #3 EXPANSION Project No. 109.0	3	9/15/86	+ 342.00
Nature of Change: Install sheet metal to encase sprinkler line located in elevator chase. Reason for Change: Sprinkler line relocated to elevator chase required to be encased by sheet metal.				
LICHTEFELD-MASSARO, INC. LOUISVILLE	PARKING STRUCTURE #3 EXPANSION Project No. 109.0	4	12/12/86	+ 680.00
Nature of Change: 1. Install sloped concrete fill slab at second floor exterior elevator lobby at PACC Bldg. and Parking Structure #3. Patch corners of existing pre-cast concrete columns where required. 2. Extend contract time 29 calendar days. Reason for Change: 1. Existing floor slab conditions at elevator lobby were not indicated on original drawings. This was creating an unsafe situation at the new elevator door.				

V. CHANGE ORDERS TO CONSTRUCTION CONTRACTS
(CONTINUED)

<u>CONTRACTOR</u>	<u>PROJECT</u>	<u>CHANGE NUMBER</u>	<u>DATE APPROVED</u>	<u>AMOUNT</u>
LICHTFELD-MASSARO, INC. LOUISVILLE	PARKING STRUCTURE #3 EXPANSION Project No. 109.0	5	12/12/86	+ \$ 680.00
Nature of Change: Provide additional galvanized wire mesh for concrete slabs on parking structure.				
Reason for Change: Wire mesh was increased by 6" for each lap, thus requiring more mesh.				
B & B ELECTRIC CO, INC. LEXINGTON	LEXINGTON CAMPUS EXTERIOR LIGHTING OF WALKS AND ROADWAYS	2	10/31/86	+ 770.93
Nature of Change: Repair sidewalk at Sorority Row north of the Kappa Alpha Theta House.				
Reason for Change: Erosion of fill beneath sidewalk has allowed broken walk to settle under weight creating a trip hazard.				
D. C. ELEVATOR CO., INC. LEXINGTON	JEFFERSON COMMUNITY COLLEGE HARTFORD TOWER FIRE SAFETY FOUR ELEVATORS Project No. 276.0	1		+ 421.20
Nature of Change: 1. Install 1 photo electric smoke detector in the sub-basement elevator lobby. 2. Install fire alarm circuit from smoke detector in sub-basement to main lobby basement. 3. Connect fire alarm circuit to smoke detector located in main basement lobby. 4. Smoke detector in sub-basement elevator lobby shall be connected with fire alarm control panel so as to cause elevator Phase I operation when activated.				
Reason for Change: Smoke detector is necessary to monitor sub-basement lobby for elevator emergency Phase I operation.				
D.C. ELEVATOR CO., INC. LEXINGTON	JEFFERSON COMMUNITY COLLEGE HARTFORD TOWER FIRE SAFETY FOUR ELEVATORS Project No. 276.0	2	12/9/86	+ 240.00
Nature of Change: Install one telephone compartment in elevator car #1.				
Reason for Change: Requested by C.C.S. for security purposes.				
WILLIAM HEPBURN ELECTRIC CO. LEXINGTON	DENTAL SCIENCE WING SMOKE DETECTION Project No. 854.0	1	7/28/86	+ 338.28
Nature of Change: Add zone module for penthouse smoke detectors.				
Reason for Change: To provide separate zone annunciation for duct smoke detectors.				
WILLIAM HEPBURN ELECTRIC CO. LEXINGTON	MEDICAL SCIENCE WING SMOKE DETECTION Project No. 853.0	1	7/28/86	+ 1,123.44
Nature of Change: Add two zone modules for penthouse smoke detectors, and one Mechanical Room smoke detector.				
Reason for Change: To provide zone annunciation for duct smoke detectors.				
WILLIAM HEPBURN ELECTRIC CO. LEXINGTON	MEDICAL SCIENCE WING SMOKE DETECTION Project No. 853.0	2	11/12/86	+ 440.08
Nature of Change: 1. Relocate existing pull station and connect to zone 9 (clinic). 2. Revised completion date March 3, 1987.				
Reason for Change: Pull station is located in clinic penthouse and wired to Medical Science Zone 2.				

V. CHANGE ORDERS TO CONSTRUCTION CONTRACTS
(CONTINUED)

<u>CONTRACTOR</u>	<u>PROJECT</u>	<u>CHANGE NUMBER</u>	<u>DATE APPROVED</u>	<u>AMOUNT</u>
LAGOO, INC. LEXINGTON	V.A. STEAM LINE RELOCATION Project No. 474.0	1	10/31/86	+ \$ 3,687.00
Nature of Change:	Thirty-six (36) additional feet of 8" insulated steam line.			
Reason of Change:	The bid drawings were prepared based on saturated steam at 175 psig, not accounting for the 1000 00 superheat produced by the Central Steam Plant.			
LAGOO, INC. LEXINGTON	V.A. STEAM LINE RELOCATION Project No. 474.0	2	10/31/86	+ 8,066.10
Nature of Change:	DGA for trench backfill and haul off excess dirt.			
Reason of Change:	This steam line trench is located in an area travelled by large, heavily loaded vehicles. For future maintenance reasons it is thought advisable to reduce the probability of pavement settlement by using compacted DGA backfill instead of compacted earth.			
LAGOO, INC. LEXINGTON	V.A. STEAM LINE RELOCATION Project No. 474.0	3	12/8/86	+ 2,374.22
Nature of Change:	1. Rock Excavation. 2. Repair to existing casing pipe. 3. Insulate condensate line in new manhole. 4. Expenses due to shutdown by V.A. Hospital.			
Reason for Change:	1. Solid rock encountered in lower portion of pipe trench. 2. Existing steam line casing pipe was found to be badly eroded at both tie-in locations and water was saturating the insulation. Repairs were necessary. 3. Deemed advisable for safety reasons. 4. Parking site was not available over Labor Day. V.A. stopped contractor from excavating & pipe laying and welding crews were made to stand idle for 1/2 day.			
LAGOO LEXINGTON	V.A. STEAM LINE RELOCATIONS Project No. 474.0	4	12/9/86	+ 3,450.00
Nature of Change:	Backfill trench and excavate caved-in material. Slope north wall of trench to prevent further cave-ins.			
Reason for Change:	Excess weight and vibrations from truck traffic caused the north wall of the steam line trench to collapse and the roadway pull away from the curb.			
CAREY CONSTRUCTION LEXINGTON	V.A. ACCESS ROADWAY Project No. 324.0	2	12/8/86	+ 3,630.53
Nature of Change:	Lower storm sewer. Credit for pavement and curb removal.			
Reason for Change:	Existing utilities conflicted with plan elevation. A portion of pavement did not need removed.			
CAREY CONSTRUCTION COMPANY LEXINGTON	V.A. ACCESS ROADWAY Project No. 324.0	3	12/10/86	- 764.00
Nature of Change:	1. Add bituminous pavement to entrance of Cooling Plant #1 lot. 2. Delete removal & construction of sidewalk.			
Reason for Change:	1. Street pavement raised approximately 1" because of an existing utility line causing the need for additional pavement. 2. Sidewalk did not need to be removed.			

V. CHANGE ORDERS TO CONSTRUCTION CONTRACTS
(CONTINUED)

<u>CONTRACTOR</u>	<u>PROJECT</u>	<u>CHANGE NUMBER</u>	<u>DATE APPROVED</u>	<u>AMOUNT</u>
CROUCH CONSTRUCTION CO. MAYFIELD	PADUCAH COMMUNITY COLLEGE SCIENCE LAB RENOVATION Project No. 306.0	1	10/07/86	+ \$ 1,497.47
Nature of Change: 1. Furnish all necessary labor and materials for increasing size of new masonry block chase space in classroom 205. 2. Furnish all necessary labor and materials for painting entire north wall in Lecture Hall. 3. Furnish all necessary labor and materials for filling voids in existing masonry block walls in rooms 202, 203 and 206 with masonry block units. 4. Furnish all necessary labor and materials for replacing 3 existing defective fire alarm pull stations, one smoke detector, and one heat detector. Reason for Change: Existing conditions were encountered respective to remedial actions required because of conflicts for installing new work and improvements requested by Owner.				
CROUCH CONSTRUCTION CO. MAYFIELD	PADUCAH COMMUNITY COLLEGE SCIENCE LAB RENOVATION Project No. 306.0	2	10/07/86	+ 874.00
Nature of Change: Improve the piping and water pressure control for the distilled water system. Reason for Change: Change recommended to improve existing conditions by the elimination of all plastic piping and control water supply serving the existing stills.				
C. E. PENNINGTON CO. LEXINGTON	MINING & MINERALS RESOURCE BUILDING Project No. 115.0	4	10/01/86	+ 49,752.00
Nature of Change: Additional consultant requirements and user program changes. Site changes. Reason for Change: Changes were due to the lack of time for proper review and the expediency for getting the project out for bids. Site changes due to unforeseen geotechnical conditions.				
C. E. PENNINGTON CO. LEXINGTON	MINING & MINERALS RESOURCE BUILDING PHASE III Project No. 115.2	5	10/01/86	+ 165,917.14
Nature of Change: Bid packages from sub contractors added to General's contract. Reason for Change: According to contract, all subcontractor's shall be assigned to the General.				
C. E. PENNINGTON CO. LEXINGTON	MINING AND MINERALS RESOURCE BLDG. PHASE II Project No. 115.0	6	10/01/86	+ 17,713.70
Nature of Change: Change is for rock encountered due to unknown site conditions, and to achieve acceptable bearing on conditions for cussions. 1. Additional rock excavation for cussions to achieve acceptable bearing conditions. 2. Rock removal at Chemistry Storage footing, due to unknown site conditions. 3. Trench rock removed under tunnel, due to unknown site conditions. Reason for Change: Rock removal required for construction of foundation systems.				
FINNEY COMPANY LEXINGTON	MINING & MINERALS BUILDING UTILITIES Project No. 115.1	2	12/2/86	+ 1,850.00
Nature of Change: 1. Lower steam condensate, telephone & power conduits. 2. Remove three light poles including overhead conductors. Reason of Change: Change in site conditions; items not shown on drawings.				
FINNEY COMPANY LEXINGTON	MINES & MINERALS BUILDING UTILITIES Project No. 115.1	3	12/2/86	+ 5,025.00
Nature of Change: Enlarge steam manhole #1. Reason for Change: To accommodate Faculty Club utility functions within same manhole.				

V. CHANGE ORDERS TO CONSTRUCTION CONTRACTS
(CONTINUED)

<u>CONTRACTOR</u>	<u>PROJECT</u>	<u>CHANGE NUMBER</u>	<u>DATE APPROVED</u>	<u>AMOUNT</u>
THE WAGNER CO. LEXINGTON	644 MAXWELTON COURT MUNICIPAL LEAGUE OFFICES Project No. 362.0	1	7/25/86	+ \$ 10,508.84
Nature of Change: Underpinning.				
Reason for Change: Discovered during construction that bottom of existing footings were not as deep as Consultant's report stated.				
WAGNER COMPANY LEXINGTON	644 MAXWELTON COURT MUNICIPAL LEAGUE OFFICES Project No. 362.0	2	12/3/86	+ 2,356.56
Nature of Change: 1. Add 4-way switch at top of stairs. 2. Rework door + threshold. 3. Add ductwork.				
Reason for Change: 1. Water causing washout in rear yard at new retaining wall. 2. Switch at top of stairs was not shown on mechanical drawings. 3. Carpet pile was thicker than indicated causing two doors to drag. 4. Existing duct to upstairs didn't serve both rooms as anticipated.				
ARROW ELECTRIC CO., INC. LOUISVILLE	JEFFERSON COMMUNITY COLLEGE SEMINARY BUILDING SPRINKLERS Project No. 284.0	1	9/29/86	+ 107.00
Nature of Change: Install fire protection system piping and sprinkler heads on walls rather than ceiling, in Telephone Room.				
Reason for Change: To avoid disruption of ceiling tiles identified by U.K. as containing asbestos.				
CENTRAL ROCK MINERAL CO., INC. LEXINGTON	PARKING LOT PHASE I COLUMBIA/CLIFTON AVENUE Project No. 437.0	1	11/18/86	+ 1,500.00
Nature of Change: Remove two trees along Clifton Avenue.				
Reason of Change: Excavation of parking lot resulted in damage to tree roots and potential instability during high winds.				
ASPHALT-STONE CO. HOPKINSVILLE	HOPKINSVILLE C. C. PARKING LOT/LIGHTING Project No. 272.0	1	12/9/86	+ 9,119.00
Nature of Change: 1. On existing parking lot - add 1" over-lay paving in lieu of specified seal coat. 2. Patch & repair depressed sidewalk and paving area; pipe and headwall required to adjust drainage for existing water line. 3. Provisions and installation of sod on south side of parking lot.				
Reason for Change: 1. Existing parking lot surface has deteriorated and sewer repair work in a portion of the lot has further damaged surface since installation. Overlay paving will better restore the surface to usable condition. 2. To correct and accommodate existing conditions. 3. Sod was necessitated by the prior change adding the spillway at existing water line.				
SPARKS-TERRELL LUMBER CO. LEXINGTON	FUNKHOUSER RENOVATION STUDENT FINANCIAL AID Project No. 241.0	2	9/22/86	+ 141.45
Nature of Change: Reverse the hinge side of access counter top door from left to right in reception area 127.				
Reason for Change: To provide a smoother traffic flow situation.				

V. CHANGE ORDERS TO CONSTRUCTION CONTRACTS
(CONTINUED)

<u>CONTRACTOR</u>	<u>PROJECT</u>	<u>CHANGE NUMBER</u>	<u>DATE APPROVED</u>	<u>AMOUNT</u>
SPARKS-TERRELL LUMBER CO., INC. LEXINGTON	FUNKHOUSER RENOVATION FOR ADMISSIONS & HOUSING Project No. 381.0	2	9/8/86	+ \$ 684.80

Nature of Change: 1. Undercut existing steel door.
2. Remove half wall return in Housing area.
3. Furnish, install and finish oak veneer door in storage room.

Reason for Change: 1. To allow for clearance for new carpet installed by University.
2. To provide clearance for new furniture to fit properly.
3. To provide a better appearance.

VI. TOTAL CONTRACTOR PAYMENTS FOR COMPLETED PROJECTS.

<u>CONTRACTOR</u>	<u>PROJECT</u>	<u>FINAL CONTRACT AMOUNT</u>	<u>DATE</u>
W. ROGERS COMPANY LEXINGTON	ANIMAL CARE FACILITY BLASTING & EXCAVATION Project No. 259.1	\$ 181,534.06	7/23/86
FINNEY COMPANY, INC. LEXINGTON	MEDICAL CTR. CHILLER ADDITION INSTALL THIRD CHILLER Project No. 110.3	272,470.00	7/31/86
A. E. GORDON MECHANICAL SHELBYVILLE	HOSPITAL LOBBY FIRE SUPPRESSION Project No. 350.0	36,320.90	8/12/86
R & R ROOFING & SHEET METAL LEXINGTON	LEXINGTON COMMUNITY COLLEGE ROOF REPAIR Project No. 345.0	21,551.00	8/14/86
BRUCE'S TRI STATE ROOFING OWENSBORO	HENDERSON COMMUNITY COLLEGE STUDENT CTR. ROOF Project No. 179.0	88,541.77	8/28/86
FINNEY COMPANY, INC. LEXINGTON	HOSPITAL ELEVATORS AIR CONDITIONING Project No. 108.1	56,976.44	9/16/86
WHITE & CONGLETON LEXINGTON	MEDICAL CENTER STRUCTURAL REPAIR OVERHEAD WALKWAY Project No. 390.0	17,998.00	9/18/86
ASPHALT STONE COMPANY HOPKINSVILLE	HOPKINSVILLE COMMUNITY COLLEGE PARKING LOT PAVING & LIGHTING Project No. 272.0	104,668.00	10/13/86
CROUCH CONSTRUCTION CO. MAYFIELD	PADUCAH COMMUNITY COLLEGE SCIENCE LAB RENOVATION Project No. 306.0	119,771.00	10/20/86
HARRISON CONTRACTING, INC. MEMPHIS, TN	OLD PHARMACY BUILDING ASBESTOS REMOVAL Project No. 411.0	28,516.00	11/3/86
SPARKS-TERRELL LUMBER CO. LEXINGTON	FUNKHOUSER RENOVATION ADMISSIONS & HOUSING Project No. 381.0	111,069.00	11/3/86

VI. TOTAL CONTRACTOR PAYMENTS FOR COMPLETED PROJECTS.
(CONTINUED)

<u>CONTRACTOR</u>	<u>PROJECT</u>	<u>FINAL CONTRACT AMOUNT</u>	<u>DATE</u>
ELLIOTT CONTRACTING, INC. PIKEVILLE	PRESTONSBURG COMMUNITY COLLEGE STUDENT CENTER HVAC REPLACEMENT Project No. 289.0	\$170,231.00	11/7/86
WILLIAM HEPBURN ELECTRIC CO., INC. LEXINGTON	FIRE ALARM SYSTEM SIX BUILDINGS Project No. 801.0	155,110.00	11/17/86
C.R. CRUME ASSOCIATED CONTRACTORS LEXINGTON	SPINDLETOP ANIMAL RESEARCH FACILITY Project No. 270.0	156,950.00	11/24/86
THE WAGNER COMPANY LEXINGTON	644 MAXWELTON COURT Project No. 362.0	86,093.00	12/15/86
LAGCO, INC. LEXINGTON	V.A. HOSPITAL STEAM LINE RELOCATION Project No. 474.0	189,215.00	12/16/86

Office of the President
March 3, 1987

FLR 3

Members, Board of Trustees:

Disposal of Personal Property

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

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

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

Action taken: Approved ☒ Disapproved ☐ Other ☐

Date: March 3, 1987

UNIVERSITY OF KENTUCKY
Annual Library Book Sale

TYPE OF DISPOSAL: Fixed Price.

REASON: Obsolete, outdated and damaged.

ITEMS: The annual sale of approximately 7,500 library books.

SALE DATES: April 23-24, 1987

Office of the President
March 3, 1987

FCR 4

Members, Board of Trustees:

Report of Lease

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

The execution of a lease between the Department of Sociology and Louisville Urban League, Lyles Mall, 2600 West Broadway, Louisville, Kentucky effective January 1, 1987 through June 30, 1987, for the use of office space and conference area, rental rate of \$9,000 annually, be accepted and made a matter of record.

The execution of a lease between the University of Kentucky and Board of Education of Fayette County, Kentucky, effective October 1, 1986 through June 30, 1987, for conducting a Japanese Saturday School, for land usage for two mobile units - \$1,800 annually and to reimburse the Board for utilities, custodial and clerical services, be accepted and made a matter of record.

Background: FCR 5, dated October 15, 1985, authorized the President or his designated representative to enter into leases and easements not exceeding \$30,000 in value and required that all leases entered into under this authority be reported to the Board.

Action taken: Approved ☒ Disapproved ☐ Other ☐

Date: March 3, 1987

Office of the President
March 3, 1987

FCLR 5

Members, Board of Trustees:

AMENDMENT OF THE AGREEMENT WITH THE FAYETTE-URBAN CO. GOVERNMENT
FOR THE RELOCATION OF THE RESERVED BOUNDARY OF THE ARBORETUM PARK

Recommendation: That the boundaries for the 50-year reservation of land for the University of Kentucky--Lexington-Fayette County Arboretum Park be amended in conformity with the attached description and map; and that the President and the Chairman of the Board of Trustees be authorized to amend the agreement with the Lexington-Fayette Urban County Government for the development of this tract accordingly.

Background: As the planners for the Arboretum have begun their work, they have established the best site for the amphitheater which is to be located in the Arboretum. Inasmuch as the amphitheater is to be constructed within the land reserved for 50 years, this boundary change is necessary. In no way does the change alter the combination of "reserved land" and "non-reserved land" committed to the Arboretum by the Board of Trustees at its meeting of October 14, 1986. It simply relocates some of the reserved acreage as shown on the attached survey description and map.

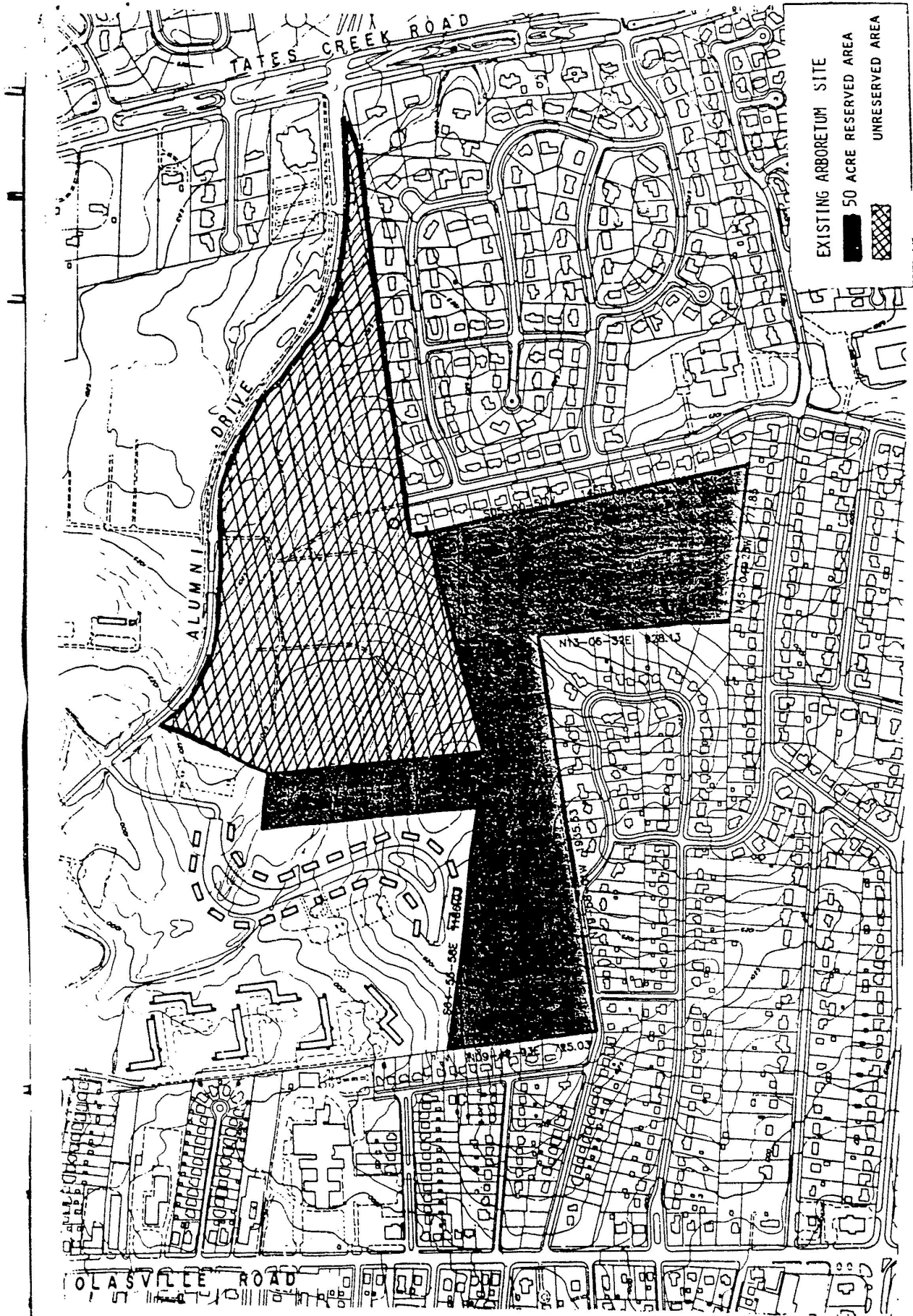
Action takes: Approved ☒ Disapproved ☐ Other ☐

Date: March 3, 1987

D292/24

REVISED LEGAL DESCRIPTION
OF THE RESERVED PORTION OF
THE ARBORETUM
UNIVERSITY OF KENTUCKY--LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

BEGINNING at a point, said point being a fence corner common with Crestwood Subdivision Unit Seven and Lansdowne Shadeland Subdivision Unit 1-A; thence along a fence N65 04' 23"W, 777.86' to a fence corner; thence along a fence N13 06' 32"E, 928.13' to a fence corner; thence along a fence N79 58' 01"W, 1935.53' to a point; thence N9 42' 03"E, 725.03' to a point; thence S64 55' 58"E, 1116.03' to a point; thence N10 04' 02"E, 1050.41' to a point; thence S65 07' 01"E, 171.58' to a point; thence N70 18' 25"E, 365.09' to a point; thence S58 36' 55"E, 524.65' to a point; thence S05 14' 40"E, 329.19' to a point; thence S84 20' 37"W, 423.28' to a point; thence N57 51' 18"W, 465.56' to a point; thence S10 04' 02"W, 960.00' to a point; thence S73 09' 55"E, 1248.24' to a point in the fence line common with Lansdowne Shadeland Subdivision; thence S05 00' 50"W, 1198.68' to the point of beginning, containing 50 acres more or less.



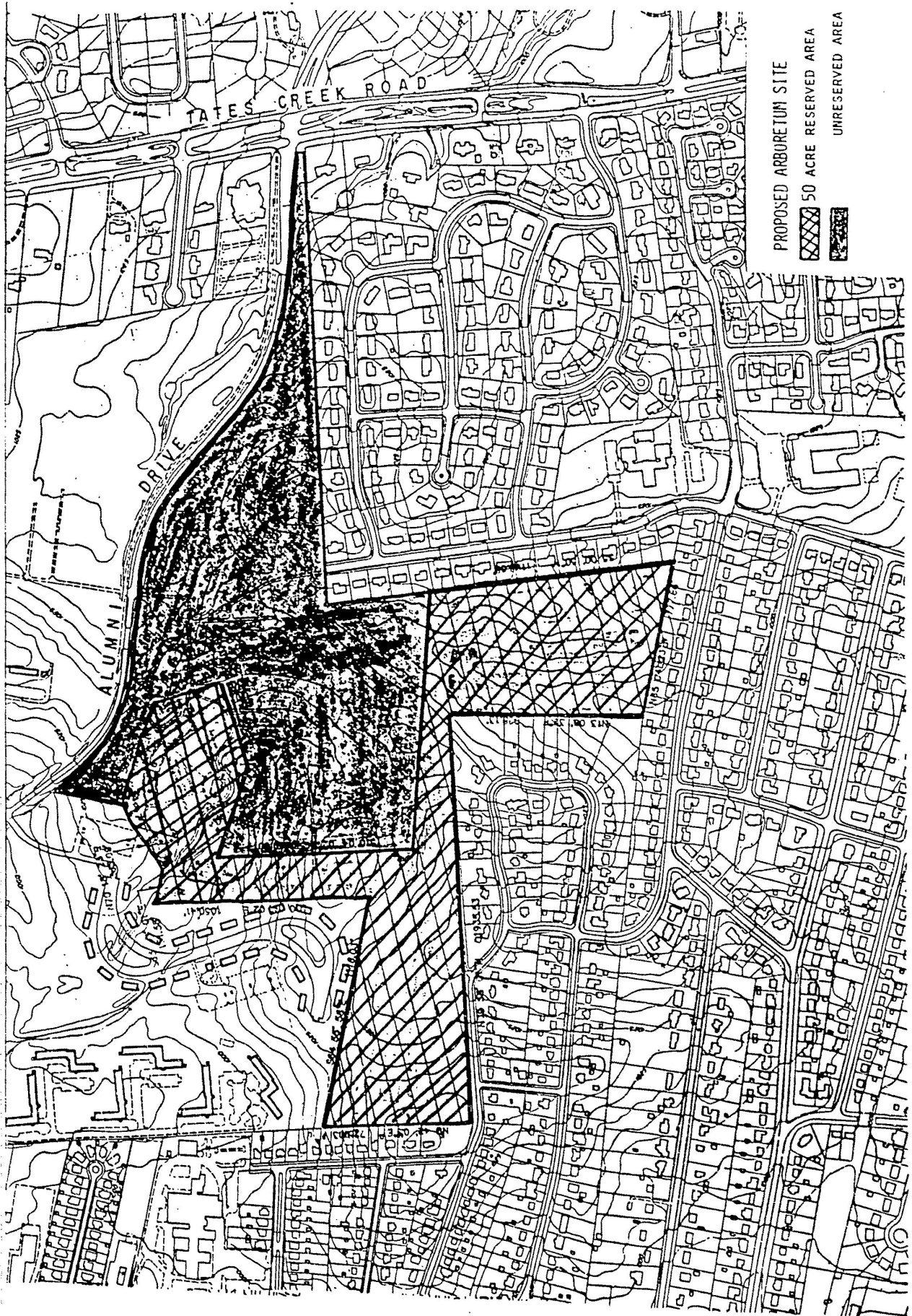
EXISTING ARBORETUM SITE

50 ACRE RESERVED AREA

UNRESERVED AREA

NORTH

SCALE: 1" = 400'
JAN. 1987



NORTH

SCALE: 1" = 40'
JAN. 1977

Office of the President
March 3, 1987

FLR 6

Members, Board of Trustees:

EXTERNAL AUDITOR FOR FISCAL YEAR 1986-87

Recommendation: that the Board of Trustees engage the firm of Coopers & Lybrand, Certified Public Accountants, to perform an examination of the accounts of the University of Kentucky and affiliated corporations for the fiscal year ending June 30, 1987, for a fee, including expenses, of not more than \$119,225. Exhibit I lists the entities and programs to be audited and other reports required.

Background: Coopers & Lybrand previously served as independent auditors for the University of Kentucky for the year ended June 30, 1986. Their performance was highly satisfactory, and their knowledge of the University's financial accounting and management systems will insure a thorough and adequate examination.

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

Action taken: Approved ☒ Disapproved ☐ Other ☐

Date: March 3, 1987

EXHIBIT I

SUMMARY OF WORK

The Certified Public Accountants will make an examination of the financial statements of the following entities and programs for the year ending June 30, 1987:

- University of Kentucky (consolidated and unconsolidated)
- University of Kentucky Research Foundation
- University of Kentucky Athletic Association
- University of Kentucky Intercollegiate Athletics (NCAA Financial Audit Guide)
- The Fund for Advancement of Education and Research in the University of Kentucky Medical Center
- University of Kentucky Hospital
- Health Care Collection Service, Inc.
- University of Kentucky Mining Engineering Foundation, Inc.
- University of Kentucky Business Partnership Foundation, Inc.
- University of Kentucky Housing and Dining System
- University of Kentucky Tobacco and Health Research Institute
- University of Kentucky Alumni Association
- University of Kentucky Hospital Auxiliary
- University of Kentucky Credit Union (year ended December 31, 1987)
- Federally sponsored programs (A-110 Audit) including Basic Education Opportunity Grant Program (Pell Grants), National Direct Student Loan, College Work Study, Supplemental Educational Opportunity Grant Programs, and Health Profession Student Loan Programs
- WBKY-FM Radio
- University of Kentucky Equine Research Foundation, Inc.
- University of Kentucky Humanities Foundation
- University of Kentucky Center on Aging Foundation, Inc.

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

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

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

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

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

1. The Auditor shall, in a professional manner, perform the following services:
 - A. The Auditor shall in accordance with Standards for Audit of Governmental Organizations, Programs, Activities, & Functions examine the financial statements and records of the University as they relate to the federally sponsored research programs for the grant year ended June 30, 1987 and shall perform such other audit steps and examine such other activities as set forth in the Guide for Audits of Federal Awards to Education Institutions, (Draft dated September, 1983).

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

The examination is designed to permit the auditor to conclude as to whether the institution's control procedures were operating properly during the year ended June 30, 1987 to permit the institution to comply with applicable laws, regulations, terms of agreements, and directives set forth in the regulations of the audit guide; and to provide positive assurance on the effect on federal reimbursement of any significant areas of non-compliance.

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

Office of the President
March 3, 1987

F C R 7

Members, Board of Trustees:

RESOLUTION OF THE BOARD OF TRUSTEES OF THE UNIVERSITY
OF KENTUCKY ACCEPTING THE SUCCESSFUL BID FOR THE
PURCHASE OF \$29,350,000 PRINCIPAL AMOUNT OF UNIVERSITY
OF KENTUCKY CONSOLIDATED EDUCATIONAL BUILDINGS REVENUE
BONDS, SERIES J, DATED MARCH 1, 1987

Recommendation: That the Board of Trustees approve a Resolution accepting the successful bid of Morgan Stanley, with reference to the sale of the \$29,350,000 University of Kentucky Consolidated Educational Buildings Revenue Bonds, Series J, dated March 1, 1987, at a new interest cost of 6.17848%.

Background: On January 20, 1987, the Board of Trustees approved a Resolution authorizing the issuance of \$29,350,000 University of Kentucky Consolidated Educational Buildings Revenue Bonds, Series J. Said Resolution also authorized the public advertising for sealed, competitive bids to be received on March 3, 1987. Bids have been reviewed by the Finance Committee and the recommended bid is the lowest net interest cost to the University.

Eight bids were received and tabulated as follows:

Morgan Stanley	6.17848%
J. P. Morgan Securities	6.2038%
Merrill Lynch Capital Markets	6.2990%
Prudential-Bache Securities	6.31494%
Smith, Barney, Harris Upham & Co.	6.315278%
E. F. Hutton & Co., Inc.	6.3339%
Paine Webber, Inc.	6.3384%
Drexel Brunham Lambert, Inc.	6.369313%

Action: Approved ☒ Disapproved ☐ Other ☐

Date: March 3, 1987

RESOLUTION OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY ACCEPTING THE SUCCESSFUL BID FOR THE PURCHASE OF \$29,350,000 PRINCIPAL AMOUNT OF UNIVERSITY OF KENTUCKY CONSOLIDATED EDUCATIONAL BUILDINGS REVENUE BONDS, SERIES J, DATED MARCH 1, 1987.

WHEREAS, Notice of Sale of \$29,350,000 principal amount of University of Kentucky Consolidated Educational Buildings Revenue Bonds, Series J, dated March 1, 1987, 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.
	AMOUNTS BID FOR SAID \$29,350,000 PRINCIPAL AMOUNT OF BONDS, PLUS ACCRUED INTEREST FROM MARCH 1, 1987	NET INTEREST COST
<u>BIDDERS</u>		

1.	2.	3.
<u>BIDDERS</u>	AMOUNTS BID FOR SAID \$29,350,000 PRINCIPAL AMOUNT OF BONDS, PLUS ACCRUED INTEREST FROM <u>MARCH 1, 1987</u>	NET INTEREST <u>COST</u>

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

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

SECTION 1.

Determination of Best Bid; Acceptance

That the bid of _____,

for the purchase of said \$29,350,000 principal amount of University of Kentucky Consolidated Educational Buildings Revenue Bonds, Series J, dated March 1, 1987, be accepted and confirmed, said bid being at a price of \$ _____ for said \$29,350,000 principal amount of Bonds, plus accrued interest from March 1, 1987, to the date of delivery of the Bonds, such interest to be payable semiannually at the following annual rates:

<u>YEAR OF MATURITY MAY 1</u>	<u>PRINCIPAL MATURITY</u>	<u>INTEREST RATES</u>	<u>YEAR OF MATURITY MAY 1</u>	<u>PRINCIPAL MATURITY</u>	<u>INTEREST RATES</u>
1988	\$ 380,000	_____ %	1998	\$1,420,000	_____ %
1989	760,000	_____ %	1999	1,520,000	_____ %
1990	815,000	_____ %	2000	1,630,000	_____ %
1991	875,000	_____ %	2001	1,750,000	_____ %
1992	935,000	_____ %	2002	1,875,000	_____ %
1993	1,000,000	_____ %	2003	2,010,000	_____ %
1994	1,075,000	_____ %	2004	2,155,000	_____ %
1995	1,150,000	_____ %	2005	2,310,000	_____ %
1996	1,235,000	_____ %	2006	2,475,000	_____ %
1997	1,325,000	_____ %	2007	2,655,000	_____ %

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 interest rates on said Bonds are hereby fixed at the rates set out in said successful bid.

SECTION 2.

All Other Bids Rejected;
Return of Good Faith Checks of Unsuccessful Bidders

That all other bids are hereby rejected, and the Secretary of the University is ordered to return the good faith checks of unsuccessful bidders immediately. The good faith check of the successful purchaser will be deposited immediately by the University and credited (without interest) against the purchase price of the Bonds on the date of delivery to such purchaser.

SECTION 3.

Delivery of Bonds;
Application of Proceeds

That said Bonds shall be delivered by the Treasurer and/or other appropriate officials of the University in accordance with the terms of the Resolution authorizing the Bonds, adopted by the University on January 20, 1987, as soon as said Bonds are printed, executed, authenticated, and ready for delivery in accordance with such Resolution, and all of the proceeds of the Bonds shall be used only as provided in said Resolution.

SECTION 4.

Acceptance of Bid is Subject to Approving
Legal Opinion of Bond Counsel

That said bid is accepted subject to the condition that such acceptance subjects the University to no obligation to deliver the Bonds if for any reason the University is unable to obtain the final approving legal opinion of the firm of Rubin & Hays, Municipal Bond Attorneys, Louisville, Kentucky, as to

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

SECTION 5.

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 March 3, 1987.

BOARD OF TRUSTEES
UNIVERSITY OF KENTUCKY

By _____
Chairman

Attest:

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 March 3, 1987, 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 \$29,350,000 principal amount of University of Kentucky Consolidated Educational Buildings Revenue Bonds, Series J, dated March 1, 1987, referred to in said Resolution; and
- (3) That said meeting was duly held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820, and 61.825, that a quorum was present at said meeting, that said Resolution has not been modified, amended, revoked, or repealed, and that same is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature as Secretary and the official seal of said University this March _____, 1987.

Secretary

(Seal of University)

Office of the President
March 3, 1987

FCLR 8

Members, Board of Trustees:

A RESOLUTION AUTHORIZING THE ISSUANCE OF 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.

Recommendation: that the Board of Trustees approve a Resolution authorizing the issuance of \$35,690,000 (which amount may be changed) 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.

The Resolution further authorizes the Treasurer of the University, only at the direction of the President, to publish a Notice of Sale of Bonds for these Bonds in compliance with KRS Chapters 424 and 162.340 through 162.380, and, further, to distribute or cause the Fiscal Agent, Dupree & Company, Inc., to distribute copies of Official Terms and Conditions of Sale of Bonds, Official Bid Form, and a Preliminary Official Statement, for the purpose of providing adequate information to prospective bidders.

The Notice of Sale of Bonds, prepared by Bond Counsel, leaves blank at this time the date for receipt of bids, such bids to be opened by the Treasurer, and to be considered by the Finance Committee of the Board, and a recommendation to be submitted by the Finance Committee to the Executive Committee of the Board at a meeting to be determined.

It is considered wise to approve such action now, in order that there will be no delay when the President, in consultation with the Fiscal Agent of the University, determines a prompt sale should be advantageous to the University.

Background: The University issued its Consolidated Educational Buildings Revenue Bonds, in the following respective Series, dates, and amounts: (a) Series G Bonds, dated April 1, 1983, in the amount of \$17,100,000, of which there are presently outstanding \$15,945,000 of Bonds, bearing interest at rates ranging from 7.25% per annum to 9.30% per annum, scheduled to mature on May 1 in each of the respective years, 1987 through 2003; (b) Series H Bonds, dated March 1, 1983, in the amount of \$8,500,000, of which there are presently outstanding \$8,285,000 of Bonds, bearing interest at rates ranging from 6.75% per annum to 8.70% per annum, scheduled to mature on May 1 in each of the respective years, 1987 through 2003; and (c) Series I Bonds, dated October 1, 1985, in the amount of \$16,100,000, of which all \$16,100,000 of Bonds are presently outstanding, bearing interest at rates ranging from 7.25% per annum to 9.25% per annum, scheduled to mature on May 1 in each of the respective years, 1987 through 2006; and it is believed that such Bonds may be advantageously advance refunded, either through the advance refunding and redemption

on May 1, 1993, of the Series G Bonds scheduled to mature on May 1, 1994 and thereafter, and of the Series H Bonds scheduled to mature on May 1, 1994 and thereafter, and redemption on May 1, 1996 of the Series I Bonds scheduled to mature on May 1, 1997 and thereafter. The refunding will be accomplished only if the interest rates bid at the time of the sale will achieve a substantial interest cost savings to the Board and to the University.

Action: Approved ✓ Disapproved Other

Dated: March 3, 1987

OFFICIAL TERMS AND CONDITIONS OF BOND SALE

\$35,690,000
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

SALE: _____, 1987, _____ .M., E. .T.

As advertised in THE COURIER-JOURNAL, published in Louisville, Kentucky and in THE DAILY BOND BUYER, published in New York, New York, the Treasurer of the Board of Trustees of the University of Kentucky, Lexington, Kentucky (the "Board") will until the date and hour referred to above, receive in the Office of Controller and Treasurer, Peterson Service Building, University of Kentucky Campus, Lexington, Kentucky 40506, sealed, competitive bids for the purchase of the above-identified Bonds (the "Current Bonds"). To be considered, a bid for the purchase of said Bonds must be submitted on an official Bid Form and must be delivered to such office no later than the date and hour indicated. Proposals for the purchase of the Bonds will be referred to the Executive Committee of the Board (or to the full Board) at a meeting to be held at _____ M., E. .T., on that date.

Bids submitted prior to the day and hour hereinabove set forth may be sent to the Controller and Treasurer of the University at such Office and if any such Bid is received in such Office prior to the date and hour above set forth, properly marked so as to identify the same, it will be communicated to and considered by such official and will be acted upon by the Board or its Executive Committee at the meeting above referred to.

A. DESCRIPTION AND MATURITIES OF BONDS.

1. The Current Bonds will be issued only as fully registered bonds, without coupons, in the denomination of \$5,000 principal amount or any multiple of \$5,000 within a single maturity (as designated by the Purchasers), will bear interest payable semiannually on May 1 and November 1 of each year to maturity (first interest payment date, November 1, 1987) and will mature on May 1 of the respective years, as follows, subject to revision as specified below:

<u>Year of Maturity May 1</u>	<u>Maturity Amount</u>	<u>Year of Maturity May 1</u>	<u>Maturity Amount</u>
1988	435,000	1998	2,925,000
1989	400,000	1999	3,115,000
1990	415,000	2000	3,360,000
1991	435,000	2001	3,515,000
1992	455,000	2002	3,715,000
1993	480,000	2003	4,020,000
1994	1,675,000	2004	1,360,000
1995	1,775,000	2005	1,450,000
1996	1,880,000	2006	1,535,000
1997	2,745,000		

2. The final size of the Bond issue will be calculated to provide the greatest economic advantage to the Board on the refunding project financed by the Bonds, and to achieve generally level annual debt service payments. The successful purchaser will be required to accept the final Bond issue as so computed, whether the size of the Bond issue is increased or decreased, and to pay the same purchase price per \$1,000 of Bonds of the adjusted size of the Bond issue as the purchase price bid in such successful bid. It is expected, although no absolute assurance can be given, that the final size of the Bond issue will be closely modeled to the Schedule of Principal Amounts listed in the Official Bid Form, provided that, on a percentage basis, the adjustment required for the entire issue will be nearly equal to the adjustment made within each maturity.

3. The principal of (and premium, if any) and interest on the Current Bonds will be payable in lawful money of the United States of America at the main office of First Security National Bank & Trust Company, Lexington, Kentucky, the Trustee, Bond Registrar, Transfer Agent, Payee Bank, Depository Bank, and Escrow Bank; provided, however, that interest on the Current Bonds shall be paid when due by check mailed by the Trustee to the respective persons entitled thereto at the addresses of the respective Bondowners of record on the 15th day of the month preceding each interest due date by regular United States mail postmarked not later than the due date. Upon submission of a proper executed assignment of a Bond, such Bank will transfer ownership of such Bond within three (3) business days of receipt without expense to the Bondowner.

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

5. With respect to Current Bonds transferred or exchanged after the initial delivery of the Current Bonds, same shall be dated on and shall bear interest from the most recent interest payment date to which interest has been paid or duly provided for, as the case may be, unless no interest has been paid on a Current Bond, in which case such Bond shall bear interest from May 1, 1987.

6. The person in whose name any Current Bond is registered on the register date (April 15 or October 15) with respect to an interest payment date shall be entitled to receive the interest payable on such interest payment date (unless such Bond shall have been duly called for redemption on a redemption date which is prior to such interest payment date).

7. The Current Bonds maturing on and after May 1, 1998, are subject to redemption prior to maturity, at the option of the Board, on any interest payment date on and after May 1, 1997, in inverse order of maturity and by lot within a single maturity, at the following redemption prices (expressed as a percentage of principal amount), plus accrued interest to the date of redemption, as follows:

<u>Redemption Dates (Inclusive)</u>	<u>Redemption Price</u>
May 1, 1997 through November 1, 1998	102%
May 1, 1999 through November 1, 2002	101%
May 1, 2003 and thereafter	100%

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

The Trustee shall give notice of any redemption by sending at least one such notice by first class mail not less than thirty and not more than sixty days prior to the date fixed for redemption to the registered owner of each Current Bond to be redeemed in whole or in part at the address shown on the Bond Register as of the date of mailing of such notice; and interest on such Bonds or portions thereof shall cease to accrue after the redemption date.

B. STATUTORY AUTHORITY AND PURPOSE OF BONDS.

8. These Bonds are issued for the purpose of advance refunding part of the outstanding University of Kentucky Consolidated Educational Buildings Revenue Bonds, Series G, dated April 1, 1983, Series H, dated March 1, 1983, and Series I, dated October 1, 1985 (collectively the "Prior Bonds"), at a lower interest rate, through the deposit in escrow of sufficient funds, which, when invested in direct obligations of, or obligations guaranteed by the United States Government, shall be sufficient (1) to pay all interest requirements of all of the Prior Bonds scheduled to be redeemed in advance of maturity; and (2) to redeem on the designated redemption dates, through payment of the principal, redemption premium, and interest, all of the Prior Bonds scheduled to be redeemed in advance of maturity, with the precise redemption arrangements, by date and amount, being determined at the time of the sale of the Current Bonds, to achieve the maximum savings available in effecting the retirement and redemption of part of the Prior Bonds, as more fully set forth in the proceedings of the Board, including Sections 162.340 to 162.380, 164.595, et seq., and 58.010 through 58.140 of the Kentucky Revised Statutes,

now in full force and effect. The Board has reserved the right, on the date of sale, to determine precisely which of the "callable" Prior Bonds shall in fact be called for redemption in advance of maturity and on what redemption date.

9. The Series G, H, and I Bonds (the "Prior Bonds") were issued for the purpose of paying the costs (to the extent not otherwise provided) of establishing and erecting certain educational buildings upon properties of the University in Lexington, Kentucky, the buildings of which projects have been completed and now constitute part of the Consolidated Educational Buildings Project of the University (hereinafter referred to as the "Project"). All of said Prior Bonds, together with the previous Series B, C, D, E, F, G, H, and I Bonds, issued in connection with the Consolidated Educational Buildings Project, have been payable solely from and secured by a first pledge of the revenues derived by the University from the operation of the Project. Accordingly, the Current Bonds, when issued, will be payable on a parity with the previous Series B, C, D, E, F, G, H, and I Bonds (except for the "Called Series G, H, and I Bonds") on a first lien basis from the gross revenues of the Project and further secured by a first statutory mortgage lien on the Project buildings (the Series A Bonds having all been paid).

C. SECURITY.

10. These Current Bonds, together with \$_____ of outstanding Parity Bonds (Series B through I, excluding whatever portion of the Series G, H, and I Bonds that shall be advance refunded), are secured by and payable from the Revenues of the Project. Such Revenues consist of certain student registration fees imposed and collected from students attending the University. As further security for the Bonds, a statutory mortgage lien upon the Project is created by and pursuant to Sections 162.350 and 162.200 of the Kentucky Revised Statutes.

D. BIDDING CONDITIONS AND RESTRICTIONS.

11. The public offering of the Current Bonds is made upon the following specific conditions and provisions:

- A. Bids shall be required to be submitted upon a standard official "Bid Form" in order to provide for the uniformity in submission of bids and ready determination of the best bid.
- B. Bidders shall be required to bid for the entire issue a minimum price of not less than \$34,976,200 (98% of par) for the \$35,690,000 of Bonds, plus accrued interest from the date of the Bonds (May 1, 1987) to the date of delivery, payable in Federal Funds. The successful purchaser shall be required at the time of the sale to certify in writing the initial reoffering price of all Current Bonds to the public.
- C. The determination of the best bid will be made on the basis of all bids submitted for exactly \$35,690,000 of Bonds as offered for sale under the terms and conditions herein specified. The

Board (or its Executive Committee) will, at the meeting of the Board (or its Executive Committee), which will be held to act upon the receipt of bids for the Bonds, accept or reject the best bid, provided, however, the Board (or its Executive Committee) reserves the right to increase or reduce the amount of Bonds sold and also to adjust maturities as set out in paragraph A.2 of these Official Terms. In the event of any such adjustment, no rebidding or recalculation of the bids submitted will be required. The price at which such adjusted amount of bonds will be sold will be the same price per \$1,000 of bonds as the price bid in the successful bid per \$1,000 for the \$35,690,000 of Bonds initially offered for sale.

- D. Each bid shall be accompanied by a certified or bank cashier's good faith check in the amount of \$356,900 (1%), payable to the order of the Treasurer of the University of Kentucky. The check of the successful bidder will be immediately deposited by the University and credited (without interest) against the purchase price. The good faith checks of the unsuccessful bidders will be returned promptly.
- E. Bidders must state an interest rate or rates in a multiple of 1/8 and/or 1/20 of 1%. There is no maximum interest rate applicable.
- F. There is no limit on the number of different rates which may be specified in any bid and there is no maximum differential between the highest and lowest interest rates stipulated in any bid.
- G. All Bonds of the same maturity shall bear the same and a single interest rate from the date thereof to maturity.
- H. Interest rates must be on an ascending scale, in that the interest rate for Bonds of any maturity may not be less than the interest rate stipulated for any preceding maturity.
- I. The right to reject bids for any reason deemed advisable by the Board and the right to waive any possible informalities, irregularities, or defects in any bid which, in the judgment of the Board, with the advice of the Fiscal Agent, shall be minor or immaterial, is expressly reserved.
- J. Bids must be made on forms which, together with an Official Statement, may be obtained at the office of the Treasurer of the University or from the Fiscal Agent, Dupree & Company, Inc., 167 West Main Street, Lexington, Kentucky 40507, phone (606) 254-7741. Bids must be enclosed in sealed envelopes marked "Proposal for 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", and bids must be received by the aforesaid Treasurer prior to the date and hour set for the sale.

- K. The original purchasers (the "Original Purchasers" or the "Purchasers") of the Bonds will pay the CUSIP Service Bureau charge for the assignment of CUSIP numbers, which numbers will be printed on the Bonds at no expense or cost to the Purchasers. Neither the failure to print a CUSIP number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Purchasers thereof to accept delivery of and pay for the Bonds in accordance with the terms of the purchase agreement.
- L. Delivery will be made on or about _____, 1987, at First Security National Bank & Trust Company, Lexington, Kentucky, at no additional cost or expense to the Purchasers, or elsewhere at the expense of the Purchasers.
- M. It shall be the responsibility of the Original Purchasers to furnish or cause to be furnished to the Payee Bank/Registrar at least five days prior to the date of delivery of the Bonds, a list of the names, addresses, social security numbers or employer identification numbers, principal amount, and maturities of each of the parties to whom the Bonds are to be registered. In the event of the failure to so furnish such list, the Bonds delivered to the Original Purchasers shall be registered in the name or names of such Original Purchasers or their designated representatives appearing as the first name on the successful Bid Form, or otherwise appropriately designated, and shall be issued in denominations corresponding to the principal amount of each respective maturity, as shall be determined by the Trustee-Registrar. The Registrar shall issue and deliver to each respective member of the Original Purchasers, within three business days after their initial delivery of the Bonds fully registered Bond Certificates for each registered owner designated as above provided.
- N. Upon wrongful refusal of the Purchasers to take delivery of and pay for the Bonds in Federal Funds when tendered for delivery, the amount of the good faith check shall be forfeited by such Purchasers, and such amount shall be deemed liquidated damages for such default, provided, however, if such Bonds are not ready for delivery and payment within forty-five (45) days from the date of sale herein provided for, said Purchasers shall be relieved of any liability to accept the Bonds hereunder.
- O. Bidders are advised that Dupree & Company, Inc., Lexington, Kentucky, has been employed as Fiscal Agent in connection with the issuance of these Current Bonds. Their fee for services rendered with respect to the sale of the Current Bonds is

contingent upon the issuance and delivery of the Current Bonds. They may submit a bid for the purchase of the Current Bonds at the time of the advertised public sale of the Current Bonds, either individually or as members of a syndicate organized to submit a bid for the purchase of the Current Bonds.

E. ADDITIONAL SALE PROVISIONS.

12. If upon the basis of the foregoing, the Board shall accept a purchase bid for the \$35,690,000 of Current Bonds, or for the permissible adjusted amount thereof, the Board shall adopt a Resolution to that effect, supply proper evidence of such acceptance to the bidder submitting the accepted purchase bid, and thereafter the appropriate documents evidencing the sale of the Bonds and necessary for the delivery thereof shall be executed. The Board shall also at the time of acceptance of such successful bid, authorize the publication of the appropriate Notice of Redemption of Bonds with reference to the Prior Bonds to be called for redemption in advance of maturity.

13. The Purchasers will have no expense other than the bid price, and, as herein provided, the cost of CUSIP numbers, in connection with the Current Bonds (and additional closing expense if delivery of the Bonds is requested by the Purchasers at a place other than the Registrar). The Board (through the Fiscal Agent) will provide the printed Fully Registered Bonds. The Board will furnish to the Purchaser the customary No Litigation Certificate and the final, approving Legal Opinion of Rubin & Hays, Municipal Bond Attorneys, Louisville, Kentucky, approving the legality of the Bonds, together with a separate Legal Opinion of Haynes & Miller, Washington, D. C., as to compliance with the "Arbitrage Rules" of Section 148 of the Internal Revenue Code) of 1986, as amended.

F. SPECIAL TAX EXEMPTION CONSIDERATIONS.

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

The Board (or its Executive Committee) certifies that the Current Bonds are not "private activity bonds" within the meaning of the Code, and the Board (or its Executive Committee) has been advised by Bond Counsel and therefore believes that interest on the Current Bonds is not included as an item of tax preference in calculating the alternative minimum tax for

individuals. However, the Board has been advised that the Current Bonds are not "qualified tax-exempt obligations" for bank investments and that banks are not permitted to deduct the interest cost attributable to the purchase of the Current Bonds.

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

1. Although interest on these Bonds received by corporations will not constitute an item of "tax preference" to such corporations, such interest will be included when making the adjustment for book income in calculating the alternative minimum taxable income of corporations.
2. Interest on the Current Bonds will be included in the measure of modified alternative minimum taxable income for purposes of computing the environmental tax imposed on corporations.
3. Property and casualty insurance companies are required for taxable years beginning after December 31, 1986, to reduce the amount of their deductible underwriting losses by 15% of the amount of tax-exempt interest received or accrued on obligations acquired after August 7, 1986, including the Current Bonds. If the amount of this reduction exceeds the amount otherwise deductible as losses incurred, such excess may be included in income.
4. Interest on the Current Bonds will be included in calculating the earnings and profits of the United States of America branch of a foreign corporation attributable to income which is effectively connected (or treated as effectively connected) with a United States of America trade or business for purposes of the branch profits tax imposed by the Code.

The Board (or its Executive Committee) reserves the right to amend the Resolution authorizing the Current Bonds without obtaining the consent of the owners of the Current Bonds (i) to whatever extent shall, in the opinion of Bond Counsel be deemed necessary to assure that interest on the Current 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 Bondowners to eliminate or reduce any restrictions concerning the Projects, the investment of the proceeds of the Current Bonds, or the application of such proceeds or of the revenues of the Projects. The purchasers of the Current Bonds are deemed to have relied fully upon these covenants and undertakings on the part of the Board (or its Executive Committee) as part of the consideration for the purchase of the Current Bonds. To the extent that the Board (or its Executive Committee) obtains an opinion of nationally recognized Bond Counsel to the effect that noncompliance with any of the covenants contained in the Bond Resolution or referred to in this document would not subject interest on the Current Bonds to Federal income taxes or Kentucky income taxes, the Board (or its Executive Committee) shall not be required to comply with such covenants or requirements.

Bond Counsel will render the customary opinion as to exemption of principal of the Current Bonds from Kentucky ad valorem taxation and as to exemption of interest on the Current Bonds from Federal and Kentucky income taxation, based on the assumption by Bond Counsel that the Board (or its Executive Committee) complies with covenants made by the Board (or its Executive Committee) with respect to compliance with the provisions of the Code, subject to the exceptions set out above, and based on the assumption of compliance by the Board (or its Executive Committee) 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 Current Bonds. Bond Counsel are of the opinion that, based on the foregoing assumption of compliance, the Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code.

The opinion of Bond Counsel will state that they have relied upon the opinion of Haynes & Miller, Washington, D. C., Special Tax Counsel, that the Bonds are not "Arbitrage Bonds" within the meaning of the Internal Revenue Code of 1986, as amended.

15. Bond Counsel and Special Tax Counsel have reviewed the Official Statement with regard to all matters pertaining to the legality and tax exemption of the Current Bonds, including statements concerning the Board (or its Executive Committee) and the purpose and security of the Current Bonds; but Bond Counsel and Special Tax Counsel have not reviewed the financial data concerning the Board (or its Executive Committee) and the University in the Official Statement, and express no opinion thereon and assume no responsibility in connection therewith.

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

17. If, prior to the delivery of the Current Bonds, any event shall occur which alters such tax-exempt status, the Purchasers shall have the privilege of voiding the purchase contract by giving immediate written notice to the Board (or its Executive Committee), whereupon the amount of the good faith deposit of the Purchasers will be returned to the Purchasers, and all respective obligations of the parties will be terminated. The Board (or its Executive Committee) will accept a bid or reject all bids on the date stated at the beginning of this instrument and will immediately return all good faith checks of the respective unsuccessful bidders.

18. The Purchasers will be required to take delivery of the Bonds at a place to be designated by the Purchasers, as indicated, within 45 days from the date of the sale. However, it is contemplated that the Bonds will be delivered on a date during such period as may be designated by representatives of the Board (or its Executive Committee), and the Purchasers will be required to accept delivery of and pay for the Current Bonds on any designated date within such 45 day period upon notice being given at least five business

days prior to the designated delivery date. (Signed) Henry Clay Owen,
Treasurer, Board of Trustees, University of Kentucky, Lexington, Kentucky
40506.

ESCROW AGREEMENT

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

This ESCROW AGREEMENT, dated as of May ____, 1987, by and between the UNIVERSITY OF KENTUCKY, a body corporate, as an educational institution and agency and a political subdivision of the Commonwealth of Kentucky, Lexington, Kentucky 40506, acting pursuant to the provisions of Sections 162.340 to 162.380, 164.595, et seq., and 58.010 through 58.140 of the Kentucky Revised Statutes, party of the first part (the "University"), and FIRST SECURITY NATIONAL BANK & TRUST COMPANY, a national banking association, One First Security Plaza, Lexington, Kentucky 40507, having trust powers and a member of the Federal Deposit Insurance Corporation, party of the second part (the "Escrow Agent"),

W I T N E S S E T H :

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

1. The Escrow Agent will hold a special account, designated as the "University of Kentucky Consolidated Educational Buildings Refunding Revenue Bonds, Series G, H, and I Escrow Fund of 1986" (the "Escrow Fund"), created in Section 3.07(a) of the Bond Resolution adopted by the Board of Trustees of the University (the "Board") on March 3, 1987, authorizing the issuance and sale of \$35,690,000, which amount has been adjusted to \$_____ of 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 (the "Current Bonds"), by a Resolution adopted by the _____ on _____, 1987, accepting the successful bid for the purchase of said Current Bonds.

2. The Escrow Agent will accept investments for deposit in the Escrow Fund (all investments in the Escrow Fund being hereinafter sometimes referred to as the "Investments") in direct obligations of the United States Government (hereinafter collectively referred to as the "U. S. Obligations") and/or evidence of such Investments (through so-called Federal "bookkeeping entries"), all of which Investments shall be scheduled to mature and be available at such times and in such amounts as are adequate and necessary, together with any uninvested cash, 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 requirements of the following outstanding University of Kentucky Consolidated Educational Buildings Revenue Bonds:

- (i) Series G Bonds, dated April 1, 1983, scheduled to mature on May 1, 1994, and thereafter, and scheduled to be redeemed on May 1, 1993, in advance of maturity;

- (ii) Series H Bonds, dated March 1, 1983, scheduled to mature on May 1, 1994, and thereafter, and scheduled to be redeemed on May 1, 1993, in advance of maturity; and
- (iii) Series I Bonds, dated October 1, 1985, scheduled to mature on and after May 1, 1997, and scheduled to be redeemed on May 1, 1996, in advance of maturity.

(The outstanding Series G, H, and I Bonds are hereinafter referred to as the "Prior Bonds", and the outstanding Series G, H, and I Bonds which are scheduled to be redeemed in advance of maturity are hereinafter referred to as the "Called Prior Bonds") and

(b) To redeem on May 1, 1993, through payment of the principal, redemption premium, and interest, all of the Series G Bonds scheduled to mature on May 1, 1994 and thereafter, and all of the Series H Bonds scheduled to mature on May 1, 1994 and thereafter; and to redeem on May 1, 1996, all of the Series I Bonds scheduled to mature on May 1, 1997 and thereafter; but without providing in this Escrow Agreement for the payment of the principal of and/or interest on any of the outstanding Prior Bonds falling due on and before the scheduled maturity dates of any of such Called Prior Bonds, since such other (Noncalled) Prior Bonds and interest thereon are not being defeased prior to maturity.

3. The University has agreed and the Escrow Agent has been informed that the aggregate proceeds (\$) received from the Purchasers of the Current Bonds, consisting of \$ (purchase price) plus \$ accrued interest from May 1, 1987 to , 1987, shall be applied, together with other funds in the amount of \$, furnished by the University, to pay the respective parties and to transfer funds to said Escrow Fund in accordance with Exhibit B attached hereto, so that the total sum of \$ shall be deposited in such Escrow Fund.

4. Amounts on deposit in the Escrow Fund shall be held in trust for the benefit of the owners of the Prior Bonds, in such Escrow Fund, and all Investments therein shall be held in such Escrow Fund, subject to the following terms and conditions:

(a) The amount to be provided by both the principal and interest from the investments in U. S. Obligations therein shall be sufficient (when supplemented by any uninvested cash and/or other funds) and shall be available in ample time to meet the requirements specified in paragraph 2 hereof.

(b) On or immediately prior to each of the semiannual interest payment dates (May 1 and November 1) and annual principal payment dates (May 1) of the Called Prior Bonds, the necessary amounts of Investments in the Escrow Fund shall be converted to cash by the Escrow Agent for the benefit of the holders of the respective Called Prior Bonds and the interest payments falling due thereon on such respective dates, and shall be earmarked and applied for the payment of such respective interest payments falling due on such respective dates through said respective redemption dates (May 1, 1993 and May 1, 1996).

(c) On or immediately prior to May 1, 1993, a sufficient amount of Investments in the Escrow Fund shall be converted to cash by the Escrow Agent for the benefit of the holders of the Called Prior (Series G and H) Bonds scheduled to mature on and after May 1, 1994, and for the benefit of the University, and the sum of \$ _____ shall be earmarked and applied for the redemption on May 1, 1993, of all of such Called Prior (Series G and H) Bonds.

(d) On or immediately prior to May 1, 1996, a sufficient amount of Investments in the Escrow Fund shall be converted to cash by the Escrow Agent for the benefit of the holders of the Called Prior Series I Bonds scheduled to mature on and after May 1, 1997, and for the benefit of the University, and the sum of \$ _____ shall be earmarked and applied for the redemption on May 1, 1996, of all of such Called Series I Bonds called for redemption on May 1, 1996.

(e) The total amount due on May 1, 1993 and May 1, 1996 (the redemption dates of the Called Prior Bonds) is \$ _____, calculated as follows:

Principal due on Series G Bonds	
called for redemption on May 1, 1993	\$
Redemption Premium on Series G Bonds	
called for redemption on May 1, 1993	
Interest due on all Series G Bonds on	
May 1, 1993	_____
Total amount due on May 1, 1993 on all Series	
G Bonds, including those called for	
redemption on May 1, 1993	\$
Principal due on Series H Bonds called	
for redemption on May 1, 1993	\$
Redemption Premium on Series H Bonds	
called for redemption on May 1, 1993	
Interest due on all Series H Bonds on	
May 1, 1993	_____
Total amount due on May 1, 1993 on all Series	
H Bonds, including those called for	
redemption on May 1, 1993	\$
Total amount due on May 1, 1993 on Series	
G Bonds and Series H Bonds	\$
Principal due on Series I Bonds called for	
redemption on May 1, 1996	\$
Redemption premium due on Series I Bonds	
called for redemption on May 1, 1996	
Interest due on all Series I Bonds on	
May 1, 1996	_____

Total amount due on May 1, 1996 on all Series I
Bonds, including those called for redemption
on May 1, 1996

\$

5. (a) All Investments in the Escrow Fund are to be held by the Escrow Agent for the equal and ratable benefit of the owners of the Called Prior Bonds. The Escrow Fund is irrevocable and the owners of the Called Prior Bonds shall have an express lien on all monies and investments in the Escrow Fund until used and applied in accordance herewith.

(b) As of the respective dates, May 1 and November 1 of each year, that sums are due for payment of interest, principal, and redemption premium, as applicable, on the respective Called Prior Bonds, the amounts required on such dates shall be transferred to a special (Escrow) Bond and Interest Payment Account and held in trust by the Escrow Agent and earmarked by the Escrow Agent for the payment of the respective amounts due on said respective Called Prior Bonds, and such funds shall, to the extent that, and so long as, such funds shall be in excess of the FDIC insured amount, be earmarked and secured by the Escrow Agent by a pledge of an equivalent amount of U. S. Obligations.

(c) Since (1) Chemical Bank, New York, New York, and Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois (the "Alternate Series G Payee Banks") are co-paying agents, with the Escrow Bank on the Series G Bonds, and (2) Chemical Bank, New York, New York (the "Alternate Series H Payee Bank") is the co-paying agent on the Series H Bonds, the Escrow Agent agrees that it shall make available to such respective Alternate Payee Banks whatever amounts shall be necessary and in ample time to enable each Alternate Payee Bank to pay bonds and/or coupons of the Series G and H Bonds, respectively, which shall be presented to such respective Alternate Payee Banks for payments.

6. After the application by the Escrow Agent of sufficient funds to accomplish the refunding, redemption, and retirement of the Called Prior Bonds, any surplus remaining after May 1, 1993, and May 1, 1996, respectively, shall be transferred by the Escrow Agent to the University and shall be deposited into the Bond Fund and treated the same as all other amounts deposited therein, subject to the provisions of paragraph 9 hereof.

7. In the event of any violation of this Agreement which is not cured by the appropriate party within ten (10) days after written notice to cure such violation, the Escrow Agent agrees to send written notice of such violation to (a) the University; (b) the Finance and Administration Cabinet of the Commonwealth of Kentucky; (c) the original purchasers of the Prior Bonds; (d) the original purchasers of the Current Bonds; and (f) the Fiscal Agent with respect to the Current Bonds, viz., Dupree & Company, Inc., 167 West Main Street, Lexington, Kentucky 40507.

8. Upon the sending of such Notice, the Escrow Agent may take any one or more of the following steps, and such Escrow Agent shall, at the request of the University, or any owner of the Called Prior Bonds and/or the Current Bonds, and upon the Escrow Agent being indemnified against any and all costs and expenses in connection therewith, take any and all of the following steps:

- (a) Sell such deposited Investments, or so much thereof, as shall be deemed by the Escrow Agent to be necessary to prevent any of the Called Prior Bonds from being in default as to principal redemption premium, and/or interest, and to assure the availability of sufficient funds to meet the requirements of paragraph 2 hereof; such sale to be at a public or private sale, and in such commercially feasible manner as shall, to the Escrow Agent, be deemed appropriate. Any such sale shall be free of any and all rights, interests, and equities of the University; provided such rights, interest and equities, if any, shall attach to the net proceeds of the sale, if any, after satisfying all principal and interest requirements of the Called Prior Bonds.
- (b) In the event of a sale of such Investments, the Escrow Agent shall apply the proceeds as follows:
 - (1) to the payment of the expenses of the sale, including any necessary legal fees;
 - (2) to the payment of the principal, premium, and interest requirements of the Called Prior Bonds;
 - (3) the balance, if any, to be paid to the University for credit to the Bond Fund; provided, however, that if the net proceeds shall be insufficient to pay the aforesaid expenses, plus the principal and interest requirements of the Called Prior Bonds, the Escrow Agent shall, upon similarly being indemnified, take all necessary action deemed advisable to accomplish such payment, including a request to the University to provide the deficiency.

In the event of any such sale of the Investments, the Escrow Agent shall immediately re-invest the net proceeds (after expenses) in other pledged securities meeting the requirements of paragraph 2 hereof, which pledged securities shall be similarly held for the account of said Escrow Fund.

9. The parties hereto agree that all of the foregoing provisions are binding on each of the parties until and including May 1, 1996, the final redemption date of the Called Prior (Series I) Bonds, provided the duties of the Escrow Agent as Escrow Agent and as Trustee and Payee Bank of the Called Prior Bonds shall continue beyond May 1, 1996, with regard to any amount then held by the Escrow Agent with reference to the Called Prior Bonds (and coupons) which have not yet been presented for payment (and/or checks which have not yet been cashed) which have matured and/or which will then have been duly called for redemption prior to maturity, such duties to continue until such amounts are required by State Law to be escheated to the State or by the provisions of the Prior Resolution or the Current Resolution, to be transferred to the University.

10. In the event of the failure by the Escrow Agent to perform any functions required herein, after seven days' written notice to perform, the University shall have the right to (a) designate a successor escrow agent to replace the Escrow Agent named herein, which successor must be an FDIC Bank; or (b) take direct action, when appropriate to carry out the duties and functions of the Escrow Agent herein.

11. The 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 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 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.

12. The 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 Escrow Agent shall be responsible only for amounts or investments actually received by the Escrow Agent and shall not be responsible in any manner whatsoever for the recitals or statements contained herein, or in the Prior Bonds, or in the Current Bonds, or in any proceedings taken in connection therewith, but the same are made solely by the University. The 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 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 Escrow Agent shall be under no liability for interest on any funds or other property received by it hereunder, except as herein expressly provided.

13. This Agreement is made for the benefit of the University and the owners from time to time of the Called Prior 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 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 Section, including the extent, if any, to which any change affects the rights of the holders of the Called Prior Bonds and/or is in compliance with the conditions and provisions of this Section.

14. If at any time there shall be insufficient funds on hand in the Escrow Fund for the payment of principal of and interest on the Called Prior Bonds, the Escrow Agent shall promptly notify the University of such deficiency, and the University shall immediately supply such deficiency from funds of the University available therefor.

15. The Escrow Agent shall on or before the 1st day of September of each year, deliver to the University a report of the financial condition of the Escrow Fund as of June 30 of such year and an operating statement for the Escrow Fund for the year ending June 30 of such year.

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, and original.

FIRST SECURITY NATIONAL BANK &
TRUST COMPANY
Lexington, Kentucky

UNIVERSITY OF KENTUCKY
Lexington, Kentucky

By _____
Signature

By _____
Chairman

Title

By _____

RESOLUTION AUTHORIZING THE ISSUANCE

OF

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

INDEX TO RESOLUTION AUTHORIZING THE ISSUANCE OF
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

<u>SECTION</u>	<u>TITLE</u>	<u>PAGE</u>
	ARTICLE I - Authority and Definitions	4
1.01	Authority	4
1.02	Definitions	4
	ARTICLE II - Authorization of Current Bonds, Series G (Second Series) Series H (Second Series) and Series I (Second Series)	9
2.01	Authorization of Current Bonds; Possible Adjustment in Total Amount of Bonds to be Issued	9
2.02	Purpose	10
2.03	Date of the Current Bonds	10
2.04	Current Bonds to be Issued as Fully Registered Bonds	10
2.05	Numbering and Maturities	10
2.06	Interest Payment Dates	11
2.07	Registered Owners	12
2.08	Payee Bank and Payment of Bonds	12
2.09	Execution of Bonds; Authentication by Registrar; Transferability	12
2.10	Provisions as to Prior Redemption	15
	(a) Redemption Prior to Maturity	15
	(b) Redemption of Less Than All of a Single Bond	16
	(c) Notice of Redemption	16
2.11	Designation of Trustee (Bond Registrar, Transfer Agent, and Payee Bank	17
2.12	Security for Current Bonds; Statutory Mortgage Lien; Revenue Pledge	18
2.13	Authentication of Bonds	19
2.14	Form of Bonds	19
	ARTICLE III - Public Sale of Current Bonds; Application of Proceeds; Escrow Fund; Payment and Redemption of Part of the Series G, H, and I Bonds; Compliance with Parity Requirements	29
3.01	Advertisement of Current Bonds for Sale	29
3.02	Acceptance of Bid for Larger or Lesser Amount of Bonds	33

<u>SECTION</u>	<u>TITLE</u>	<u>PAGE</u>
3.03	Determination that Advance Refunding of Part of the Series G, H, and I Bonds is to the Best Advantage and in the Public Interest of the Board and of the University	33
3.04	Compliance with Parity Requirements of Resolution	34
3.05	The Revenue Fund; Transfers to Provide for Requirements of Current Bonds	35
3.06	Adjustments in the Debt Service Reserve	37
3.07	Disposition of Proceeds of Current Bonds; Escrow Fund; Investment Provisions; Arbitrage Limitations	38
	(a) Deposit of Required Amount into Escrow Fund; Approval of Escrow Agreement	38
	(b) Escrow Fund to be Earmarked, Pledged, and Held in Trust to Meet Requirements of Called Series G, H, and I Bonds	41
	(c) Deposit of Collected Accrued Interest Into Bond Fund	42
	(d) Fees of Trustee, Payee Bank, and Escrow Bank	42
	(e) Cost of Issuance Account	42
3.08	Authorization to Subscribe for Government Securities and/or to Purchase Other Permitted Investments	43
3.09	Called Prior Bonds Will Have Been Fully Provided for Through the Escrow Fund	44
3.10	Federal Limitations on Investment of Funds	44
	ARTICLE IV - Miscellaneous Concluding Provisions	47
4.01	All Provisions of Basic Resolution, and Various Series Resolutions are Hereby Readopted, Ratified, and Confirmed	47
4.02	Ratification of Previous Appointment of Trustee to Serve as Registrar, Transfer Agent, and Payee Bank; Appointment of Trustee to Serve Also as Escrow Agent; Additional Duties	47
4.03	Replacement by Board of Registrar, Transfer Agent, Payee Bank, Depository Bank, and/or Escrow Bank	48
4.04	Covenant of Board to Take All Action Necessary to Assure Compliance With the Internal Revenue Code of 1986, as Amended	48
4.05	Resolution Contractual With Bondowners	51
4.06	Specific Reservation of Right to Advance Refund and Defeasement All or Any Part of Noncalled Prior Bonds	51
4.07	Provisions in Conflict are Repealed	51
4.08	Copy to be Filed with Trustee	51

<u>SECTION</u>	<u>TITLE</u>	<u>PAGE</u>
CERTIFICATION		52
ACCEPTANCE BY FIRST SECURITY NATIONAL BANK & TRUST COMPANY, LEXINGTON, KENTUCKY, AS BOND REGISTRAR, TRANSFER AGENT, PAYEE BANK, AND ESCROW BANK		53

A RESOLUTION AUTHORIZING THE ISSUANCE OF 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.

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

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

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

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

WHEREAS, the Board has heretofore issued its Consolidated Educational Buildings Revenue Bonds, Series A (which have now been retired), Series B, Series C, Series D, Series E, Series F, Series G, Series H, and Series I, in compliance with the conditions set forth in Section 7.10 of the Basic Resolution relative to the issuance of said respective Bonds on a basis of parity and equality (after the issuance of the Series A Bonds) as to security and source of payment with the outstanding Bonds of the respective series, and

WHEREAS, there are presently outstanding \$15,945,000 of the Series G Bonds, dated April 1, 1983, bearing interest at rates ranging from 7.25% per annum to 9.30% per annum, scheduled to mature on May 1 in each of the respective years, 1987 through 2003, and

WHEREAS, there are presently outstanding \$8,285,000 of the Series H Bonds, dated March 1, 1983, bearing interest at rates ranging from 6.75% per annum to 8.70% per annum, scheduled to mature on May 1 in each of the respective years, 1987 through 2003, and

WHEREAS, there are presently outstanding \$16,100,000 of the Series I Bonds, dated October 1, 1985, bearing interest at rates ranging from 7.25% per annum to 9.25% per annum, scheduled to mature on May 1 in each of the respective years, 1987 through 2006, and

WHEREAS, because of favorable interest rates currently available in the marketplace, the Board has determined that (1) the \$11,970,000 of Series G Bonds scheduled to mature on May 1, 1994 and thereafter, which are subject to prior redemption on or after May 1, 1993, be advance refunded and called for redemption on May 1, 1993, which is the earliest date permitted by the Series G Resolution; (2) the \$6,230,000 of Series H Bonds scheduled to mature on May 1, 1994 and thereafter, which are subject to prior redemption on or after May 1, 1993, be advance refunded and called for redemption on May 1, 1993, which is the earliest date permitted by the Series H Resolution; and (3) the \$11,310,000 of Series I Bonds scheduled to mature on May 1, 1997 and thereafter, be advance refunded and called for redemption on May 1, 1996, which is the earliest date permitted by the Series I Resolution, and that the Board authorize the issuance and sale of \$35,690,000 (which amount is subject to adjustment as hereinafter provided) of 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, for the purpose of providing funds to effect such advance refunding and redemption,

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

ARTICLE I - Authority and Definitions.

Section 1.01. Authority.

This resolution (hereinafter referred to as the "Series G, H, and I Refunding Resolution", "this Refunding Resolution", or the "Current Bond Resolution") is adopted in accordance with Article II, Section 2.03, and Article VII, Section 7.10, of the Basic Resolution.

Section 1.02. Definitions.

(A) All terms which are defined in Article I of the Basic Resolution (as clarified and supplemented) shall have the same meanings, respectively, in this Refunding Resolution as such terms are given in said Article of such Basic Resolution.

(B) In this Refunding Resolution, the following terms will have the following respective meanings:

"ALL BONDS" refers to all bonds outstanding against and payable from the revenues of the Project, including (a) the Series B, C, D, E, and F Bonds (all of the Series A Bonds having been fully paid), plus (b) the Noncalled Prior Bonds, (c) the Current Bonds, and (d) any and all future bonds ranking on a parity therewith.

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

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

"BOND REGISTER" means the books and records maintained by the Bond Registrar as to the registered ownership and transfers of ownership of the Series G (Second Series), Series H (Second Series), and Series I (Second Series), from time to time.

"BOND COUNSEL" refers to a nationally recognized firm of Bond Counsel, including the firm of Rubin & Hays, Municipal Bond Attorneys, Suite 300, 209 South Fifth Street, Louisville, Kentucky, which firm has prepared the legal proceedings for the issuance of the Current Bonds, has furnished all the customary services of Bond Counsel in this financing, and will continue to furnish such services until the Current Bonds are delivered and paid for, including the rendering of the final approving legal opinion with regard to the legality of the Current Bonds and the tax exemption of the interest thereon. A separate legal opinion will be rendered by the law firm of Haynes & Miller, Washington, D. C., Special Tax Counsel, and relied upon entirely by Bond Counsel that the Current Bonds are not "arbitrage bonds" within the meaning of the United States Internal Revenue Code of 1986, as amended.

"BOND REGISTRAR", "REGISTRAR", "TRUSTEE", "TRUSTEE-REGISTRAR", "PAYEE BANK", or "TRANSFER AGENT" refers to the First Security National Bank & Trust Company, Lexington, Kentucky 40507, which shall constitute the Bond Registrar, Transfer Agent, Payee Bank, and Trustee with respect to the Current Bonds authorized herein, which Bank shall have the duties and responsibilities of (a) issuing semi-annual checks in payment of interest requirements as to the Current Bonds, (b) payment of the principal as same mature upon surrender of the Current Bonds, (c) authenticating, issuing, and delivering the Current Bonds to the Original Purchasers of same in accordance with the sale of the Current Bonds, at the direction of the Board, (d) maintaining the Bond Register, (e) handling exchanges, cancellations, reissuance, redemption, and all appurtenant duties of a Bond Registrar and Transfer Agent with respect to the Current Bonds, as hereinafter set out, and (f) serving as Depository of all funds in connection with the Current Bonds and all outstanding Series B, C, D, E, F, G, H, and I Bonds. Provided, however, it is understood that the Board reserves the right to designate a different FDIC instrumentality to perform any and all of such functions of Bond Registrar, Transfer Agent, and Payee Bank as to the Current Bonds and any future Bonds.

"CALLED SERIES G BONDS" refers to the Series G Bonds falling due on and after May 1, 1994, which are scheduled to be redeemed on May 1, 1993.

"CALLED SERIES H BONDS", refers to the Series H Bonds falling due on and after May 1, 1994, which are scheduled to be redeemed on May 1, 1993.

"CALLED SERIES I BONDS" refers to the Series I Bonds falling due on and after May 1, 1997, which are scheduled to be redeemed on May 1, 1996.

"CALLED PRIOR BONDS" or "CALLED SERIES G, H, AND I BONDS" refers to the Called Series G Bonds, Called Series H Bonds, and Called Series I Bonds, and such term does not include the (Noncalled) Prior Bonds scheduled to mature on and prior to the scheduled maturity dates of the Called Prior Bonds.

"CODE" or "INTERNAL REVENUE CODE" refers to the United States Internal Revenue Code of 1986, as amended.

"CURRENT BOND RESOLUTION", THIS CURRENT BOND RESOLUTION", or "THIS RESOLUTION" refers to this Resolution authorizing the Current Bonds.

"CURRENT BONDS" refers to the \$35,690,000 (which amount is subject to adjustment) of Bonds authorized herein, bearing the designation "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".

"DEBT SERVICE RESERVE" refers to the portion of the Bond Fund in excess of the aggregate Principal, Interest, and Bond Fund Charges of All Bonds for the ensuing year, which excess portion shall constitute the "Debt Service Reserve" created and provided for in Section 405(3) of the Basic Resolution.

"ESCROW AGENT" or "ESCROW BANK" refers to the First Security National Bank & Trust Company, Lexington, Kentucky, where funds will be deposited to pay the principal of, premium, where applicable, and interest falling due on the Called Prior Bonds, as same shall be called for redemption in advance of maturity. Provided that since the First Security National Bank & Trust Company, Lexington, Kentucky, and the Chemical Bank, New York City, New York (the "Alternate Bank") are the Payee Banks as to the Series G (Prior) Bonds, and the Series H (Prior) Bonds, arrangements will be made between the Escrow Bank and Alternate Bank for transfer by the Escrow Bank to The Alternate Bank of sufficient funds to meet the interest on any of the Called Prior Bonds presented for payment to the Alternate Bank, in ample time prior to May 1 and November 1 of each year prior to the redemption date of the Called Prior Bonds and to meet principal, redemption premium, and interest payments due thereon on such redemption date.

"ESCROW FUND" refers to the University of Kentucky Consolidated Educational Buildings Refunding Revenue Bonds, Series G, H, and I Escrow Fund of 1987, created in this Current Resolution.

"FISCAL AGENT" refers to Dupree & Company, Inc., 167 West Main Street, Lexington, Kentucky 40507.

"INVESTMENTS" refers to investments of funds on deposit in the Escrow Fund created herein, and includes the following:

- (1) Bonds, Notes or Treasury Bills which are direct obligations of the United States of America, including such obligations known as "Strips", which may be Coupon Bonds without any (attached) interest coupons or Coupons without attached Bonds;

(2) Obligations fully guaranteed by the United States of America, including book-entry obligations of the United States Treasury - State and Local Government Series.

"NONCALLED PRIOR BONDS" or "NONCALLED SERIES G, H, AND I BONDS" refers to the Series G, H, and I Bonds scheduled to mature prior to the scheduled maturities of the Called Prior Bonds, and which will not be redeemed prior to maturity.

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

"PRIOR SERIES G BOND RESOLUTION" refers to the (Amended) Resolution duly adopted by the Board on March 1, 1983, authorizing the Prior Series G Bonds.

"PRIOR SERIES H BOND RESOLUTION" refers to the Resolution duly adopted by the Board on January 25, 1983, authorizing the Prior Series H Bonds.

"PRIOR SERIES I BOND RESOLUTION" refers to the Resolution duly adopted by the Board on September 17, 1985, authorizing the Prior Series I Bonds.

"PRIOR BONDS" refers to the outstanding Bonds of the original authorized issues of Series G, H, and I Bonds.

"REGULAR RECORD DATE" shall mean with respect to any Interest Payment Date, the close of business on April 15 or October 15, as the case may be, next preceding such Interest Payment Date, whether or not such April 15 or October 15 is a business day.

"REQUIRED CURRENT DEBT SERVICE RESERVE ACCUMULATION" refers to the amount required at any given time to have been accumulated toward the goal of the "Required Debt Service Reserve", based on all outstanding Series of Bonds issued, including the additional amounts required to have been deposited in each year to date (and scheduled to continue for a period of four years) in such Reserve as a result of the issuance of one or more additional Series of Bonds, until the total Required Debt Service Reserve is accumulated.

"REQUIRED DEBT SERVICE RESERVE" refers to the amount required to be accumulated and maintained in the Debt Service Reserve portion of the Bond Fund, which required amount is an amount equal to 100% of maximum Aggregate Principal, Interest, and Bond Fund Charges falling due on All Bonds in any 12 month period.

"SPECIAL TAX COUNSEL" refers to a nationally recognized firm of tax counsel, including the firm of Haynes & Miller, 1156 Fifteenth Street N.W., Washington, D. C. 20005, which firm is rendering the separate legal opinion of Special Tax Counsel being relied upon entirely by Bond Counsel to the effect that the Current Bonds are not "arbitrage bonds" within the meaning of the Code.

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

ARTICLE II - Authorization of Current Bonds, Series G (Second Series), Series H (Second Series) and Series I (Second Series)

Section 2.01. Authorization of Current Bonds; Possible Adjustment in Total Amount of Bonds to be Issued.

Pursuant to the provisions of the Basic Resolution, and for the purpose of accomplishing the refinancing, refunding, and redemption set out in the recitals hereof, which recitals are hereby adopted, consisting of the refinancing, refunding, and redemption of the "Called Prior Bonds" (the Series G Bonds scheduled to mature on and after May 1, 1994 the Series H Bonds scheduled to mature on and after May 1, 1994, and the Series I Bonds scheduled to mature on and after May 1, 1997), there are hereby authorized to be presently issued and sold 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 (the "Current Bonds") in the aggregate principal amount of Thirty-Five Million Six Hundred Ninety Thousand Dollars (\$35,690,000), dated and bearing interest from May 1, 1987, which amount may be adjusted to whatever extent may be deemed by the Board to be necessary to accomplish such refunding.

The final size of the Bond issue will be calculated to provide the greatest economic advantage to the Board on the refunding project financed by the Bonds, and to achieve generally level annual debt service payments. The Original Purchasers of the Current Bonds will be required to accept the final Bond issue as so computed, whether the size of the Bond issue is increased or decreased, and to pay the same purchase price per \$1,000 of Bonds of the adjusted size of the Bond issue as the purchase price bid in such successful bid. It is expected, although no absolute assurance can be given, that the final size of the Bond issue will be closely modeled to the Schedule of

Principal Amounts listed in the Official Bid Form and in the maturity schedule in Section 2.05 of this Current Bond Resolution, provided that, on a percentage basis, the adjustment required for the entire issue will be nearly equal to the adjustment made within each maturity.

The Current Bonds shall mature serially on May 1 of the respective years as set out below, and shall bear interest payable semiannually on the first days of May and November of each year, beginning November 1, 1987, at an interest rate or rates to be fixed by supplemental Resolution of the Board as a result of the advertised sale of the Current Bonds.

Section 2.02. Purpose.

The Current Bonds are being issued for the purpose of refinancing, advance refunding, and redeeming the outstanding Called Prior Bonds (but not the Noncalled Series G, H, and I Bonds) in order to accomplish an interest cost savings to the University, as hereinafter specified.

Section 2.03. Date of the Current Bonds.

Except as set out in Section 2.06 hereof, the Current Bonds shall be dated May 1, 1987, and shall bear interest payable semiannually on each Interest Payment Date (November 1 and May 1 of each year), commencing November 1, 1987.

Section 2.04. Current Bonds to be Issued as Fully Registered Bonds.

The Current Bonds shall be issued only in fully registered form without coupons, in the denomination of \$5,000 or any authorized multiple thereof within a single maturity.

Section 2.05. Numbering and Maturities.

The Current Bonds shall be numbered consecutively from R-1 upward, or in such other manner as shall be determined by the Trustee-Registrar, and shall be scheduled to become due and payable on May 1 of the respective years, as follows:

<u>MATURITY DATE</u> <u>MAY 1</u>	<u>PRINCIPAL</u> <u>MATURITIES*</u>
1988	\$ 435,000
1989	400,000
1990	415,000
1991	435,000
1992	455,000
1993	480,000
1994	1,675,000
1995	1,775,000
1996	1,880,000
1997	2,745,000
1998	2,925,000
1999	3,115,000
2000	3,360,000
2001	3,515,000
2002	3,715,000
2003	4,020,000
2004	1,360,000
2005	1,450,000
2006	1,535,000

Section 2.06. Interest Payment Dates.

Each initially issued Bond and each Bond issued prior to the first Interest Payment Date (November 1, 1987) on the Bonds shall be dated as of and shall bear interest from May 1, 1987, payable on November 1 and May 1 of each year to maturity or earlier redemption. Each Bond issued (as a result of exchange or transfer) on or after such first Interest Payment Date on the Current Bonds shall be dated as of and shall bear interest from the Interest Payment Date next preceding the date on which such Bond is issued, unless such Bond is issued on an Interest Payment Date, in which case it shall be dated as of and shall bear interest from such date of issue.

*Subject to change

Section 2.07. Registered Owners.

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

Section 2.08. Payee Bank and Payment of Bonds.

The principal of (and premium, if any) and interest on the Current Bonds shall be payable in lawful money of the United States of America as same respectively become due, whether at maturity or by prior redemption. Principal of each Bond is payable upon surrender of same at the main office of the Trustee-Registrar. Interest on the Bonds shall be paid on each Interest Payment Date by check mailed by the Trustee-Registrar to the persons entitled thereto at the end of business on the Regular Record Date preceding each applicable Interest Payment Date, at the respective addresses appearing on the Bond Register.

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

Section 2.09. Execution of Bonds; Authentication by Registrar; Transferability.

The (printed) Current Bonds shall be executed on behalf of the Board with the reproduced facsimile signature of the Chairman of the Board, and the

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

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

At least five business days prior to the payment of the purchase price for the Bonds, which may also be the same time as the delivery of the Master Bond (the "Closing Date"), each of the Original Purchasers shall furnish to the Registrar the name, address, social security number or taxpayer identification number, principal amount, and maturities of each party to whom the Bonds shall have been resold and in whose name the respective Current Bonds are

to be registered. The Trustee-Registrar shall then issue and deliver to each respective Purchaser, not more than three business days following the Closing Date (which may involve delivery of the Master Bond to the Original Purchasers), fully registered printed Bond Certificates for each registered owner so designated, in substantially the same form as that set out in Section 2.14 hereof.

Pending the preparation of the definitive Bonds, the Board, through its Chairman and Secretary, may execute and, upon the Board's request, the Trustee-Registrar shall authenticate and deliver one or more temporary Bond(s) which are printed, lithographed, typewritten, mimeographed, or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, in fully registered form without coupons, and with such appropriate insertions, omissions, substitutions, and other appropriate and necessary variations as the officers of the Board executing such temporary Bond(s) may determine, as evidenced by their signing such temporary Bond(s).

Until exchanged for Bonds in definitive form, such temporary Bond(s) shall be entitled to the benefit and security of this Resolution. The Board shall, without unreasonable delay, prepare, execute, and deliver printed Bonds to the Purchasers and/or their designees, and thereupon, upon the presentation and surrender of the temporary Bond(s), such printed Bonds shall be delivered to the Purchasers and/or their designees in exchange therefor. Such exchange shall be made without the making of any charge therefor to any owner of the Current Bonds.

All of the Current Bonds shall be exchangeable and transferable upon the presentation and surrender thereof at the office of the Trustee-Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the

registered owner and/or his authorized representative, for a Bond or Bonds of the same maturity and interest rate and in the denomination of \$5,000 and/or a multiple thereof within a single maturity, in an aggregate principal amount or amounts equal to the unpaid principal amount of the Bond and/or Bonds presented for exchange. The Trustee-Registrar shall be and is hereby authorized to (authenticate and) deliver the exchange Bond in accordance with the provisions of this Section. Each exchange Bond delivered in accordance with this Section shall constitute an original contractual obligation of the Board and shall be entitled to the benefit and security of this Resolution to the same extent as the Bond or Bonds in lieu of which such exchange Bond is delivered.

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

Section 2.10. Provisions as to Prior Redemption.

(a) Redemption Prior to Maturity.

The Current Bonds maturing on and after May 1, 1998, shall be subject to redemption prior to maturity, at the option of the Board, on any Interest Payment Date on and after May 1, 1997, in inverse order of maturities

and by lot within a single maturity, at the following redemption prices (expressed as a percentage of principal amount) plus accrued interest to the date of redemption, as follows:

<u>Redemption Dates, Inclusive</u>	<u>Redemption Price</u>
May 1, 1997 through November 1, 1998	102%
May 1, 1999 through November 1, 2002	101%
May 1, 2003, and thereafter to maturity	100%

(b) Redemption of Less Than All of a Single Bond.

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

(c) Notice of Redemption.

The Trustee-Registrar shall give notice of any redemption by sending at least one such notice by United States mail, first class, postage prepaid, not less than 30 and not more than 60 days prior to the date fixed for redemption to the registered owner of each Current Bond to be redeemed in whole or in part, at the address shown on the Bond Register as of the date of mailing of such notice. The Trustee-Registrar may furnish one other form of such notice more than 60 days prior to the date fixed for redemption, provided at least one such notice shall be sent not less than 30 nor more than 60 days prior to such date. Such notice shall state the redemption date, the Redemption Price, the accrued interest payable on the redemption date, the place at which the Bonds

are to be surrendered for payment, and, if less than all of the Bonds outstanding are to be redeemed, an identification of the Bonds or portion thereof to be redeemed. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Bondowner receives such notice. Prior to each redemption date, the Trustee-Registrar shall make provision, to the extent funds are then available therefor, for the payment of the Redemption Price of the Bonds to be redeemed on such date by setting aside and holding in trust an amount sufficient to pay such Redemption Price. Upon presentation and surrender of any such Bond at the main corporate trust office of the Trustee-Registrar on or after the date fixed for redemption, the Trustee-Registrar shall pay the Redemption Price on such Bond (including accrued interest) from the funds set aside for such purpose.

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

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

Section 2.11. Designation of Trustee (Bond Registrar, Transfer Agent, and Payee Bank).

For the purpose of securing the payment of both the principal of and interest on all of the Current Bonds, and to secure for the benefit of all the owners thereof the faithful performance of the covenants and provisions contained in the Resolution in the manner and to the extent permitted and provided

in this Current Bond Resolution and in Sections 162.340, et seq., 164.595, and 58.010 through 58.140 of the Kentucky Revised Statutes, First Security National Bank & Trust Company, in the City of Lexington, Kentucky, is hereby designated as Trustee, Bond Registrar, Transfer Agent, and Payee Bank under the Basic Resolution and the Current Bond Resolution for the owners of all of said Current Bonds, with the powers and duties set forth in the Basic Resolution and in this Current Resolution and with no liability in connection with any action or omission to act under the Basic Resolution or under this Current Resolution except for its own negligence or willful breach of trust. Execution of the Authentication Certificate of the Trustee-Registrar on the respective Current Bonds, shall conclusively establish the acceptance by the Trustee-Registrar of the trusts and provisions with respect thereto as set forth in the Resolution. Acceptance of the duties of Trustee-Registrar shall also be evidenced by the execution of the appropriate form of Acceptance immediately following the end of this Current Bond Resolution.

Section 2.12. Security for Current Bonds; Statutory Mortgage Lien; Revenue Pledge.

For the protection of the holders and owners of the Bonds secured by the Basic Resolution and this Current Resolution, a statutory mortgage lien upon the Project and properties connected therewith and belonging thereto, on a parity with All Bonds, is granted and created by and pursuant to Sections 162.350 and 162.200 of the Kentucky Revised Statutes, which said statutory mortgage lien is hereby recognized and declared to be valid and binding as provided by law, and shall take effect immediately upon the delivery of any and all of the Current Bonds.

All of the Current Bonds are payable only from the Gross Revenues derived from the operation of the Project, and the Current Bonds shall not and

do not constitute an indebtedness of the University of Kentucky or of its Board of Trustees or of the Commonwealth of Kentucky within the meaning of any provisions or limitations of the Constitution of the Commonwealth of Kentucky.

Section 2.13. Authentication of Bonds.

The Current Bonds, whether in single typewritten temporary form or as printed bonds, shall be delivered to the Trustee-Registrar. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Resolution unless and until such Bond has been duly authenticated by the Trustee-Registrar by the execution of the Authentication Certificate of Trustee-Registrar appearing on such Bond. Such Certificate appearing on any Bond shall be deemed to have been duly executed by the Trustee-Registrar if manually signed by an authorized officer of the Trustee-Registrar. It shall not be required that the same officer of the Trustee-Registrar sign such Certificate on all of the Current Bonds.

Section 2.14. Form of Bonds.

The aforesaid authorized issue of Current Bonds shall be in substantially the following form:

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

NUMBER R- _____

MATURITY DATE

PRINCIPAL AMOUNT:
(DOLLARS)

DATE OF ORIGINAL ISSUE: May 1, 1987

INTEREST RATE:

CUSIP:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The Board of Trustees of the University of Kentucky (the "Board"), a body corporate, as an educational institution and agency and a political subdivision of the Commonwealth of Kentucky, for value received, hereby promises to pay to the REGISTERED OWNER, identified above, or his or its registered assigns, solely from the special fund hereinafter identified, upon presentation and surrender of this Bond, the PRINCIPAL AMOUNT set out above on the MATURITY DATE specified above and to pay interest on said sum at the INTEREST RATE specified above, commencing on the first November 1 or May 1 following the date hereof, set out below, and semiannually thereafter on May 1 and November 1 of each year until this Bond shall be paid, unless redeemed (prepaid) prior thereto as hereinafter provided. The principal of and premium, if any, on this Bond are payable in lawful money of the United States America at the main office of the First Security National Bank & Trust Company, Lexington, Kentucky (the "Trustee", "Bond Registrar", and "Payee Bank"). All interest on this Bond

shall be payable by check or draft mailed by the Trustee-Registrar to the registered owner hereof at the address shown on the registration books kept by the Trustee.

This Bond is part of an authorized issue of \$_____ principal amount of Bonds (said Bonds being hereinafter sometimes collectively referred to as "Current Bonds", the "Bonds", or "these Bonds"), authorized to be issued by the Board pursuant to proceedings of the Board, for the purpose of advance refunding part of the outstanding University of Kentucky Consolidated Educational Buildings Revenue Bonds, Series G, Series H, and Series I (the "Prior Bonds"), at a lower interest rate, through the deposit in escrow of sufficient funds which, when invested in direct obligations of, or obligations guaranteed by the United States Government, shall be sufficient (1) to pay all interest requirements of all of the Prior Bonds scheduled to be redeemed in advance of maturity; and (2) to redeem on the designated redemption date, through payment of principal, redemption premium, and interest, all of the Prior Bonds scheduled to be redeemed in advance of maturity, as more fully set forth and identified in the Resolution of the Board authorizing these Bonds (the "Current Bond Resolution"), under and in full compliance with the Constitution and Statutes of Kentucky, including Sections 162.340 to 162.380, and 58.010 through 58.140 of the Kentucky Revised Statutes, now in full force and effect, and under and pursuant to the Resolution adopted by the Board on September 20, 1960 (hereinafter referred to as the "Basic Resolution"), and as supplemented by subsequent resolutions identified as the Series A through I Resolutions.

The Prior Bonds were issued pursuant to said statutes for the purpose of financing the cost (not otherwise provided) of establishing and erecting certain educational buildings and necessary appurtenances upon

properties of the University on the campus of the University in Lexington, Kentucky, the buildings of which projects have been completed and now constitute part of the Consolidated Educational Buildings Project of the University (hereinafter referred to as the "Project"). Copies of the Basic Resolution, the Series G Resolution, the Series H Resolution, the Series I Resolution, and the Current Bond Resolution are on file in the office of the Trustee. Reference is hereby made to said various resolutions pursuant to which (a) the First Security National Bank & Trust Company, in the City of Lexington, Kentucky, has been designated as Trustee, and now as Bond Registrar, Payee Bank, and Transfer Agent, respectively, for the holders and owners of the various bonds against the Project, including the Current Bonds, (b) for the provisions, among others, with respect to the custody and application of the proceeds of the Current Bonds; (c) the rights, duties, and obligations of the Board and of the Trustee, and (d) the rights of the owners of these Current Bonds; and by the acceptance of this Bond, the registered owner hereof assents to all of the provisions of said resolutions.

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

The Board and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and premium, if any, hereon, and interest due hereon, and for all other purposes, and neither the Board nor the Trustee-Registrar shall be affected by any notice to the contrary.

The owner of this Bond shall have no right to enforce the provisions of the Basic Resolution or the Current Bond Resolution, or to institute action to enforce the covenants therein, to take any action with respect to any default under such Resolutions or to institute, appear in, or defend any suit or other proceedings with respect thereto, except as provided in such Resolutions. The Basic Resolution provides for fixing, charging, and collecting fees for the services of the Project, which fees will be sufficient to pay the principal of and interest on all of the outstanding Series B, C, D, E, F, G, H, and I Bonds (the Series A Bonds having been fully paid), the Current Bonds, and any additional parity Bonds (collectively "All Bonds", excluding the portions of the Series G, H, and I Bonds which have been defeased through the escrow of proceeds of these Current Bonds [supplemented by other funds]), as the same become due, to provide a reserve for such purpose, and also to pay the cost of operation and maintenance of the Project to the extent that same are not otherwise provided. The Basic Resolution provides for the creation of a special account designated "Consolidated Educational Buildings Project Bond and Interest Sinking Fund" (the "Bond Fund") and for the deposit to the credit of the Bond Fund of a fixed amount of the gross Revenues of the Project sufficient to pay interest on All Bonds as the same become due, to pay or retire the principal of All Bonds at or prior to the maturity thereof, and to provide a reserve for such purpose, which Bond Fund is pledged to and charged with the payment of said principal and interest.

The Current Bonds maturing on or after May 1, 1998, are redeemable at the option of the University on or after May 1, 1997, in whole or in part, and if in part, in inverse order of maturities (less than all of the single maturity to be selected in such manner as the Trustee may determine), at redemption prices expressed in percentages of the principal amount with respect to each Bond as set forth below, plus in each case accrued interest to the date of redemption:

<u>If Redeemed</u>	<u>Redemption Price</u>
From May 1, 1997 through November 1, 1998	102%
From May 1, 1999 through November 1, 2002	101%
From May 1, 2003, and thereafter to maturity	100%

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

The Trustee-Registrar shall give notice of any redemption by sending such notice by United States mail, first class, postage prepaid, not less than 30 and nor more than 60 days prior to the date fixed for redemption, to the registered owner of this Bond at the address shown on the Bond Register as of the date of mailing of such notice.

The Board covenants that it will invest the net proceeds of these Current Bonds, together with any other funds made available for the same purpose, and will account for and apply the principal and interest earned thereof to the payment of the principal of and interest on those portions of the

Series G, H, and I Bonds as are scheduled to be redeemed in advance of maturity, according to their terms, thereby defeasing (terminating) the pledge of the revenues of the Project securing those portions of the Series G, H, and I Bonds, in accordance with arrangements heretofore made by the Board, and that the Board will fix and charge such rates and will account for the income and revenues from the Project, sufficient, in the aggregate, to pay promptly the interest on and principal of All Bonds, including the Current Bonds, as and when such interest and principal become due and payable, from the Bond Fund, and to pay the costs of operation, maintenance, and insurance of the Project.

A first statutory mortgage lien, which is hereby recognized as valid and binding on the Project and properties connected therewith and belonging thereto, on a parity with All Bonds, is created and granted to and in favor of the owner(s) of these Current Bonds, pursuant to Sections 162.350 and 162.200 of the Kentucky Revised Statutes, which said statutory mortgage lien shall take effect immediately upon the delivery of any and all of the Current Bonds, and the Project shall remain subject to such statutory mortgage lien until the payment in full of the principal of and interest on All Bonds, including the Current Bonds.

All Bonds as may be outstanding from time to time are payable only from a first pledge of the gross Revenues derived from the operation of the Project, an adequate amount of which will be annually set aside into the Bond Fund, and this Bond does not constitute and indebtedness of the University of Kentucky or its Board or the Commonwealth of Kentucky within the meaning of any provisions or limitations of the Constitution of the Commonwealth of Kentucky.

This Bond shall not be valid or become obligatory for any purpose, or be entitled to any security or benefit under the Current Bond Resolution,

until it shall have been authenticated by the execution by the Trustee-Registrar of the Authentication Certificate of Trustee-Registrar hereon endorsed.

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

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

IN TESTIMONY WHEREOF, the Board of Trustees of the University of Kentucky has caused this Bond to be executed in its behalf by the reproduced facsimile signature of its Chairman, and the facsimile of its corporate seal to be imprinted hereon, and attested by the reproduced facsimile signature of its Secretary or Assistant Secretary, dated as of the first day of May, 1987; provided, however, that this Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Current Bond Resolution pursuant to which it was authorized until the Authentication

Certificate of Trustee-Registrar printed hereon shall have been executed by the manual signature of a duly authorized representative of the Trustee-Registrar.

UNIVERSITY OF KENTUCKY
Lexington, Kentucky

By (Facsimile Signature)
Chairman, Board of Trustees

Attest:

(Facsimile Signature)
Secretary, Board of Trustees

(Facsimile Seal of Board of Trustees)

THE AUTHENTICATION DATE OF THIS BOND IS: _____

(FORM OF AUTHENTICATION CERTIFICATE OF TRUSTEE-REGISTRAR)

AUTHENTICATION CERTIFICATE OF TRUSTEE-REGISTRAR

This is to certify that this Bond is one of the Bonds referred to in the within Bond and in the Current Bond Resolution authorizing same.

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

By _____
Authorized Officer

(FORM OF ASSIGNMENT)

ASSIGNMENT

For value received, the undersigned hereby sells, assigns, and transfers unto _____

the within Bond and hereby irrevocably constitutes and appoints _____

attorney to transfer said Bond on the books kept for registration and transfer of this Bond, with full power of substitution in the premises.

Dated: _____

Registered Owner (Signature must correspond with name of Registered Owner)

Signature Guaranteed:

Social Security or other identifying number of Assignee: _____

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

ARTICLE III - Public Sale of Current Bonds; Application of Proceeds; Escrow Fund; Payment and Redemption of Part of the Series G, H, and I Bonds; Compliance with Parity Requirements.

Section 3.01. Advertisement of Current Bonds for Sale.

The Current Bonds shall be offered publicly for sale upon the basis of sealed, competitive bids. It is hereby determined that the timing of the sale of refunding bonds is frequently critical to the success of the issue, and maximum flexibility is needed to enable the University to have the opportunity to proceed immediately whenever the market would be considered by the University, with the advice of its Fiscal Agent, to be favorable for such an offering of bonds. It is therefore deemed appropriate for the Board to authorize the President of the University to take certain steps, when he deems it in the best interests of the University, to proceed with the sale of the Current Bonds at what he concludes is the most advantageous time, and under the most advantageous conditions, as herein set out.

Therefore, the President of the University is hereby authorized to take the following steps with respect to the proposed sale of the Current Bonds:

- (a) To fix the date and hour for the receipt of bids, and the date and hour of a meeting of the Executive Committee of the Board, or of the Board itself, to be held at a later hour on the same day for the purpose of accepting the successful bid or of rejecting all bids;
- (b) To authorize the publication of the Notice of Sale of Bonds, setting out such date and such hours;
- (c) To change (1) the tentative estimated amount of the Current Bonds to be initially offered for sale, (2) the tentatively estimated amounts of maturities of the Current Bonds for each of the years, 1988 through 2006, and/or (3) the date of the Current Bonds and all other dates pertaining to the Bonds, to the extent that any such changes shall be deemed appropriate and consistent, including the redemption date; and

- (d) To approve the form of Notice of Bond Sale, Official Terms and Conditions of Sale of Bonds, Bid Form, and Preliminary Official Statement, to whatever extent is deemed appropriate in order to carry out any of the foregoing, and in order to provide the most favorable conditions for the sale of the Current Bonds.

It is provided that such action is authorized to be taken by the President, with the provision that no bid for the purchase of the Current Bonds can be accepted without specific formal action by the Executive Committee of this Board or without specific formal action being taken by this Board itself.

Upon the President taking action as hereinbefore provided to authorize the sale of the Current Bonds, the Treasurer of the Board shall be authorized and directed to cause an appropriate form or forms of a Notice of Sale of Bonds to be published in THE COURIER-JOURNAL, a legal newspaper published in the City of Louisville, Kentucky, which will afford state-wide notice of the sale, and in THE DAILY BOND BUYER, a financial journal published in the City of New York, New York, which is a publication having general circulation among bond buyers; and said newspaper and financial journal are hereby declared to be qualified to publish such notice for the Board within the meaning and provisions of KRS Chapter 424. Such notice shall be published in said newspaper and financial journal at least once not less than seven days nor more than twenty-one days prior to the scheduled date of sale of the Current Bonds.

A suggested form of Notice of Sale of Bonds, a suggested form of Official Terms and Conditions of Sale of Bonds, and a suggested form of Official Bid Form having been prepared by Bond Counsel, in cooperation with the Fiscal Agent, and same, together with a suggested form of Preliminary Official Statement, having been examined by this Board, same are hereby approved for

such purposes, and a copy of each is hereby ordered to be attached to this Resolution and to the minutes of the meeting at which this Resolution is adopted. The Notice of Sale of Bonds shall be signed by the Treasurer of the University and may be used for the purpose of publishing notice of the sale of the Bonds. The Preliminary Official Statement shall be prepared by the Board's Fiscal Agent on behalf of the Board in conjunction with the sale, at a time designated by the President, containing all pertinent information in regard to the Current Bonds, and in regard to the University, and which Preliminary Official Statement is to be supplied to prospective bidders for the purchase of the Current Bonds. It is contemplated that such Preliminary Official Statement will be approved later by the Board or the Executive Committee, after which the Chairman and the Treasurer shall be authorized to sign said Preliminary Official Statement on behalf of the Board to evidence such approval. Copies of said documents (Notice, Official Terms, Bid Form, and Preliminary Official Statement) shall be furnished to a list of known interested bidders and to any interested parties who may request same.

Bidders shall be advised that Dupree & Company, Inc., Lexington, Kentucky, has been employed as Fiscal Agent in connection with the issuance of these Current Bonds, that their fee for services rendered with respect to the sale of the Current Bonds is contingent upon the issuance and delivery of the Current Bonds, and that they may submit a bid for the purchase of the Current Bonds at the time of the advertised public sale of the Current Bonds, either individually or as the member of a syndicate organized to submit a bid for the purchase of the Current Bonds.

Upon the date and at the respective hour set forth for the opening and consideration of purchase bids, as provided in the instruments hereinabove approved, the sealed bids therefore received by the Treasurer in his office

shall be publicly opened and publicly read by the Treasurer and later delivered to the Board and again publicly read by the presiding officer of the Board. If there shall be one or more bids which conform in all respects to the prescribed terms and conditions, such bid shall be compared, and the Board agrees that if a bid is accepted, it will accept the best of such bids, as measured in terms of the lowest interest cost to the Board, as calculated in the manner prescribed in the Official Terms and Conditions of Sale of Bonds.

It is hereby determined that the successful bid for the purchase of the Current Bonds may be accepted by the Executive Committee of the Board of Trustees upon the advice of the Board's Fiscal Agent, Dupree & Company, Inc., with the approval of the Treasurer of the University, upon the making of a determination by the Executive Committee that such acceptance will effect a substantial savings to the University in interest costs on the Prior Bonds.

If the President prior to bids being opened for the Current Bonds pursuant to the foregoing procedure, should determine that it would be inadvisable to continue with the proceedings to hold a public sale and it would be advantageous to cancel the sale or postpone the sale to a later date, the President shall have the authority to cancel the sale as advertised and to follow the procedure hereinbefore set out to advertise the sale of the Current Bonds at a later more advantageous date without any further action being necessary to be taken by this Board or its Executive Committee. Likewise, if this Board and/or its Executive Committee reject all bids received as a result of any advertised sale, the President shall have the right to re-advertise the Current Bonds for sale at a later date pursuant to the foregoing provisions.

Section 3.02. Acceptance of Bid for Larger or Lesser Amount of Bonds.

The Board may accept the successful bid on the basis of awarding to the successful bidder an amount of Current Bonds substantially greater or substantially less than the \$35,690,000 of Bonds herein authorized, to whatever extent may be deemed by the Board to be necessary to accomplish the proposed refunding if it appears that otherwise there would be an underissuance or overissuance of the amount of the Current Bonds needed to accomplish the purpose of the proposed refinancing, refunding, and redemption. The purchase price of such adjusted amount shall be the same price per \$1,000 of Bonds as the price bid by the successful bidder for the purchase of the advertised amount of the Current Bonds. The maturities may be adjusted as set out in Section 2.01 hereof.

Section 3.03. Determination that Advance Refunding of Part of the Series G, H, and I Bonds is to the Best Advantage and in the Public Interest of the Board and of the University.

It is hereby determined that the Current Bonds shall be issued for the purpose of advance refunding part of the Series G, H, and I Bonds through the escrow of the proceeds of the Current Bonds (and other funds) for the purpose of providing for the payment of the principal of and interest on the Called Series G, H, and I Bonds as same mature and as same are redeemed in accordance with the provisions hereof.

It is hereby determined that in the refunding, refinancing, and provision for redemption of the Prior Bonds, as set out in the ensuing Section of this Resolution, it is in the best interest of the Board and the University that same be accomplished to the best advantage and in the public interest by the issuance of the Current Bonds in a larger principal amount than the principal amount of the outstanding Called Series G, H, and I Bonds, at a rate

or rates of interest lower than the rates now applicable to the Called Prior Bonds, and through the payment of a redemption premium of (a) three percent on May 1, 1993 with respect to the Series G Bonds scheduled to mature on May 1, 1994 and thereafter, (b) three percent on May 1, 1993 with respect to the Series H Bonds scheduled to mature on May 1, 1994 and thereafter, and (c) two percent on May 1, 1996 with respect to the Series I Bonds scheduled to mature on May 1, 1997 and thereafter, and through the payment of the interest as same becomes due until and including the respective redemption dates, on all of such Called Prior Bonds being redeemed prior to maturity, subject to adjustment as to date(s), and maturities to be redeemed, in order that the maturity schedule may be restructured for the benefit for the Board and the University and in order to effect substantial interest savings through the anticipated lower interest rates and the restructuring of the maturities.

Also, it is acknowledged that the Internal Revenue Code of 1986, as amended, and the applicable arbitrage regulations thereunder require that the proceeds of the Current Bonds be invested at a yield no greater than the actuarial yield applicable to the Current Bonds.

Section 3.04. Compliance With Parity Requirements of Resolution.

In accordance with the requirements of Section 7.10 of the Resolution (as amended), it is hereby certified, covenanted, and declared:

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

(b) That prior to the issuance of the Current Bonds, there will have been procured and filed with the Trustee a statement by the Treasurer of the Board to the effect that the average of the annual Revenues from the Project for the two Fiscal Years immediately preceding the issuance of the Current Bonds, was equal to not less than 1.25 times the maximum Aggregate Principal, Interest and Bond Fund Charges in any succeeding twelve month period

ending May 1 on the Outstanding Bonds (excluding the "Called Series G, H, and I Bonds" which will have been defeased by the issuance of the Current Bonds) and the Current Bonds proposed to be issued. For the purposes of such computation, such certification of the Treasurer shall make an adjustment in the amount of the annual Revenues to reflect any increases or decreases in the pledged Revenues (the student registration fees) which at that time shall have been determined by the Board and made effective for future services of the Project; and such certification shall also state that the issuance of the Current Bonds shall not reduce the above-prescribed "coverage" "to less than 1.25 times the maximum Principal, Interest and Bond Fund Charges", as provided in said Section 7.10.

Accordingly, based on the foregoing compliance with the requirements of the Basic Resolution, it is hereby found and declared that the Current Bonds shall rank and be payable on a parity with the outstanding Series B, C, D, E, F, G, H, and I Bonds, except for the "Called Series G, H, and I Bonds" (the Noncalled Prior Bonds to continue on such basis of parity) on a first lien basis from the gross revenues of the Project and further secured by a first statutory mortgage lien on the Project buildings.

Section 3.05. The Revenue Fund; Transfers to Provide for Requirements of Current Bonds.

(1) From and after the issuance and delivery of the Current Bonds, the Treasurer, conforming to the provisions of Section 4.05(2) of the Basic Resolution, shall transfer from the Revenue Fund and deposit to the credit of the Bond Fund from time to time such sums as are required to pay (a) interest falling due on each November 1 with respect to the Current Bonds, and (b) interest and principal, if any, falling due on each May 1 with respect to the Current Bonds; and such transfers and deposits into the Bond Fund shall be in addition to the transfers and deposits made from time to time for payment of the interest on and principal of the Bonds of Series B, C, D, E, F, G, H, and I, excluding the Called Series G, H, and I Bonds which will have been defeased.

Since it is contemplated that a portion of the currently available funds in the Bond Fund (especially that portion allocated to deposits made into said Bond Fund representing accrued interest on the outstanding Prior Bonds for the period from May 1, 1987 to the date of delivery of the Current Bonds) may be transferred to and deposited in the Escrow Fund to supplement part of the proceeds of the Current Bonds to assure that sufficient funds will be deposited into the Escrow Fund to accomplish the purposes thereof, the Board hereby covenants and agrees that if and to the extent that the Bond Fund may or shall be reduced below the amount currently required to be on deposit therein, the Board shall, prior to the delivery of the Current Bonds, deposit (from the proceeds of the Current Bonds and/or from other available funds) into the Bond Fund sufficient amounts to assure the restoration into the Bond Fund of the amount required to be on deposit therein at that time.

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

(3) It is further determined by the Board that in calculating the amount of the required annual payments to be made by the Board into the Bond

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

Section 3.06. Adjustments in the Debt Service Reserve.

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

Since it is contemplated that a portion of the currently available funds in the existing Debt Service Reserve Fund may be transferred to and deposited in the Escrow Fund to supplement part of the proceeds of the Current Bonds to assure that sufficient funds will be deposited into the Escrow Fund to accomplish the purposes thereof, viz., to provide for the payment of the

principal, interest, and redemption premium requirements of the "Called Series G, H, and I Bonds", the Board hereby covenants and agrees that to the extent that the Debt Service Reserve may or shall be reduced below the Required Current Debt Service Reserve Accumulation or the Required Debt Service Reserve, the Board shall, prior to the delivery of the Current Bonds, deposit (from the proceeds of the Current Bonds and/or from other available funds) into the Debt Service Reserve Fund sufficient amounts to assure the restoration of the Debt Service Reserve to a total amount equal to not less than the Required Current Debt Service Reserve Accumulation or the Required Debt Service Reserve, whichever is lesser.

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

Section 3.07. Disposition of Proceeds of Current Bonds; Escrow Fund; Investment Provisions; Arbitrage Limitations.

Upon the sale and delivery of the Current Bonds, upon receipt by the Board of the purchase price thereof, it is hereby acknowledged and ordered that:

(a) Deposit of Required Amount into Escrow Fund; Approval of Escrow Agreement.

There shall be deposited from the proceeds from the sale of the Current Bonds, and from any other available source, in a certain special Escrow Fund and Account hereby created and established, to be deposited with the Escrow Bank, which Escrow Fund shall be designated as and shall be known as the "University of Kentucky Consolidated Educational Buildings Refunding Revenue Bonds, Series G, H, and I Escrow Fund of 1987 (the "Escrow Fund"), an amount sufficient (1) to pay all interest requirements of the "Called Prior Bonds" as

same become due; and (2) to redeem on the respective designated redemption dates, all of the respective "Called Prior Bonds" scheduled to be redeemed on such respective dates. It is initially contemplated that the Series G Bonds maturing May 1, 1994 and thereafter will be called for prior redemption on May 1, 1993; that the Series H Bonds maturing May 1, 1994 and thereafter will be called for prior redemption on May 1, 1993; and that the Series I Bonds maturing May 1, 1997 and thereafter will be called for prior redemption on May 1, 1996; provided that at the time of the sale of the Current Bonds, such dates may be adjusted in the resolution accepting the successful bid for the purchase of the Current Bonds, to whatever extent deemed advisable by the Board to achieve the maximum savings to the Board.

The necessary amount shall be deposited in such fund on deposit with the Escrow Bank pursuant to a certain Escrow Agreement between the Board and the Escrow Bank, which Agreement is hereby authorized to be executed by the Chairman of the Board following the acceptance by the Board of the successful bid for the purchase of the Current Bonds; provided, however, that simultaneously with the delivery of the Current Bonds, the Board shall obtain a commitment for the investment of the amount to be deposited therein, in Permitted Investments, as defined herein, which aggregate investments shall be sufficient to accomplish the purposes hereof, based on corroborating certification of Special Tax Counsel, and which Permitted Investments shall be scheduled to mature at such times and in such amounts as shall be necessary, together with any uninvested cash, to meet the requirements of the Prior Bonds, including the applicable redemption premiums.

The Chairman and/or the Treasurer of the Board are hereby authorized to act on behalf of the Board in obtaining the appropriate commitment or

commitments directly or through the designee of either of them, for the purchase of, or subscriptions for purchase of, the Permitted Investments necessary to accomplish the foregoing purpose.

If and to the extent that the amount on deposit in the Escrow Fund shall be inadequate to accomplish the necessary purpose, the Board shall transfer or caused to be transferred sufficient funds from existing available funds of the Board (including, if necessary, amounts on deposit in the existing Bond Fund and/or Debt Service Reserve), to accomplish the purpose specified herein.

If and to the extent that the amount on deposit in the Escrow Fund shall be in excess of the amount required, such amount shall be immediately transferred to the Debt Service Reserve; provided, further, that after the final redemption date of the Called Prior Bonds, any amount in excess of the amount required for that purpose, including requirements for the retirement and/or redemption of the Called Prior Bonds and/or coupons (1) matured and/or called but not yet presented for payment, and/or (2) uncashed checks with respect thereto, such excess amount shall be transferred immediately to the Bond Fund and treated the same as all other amounts deposited therein.

The Board certifies (a) that the purpose of providing for the possible increase or reduction in the amount of the Current Bonds to be sold is to eliminate or reduce the possibility of there being an over-issuance or under-issuance of the amount of Current Bonds necessary to accomplish the required objective, and (b) that there will not be an over-issuance or under-issuance of the amount of Current Bonds necessary to accomplish such objective, based on (1) the result of the sale of the Current Bonds, (2) the determination at that time of the amount of Current Bonds to be issued, and (3) known facts and reasonable expectations at the present time and at such time of the sale.

(b) Escrow Fund to be Earmarked, Pledged, and Held in Trust to Meet Requirements of Called Series G, H, and I Bonds.

Amounts on deposit in the Escrow Fund shall be earmarked, pledged, and held in trust for credit to the account of the Escrow Fund created in the Escrow Agreement and shall be applied in accordance therewith. Such amounts on deposit in the Escrow Fund shall be earmarked and held for the purpose of meeting the principal, interest, and redemption premium requirements of the Called Prior Bonds as same mature and/or as same shall be called for redemption; and, to the extent necessary, investments in the Escrow Fund shall be converted to cash by the Escrow Agent for the benefit of the owners of the Called Prior Bonds (and coupons) scheduled for redemption on the respective designated dates.

Upon such deposit of the total required amount being made into the Escrow Fund, all of the outstanding Called Prior Bonds and all coupons appurtenant thereto shall be deemed to have been paid and the Series G, H, and I Bond Resolutions shall have been deemed to be partially discharged, to the extent of the Called Prior Bonds (and appurtenant coupons), which will have been defeased, within the meaning and with the effect expressed in the Basic Resolution, and the Escrow Agent shall be and is hereby instructed, according to the provisions of the Escrow Agreement, to publish and send the appropriate notices of redemption in accordance with the redemption provisions of the Prior Bond Resolutions, stating that the cash and/or Permitted Investments as provided above are held in the Escrow Fund, that the outstanding Called Prior Bonds and the coupons appurtenant thereto are deemed to have been paid in accordance with the Basic Resolution, and stating the maturity date and

optional redemption date of the Called Prior Bonds upon which the Permitted Investments and funds so held are or will become available for the payment of the amounts due.

All amounts held in the Escrow Fund pursuant to the Escrow Agreement shall be held in trust for, and shall be disbursed only for the purpose of, the payment of the principal of, interest on, and premium, on the Called Prior Bonds as and when the same are called for prior redemption, subject to the provisions set out above as to the application of surplus funds in the Escrow Fund.

(c) Deposit of Collected Accrued Interest Into Bond Fund.

Unless, except, and to the possible extent needed to assure the full funding of the Escrow Fund to assure the accomplishment of the purposes of the Escrow Fund, the amount received as that portion of the purchase price of the Current Bonds representing collected accrued interest from the date of the Current Bonds (May 1, 1987) to the date of delivery thereof, shall be deposited into the Bond Fund.

(d) Fees of Trustee, Payee Bank, and Escrow Bank.

All fees of the Trustee, Payee Bank(s), Registrar, and Transfer Agent in connection with the Called Prior Bonds, and all fees of the Escrow Bank in connection with the Escrow Agreement will be paid directly by the Board, the same as if same were additional debt service requirements of the Called Prior Bonds, and will not be funded in the Escrow Fund.

(e) Cost of Issuance Account.

From the aggregate proceeds of the sale of the Bonds, the amount of \$85,185, or such other appropriate amount as shall be directed by the Treasurer of the Board, shall be deposited in an account on deposit with the Trustee,

which account is hereby created to be known as the "University of Kentucky Consolidated Educational Buildings Series G, H, and I (Second Series) Refunding Bonds Cost of Issuance Account", to be held and disbursed upon written authorization of the Treasurer. The Trustee shall apply funds in such account for the purpose of meeting issuance expenses, including printing, fiscal agent fee, legal fees and expenses, costs of audits and verifications, rating agency fees, and other necessary costs (to the extent not payable by the Fiscal Agent) of preparing, issuing, advertising, and selling the Bonds. After payment in full of such issuance expenses through its Treasurer, all amounts remaining in such Account shall be transferred to and deposited in the Bond Fund and applied toward the payment of interest requirements on the Bonds on November 1, 1987.

Section 3.08. Authorization to Subscribe for Government Securities and/or to Purchase Other Permitted Investments.

Authority is hereby given by the Board to Mr. David L. Miller, Mr. C. Willis Ritter, and/or Ms. Diane Hill of Haynes & Miller, Suite 401, 1156 Fifteenth Street N.W., Washington, D. C. 20005, Mr. Joseph R. Rubin and Mr. Franklin P. Hays of Rubin & Hays, Second Floor North, 200 South Fifth Street, Louisville, Kentucky 40202, Mr. Fred Dupree, Dupree & Company, Inc., 167 West Main Street, Lexington, Kentucky 40507, and to any one of them, to act on behalf of the Board in signing upon the behalf of the Board subscriptions for the purchase and issue of United States Treasury Certificates, Notes, or Bonds - State and Local Government Series, and/or for the purchase of other Permitted Investments, to be issued to the First Security National Bank & Trust Company, Lexington, Kentucky, as Escrow Agent, in connection with the application of the proceeds of the Current Bonds (supplemented by other funds). The Chairman, the Secretary, and/or the Treasurer of the Board is authorized to sign and send a letter to the Securities Division, Federal Reserve Bank,

Louisville, Kentucky, or any branch of the Federal Reserve Bank, and/or FDIC Banks, certifying as to the authority of such individuals.

Section 3.09. Called Prior Bonds Will Have Been Fully Provided for Through the Escrow Fund.

Provision having thus been made for all of the requirements of the Called Prior Bonds through the orderly payment, redemption, and retirement of the Called Prior Bonds as set out herein through escrow of the net proceeds of the Current Bonds and other funds, it is hereby recognized and acknowledged that as of the date of delivery of the Current Bonds, provision will have been made for the performance of all covenants and agreements of the Board incident to the issuance of the Called Prior Bonds, and that accordingly, and in compliance with all that has heretofore provided, the Board will have no further obligation with reference to the Called Prior Bonds, except to assure that the Called Prior Bonds are paid from the funds so escrowed in accordance with the provisions of such escrow arrangement; provided the Board's obligation with respect to the Noncalled Prior Bonds (which will not be called prior to maturity) shall continue unchanged and shall be on a parity with All Bonds.

Section 3.10. Federal Limitations on Investment of Funds.

Neither the University nor the Trustee shall take any action at any time which will cause the interest on the Current Bonds to become subject to Federal income taxation, and, without limiting the foregoing, it is covenanted for the benefit of the holders of the Current Bonds that no use of the proceeds of the Current Bonds shall be made at any time which, if such use had been reasonably expected on the date of issue of the Current Bonds, would have caused them to be "arbitrage bonds". This covenant shall impose an obligation to comply with the requirements of Section 148 of the United States Internal Revenue Code of 1986, as amended (the "Code"), and applicable Regulations

thereunder. The word "proceeds" as used herein shall have the meaning which it has under such Section of the Code and such Regulations and shall include all moneys on deposit in all funds provided for herein and all funds established in connection with the Current Bonds. Without limiting the generality of the foregoing, in no event shall moneys be deposited in any accounts created hereunder or invested pursuant to the provisions hereof if such deposit or investment shall cause any Current Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code.

The Board certifies that on the basis of the facts, expectations, and circumstances (including covenants of the Board) in existence on the date of adoption of this Resolution, it is not expected that the proceeds of the Current Bonds will be used in a manner which will cause such obligations to be "arbitrage bonds".

The Board acknowledges that the Code and the applicable regulations thereunder require that the portion of the Current Bonds deposited in the Escrow Fund be invested at a yield no greater than the actuarial yield applicable to the Current Bonds.

The Board reserves the right to make any investment permitted by State Law if, whenever, and to the extent that Section 148 of the Code or regulations promulgated thereunder shall be repealed, amended, or relaxed, or shall be held void by a final decision of a court of competent jurisdiction, but only if any investment made by virtue of such repeal, relaxation, amendment, or decision would not, in the opinion of recognized Bond Counsel or Special Tax Counsel, result in making the interest on the Current Bonds subject to federal income taxation.

Prior to or at the time of delivery of the Current Bonds, the Chairman and the Treasurer of the Board are hereby jointly and severally

designated and charged by the Board and University with responsibility for issuing the Current Bonds and are hereby designated as the officers of the Board and the University to execute (by any one of them) the certification required by Section 1.103-13(a)(2)(ii) and any other provisions of the Treasury Regulations, and such certification shall set forth such facts, expectations, and circumstances, and shall state that to the best of his knowledge and belief there are no other facts, expectations, or circumstances that would materially change such expectation that the proceeds of the Current Bonds will not be used in a manner that would cause same to be "arbitrage bonds". If, under any valid provision of law hereafter enacted, the interest paid by the Board on the Current Bonds should be excludable from the gross income of a recipient thereof for Federal income tax purposes without regard to compliance with the provisions of Section 148 of the Code, then the University shall not be required to comply with such provisions of the Code.

ARTICLE IV - Miscellaneous Concluding Provisions.

Section 4.01. All Provisions of Basic Resolution, and Various Series Resolutions are Hereby Readopted, Ratified, and Confirmed.

The Board hereby readopts, ratifies and confirms all previous Resolutions relating to the Project, including the Basic Resolution adopted on September 20, 1960, and each of the various Series Resolutions, A, B, C, D, E, F, G, H, and I, except that it is acknowledged that the provisions of the Series G, H, and I Resolutions as to the Called Series G, H, and I Bonds (but not as to the non-called Series G, H, and I Bonds) will be deemed to have been defeased simultaneously with the issuance of the Current Bonds.

Section 4.02. Ratification of Previous Appointment of Trustee to Serve as Registrar, Transfer Agent, and Payee Bank; Appointment of Trustee to Serve Also as Escrow Agent; Additional Duties.

First Security National Bank & Trust Company, Lexington, Kentucky, the Trustee in all previous Series Resolutions, which was designated in Section 2.5 of the Series I Resolution to serve also as Bond Registrar, Transfer Agent, and Payee Bank with respect to the Series I Bonds, is also hereby designated to serve as Escrow Agent under the Escrow Agreement approved in Section 3.05(a) hereof, and the previous appointment of such Trustee to serve in all capacities referred to above is hereby ratified and confirmed with respect to the Current Bonds.

Its duties as Registrar, Transfer Agent, and Payee Bank with respect to the Current Bonds shall be the same as its duties in such capacities with respect to the Series I Bonds. Its duties as Escrow Bank will be to perform all duties of the Escrow Bank specified herein and in the separate Escrow Agreement between the Board and the Escrow Bank with respect to the Called Prior Bonds.

The Trustee/Registrar/Payee Bank/Escrow Bank shall be entitled to the same rights, privileges and immunities with respect to the Current Bonds as are specified in the Series I Resolution with respect to the Series I Bonds.

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

Section 4.03. Replacement by Board of Registrar, Transfer Agent, Payee Bank, Depository Bank, and/or Escrow Bank.

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

Section 4.04. Covenant of Board to Take All Action Necessary to Assure Compliance With the Internal Revenue Code of 1986, as Amended.

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

The Board certifies that the Current 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 Current Bonds is not included as an item of tax preference in calculating the alternative minimum tax for individuals. However, the Board has been advised that the Current Bonds are not "qualified tax-exempt obligations" for bank investments and that banks are not permitted to deduct the interest cost attributable to the purchase of the Current Bonds.

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

1. Although interest on the Current Bonds received by corporations will not constitute an item of "tax preference" to such corporations, such interest will be included when making the adjustment for book income in calculating the alternative minimum taxable income of corporations.
2. Interest on the Current Bonds will be included in the measure of modified alternative minimum taxable income for purposes of computing the environmental tax imposed on corporations.
3. Property and casualty insurance companies are required for taxable years beginning after December 31, 1986, to reduce the amount of their deductible underwriting losses by 15% of the amount of tax-exempt interest received or accrued on obligations acquired after August 7, 1986, including the Current Bonds. If the amount of this reduction exceeds the amount otherwise deductible as losses incurred, such excess may be includable in income.
4. Interest on the Current Bonds will be included in calculating the earnings and profits of the United States of America branch of a foreign corporation attributable to income which is effectively connected (or treated as effectively connected) with a United States of America trade or business for purposes of the branch profits tax imposed by the Code.

The Board reserves the right to amend the Resolution authorizing the Current Bonds without obtaining the consent of the owners of the Current Bonds (i) to whatever extent shall, in the opinion of Bond Counsel, be deemed

necessary to assure that interest on the Current 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 Bondowners) to eliminate or reduce any restrictions concerning the Project, the investment of the proceeds of the Current Bonds, or the application of such proceeds or of the revenues of the Project. The purchasers of the Current 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 Current 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 the Bond Resolution or referred to in this document would not subject interest on the Current Bonds to Federal income taxes or Kentucky income taxes, the Board shall not be required to comply with such covenants or requirements.

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

Section 4.05. Resolution Contractual With Bondowners.

The Basic Resolution and this Current Resolution shall, from and after issuance and delivery of the Current Bonds, constitute a contract between the Board of the University and the owners and holders of such Current Bonds as shall be outstanding hereunder.

Section 4.06. Specific Reservation of Right to the Board.

The Board hereby specifically reserves the right on the date of acceptance of the successful bid for the purchase of the Current Bonds to determine (a) precisely which of the "callable" Prior Bonds shall in fact be called for redemption in advance of maturity and on what redemption date, and (b) precisely what, if any, transfers shall be made from the Bond Fund and/or the Debt Service Reserve portion thereof to the Escrow Fund, and how much, if any amount, shall be transferred from the proceeds of the Current Bonds into the Bond Fund and/or the Debt Service Reserve portion thereof, all with the intent of (1) achieving the maximum savings to the Board and the University, and (2) not adversely affecting the exemption of interest on the Current Bonds from Federal and State income taxation.

Section 4.07. Provisions in Conflict are Repealed.

All resolutions or parts thereof in conflict with the provisions of this Current Bond Resolution are hereby rescinded to the extent of such conflict, and, without limitation, the Resolution adopted by the Board on June 25, 1986 is hereby repealed in its entirety.

Section 4.08. Copy to be Filed with Trustee.

A certified copy of this Current Resolution shall be filed with the Trustee, and this Current Bond Resolution shall take effect immediately upon its adoption and the filing of the certified copy thereof with the Trustee, as provided in the Basic Resolution.

Adopted March 3, 1987.

Chairman, Board of Trustees
University of Kentucky

Secretary, Board of Trustees

CERTIFICATION

I, JOHN C. DARSIE, Assistant Secretary of the Board of Trustees of the University of Kentucky, Lexington, Kentucky, hereby certify that I am duly qualified to make this Certification and that the foregoing is a true copy of a Resolution adopted by the Board of Trustees of said University at a meeting held on March 3, 1987, as recorded in the official Minute Book of said Board of Trustees, which is in my custody and under my control, that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820, and 61.825, that a quorum was present at said meeting, and that the aforesaid Resolution is of record in the office of the Board, has not been modified, amended, or rescinded, and is in full force and effect at this date.

WITNESS my signature and the Seal of said Board this ____ day of March, 1987.

Assistant Secretary
Board of Trustees of
University of Kentucky

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

The undersigned, First Security National Bank & Trust Company, Lexington, Kentucky, having heretofore been appointed as and having served as Trustee, hereby agrees to the provisions of the foregoing Resolution to the extent that there are contained therein provisions as to the additional rights and duties of the undersigned as Bond Registrar, Transfer Agent, Payee Bank, and Escrow Agent, including such provisions, rights, and duties contained in the Escrow Agreement referred to therein, and a copy of which is attached hereto.

Dated this _____, 1987.

FIRST SECURITY NATIONAL BANK &
TRUST COMPANY
Lexington, Kentucky

By _____

Title _____

(Seal of Bank)

Office of the President
March 3, 1987

ICR 1

Members, Board of Trustees:

REPORT OF INVESTMENTS

Recommendation: that the report of changes made in investments for the University of Kentucky and its Affiliated Corporations for the three months ended December 31, 1986, be accepted.

Background: A part of the Board policy regarding investments is a provision that a quarterly report be submitted by the Investment Committee of the Board. The attached reports reflect the purchases and sales made during the Fourth Quarter of 1986, for the University of Kentucky Athletic Association, the Fund for Advancement of Education and Research in the University of Kentucky Medical Center, the University of Kentucky, the University of Kentucky Research Foundation, the University of Kentucky Business Partnership Foundation, the University of Kentucky Mining Engineering Foundation, the University of Kentucky Equine Research Foundation, and the University of Kentucky Humanities Foundation.

Action taken: Approved ✓ Disapproved _____ Other _____

Date: March 3, 1987

University of Kentucky
Statement of Portfolio Changes
Short Term Current Fund Investments
For the Three Months Ended December 31, 1986

<u>Purchases:</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Yield</u>	<u>Amount of Purchase</u>
Federal National Mortgage Association Certificate of Deposit #33946	11/03/86 11/03/86	11/10/87 4/28/88	5.94% 6.15%	\$ 4,000,000 <u>4,000,000</u>
Total - Purchases				<u>\$ 8,000,000</u>

<u>Maturities/Sales:</u>	<u>Purchase Date</u>	<u>Maturity/ Sale Date</u>	<u>Yield</u>	<u>Amount of Maturity/Sale</u>
U.S. Treasury Notes Certificate of Deposit #3485	4/30/85 1/06/86	10/31/86 12/10/86	11.625% 8.5%	\$ 4,000,000 <u>4,000,000</u>
Total - Maturities/Sales				<u>\$ 8,000,000</u>

University of Kentucky Athletic Association
Statement of Portfolio Changes
Short Term Current Fund Investments
For the Three Months Ended December 31, 1986

<u>Purchases:</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Yield</u>	<u>Amount of Purchase</u>
U.S. Treasury Notes	11/13/86	11/15/87	6.13%	\$ 2,000,000
Total - Purchases				<u>\$ 2,000,000</u>

<u>Maturities/Sales:</u>	<u>Purchase Date</u>	<u>Maturity/ Sale Date</u>	<u>Yield</u>	<u>Amount of Maturity/Sale</u>
Federal National Mortgage Association	5/10/85	11/10/86	9.36%	\$ 2,000,000
Total - Maturities/Sales				<u>\$ 2,000,000</u>

University of Kentucky
And Affiliated Corporations
Statement of Portfolio Changes for the Regular Endowment Pool
For the Three Months Ended December 31, 1986

Purchases/Additions:

No. of Shares	Security	Date of Purchase	Amount of Purchase
3,000	Thoroughbred Group Prime Obligations - D	10/24/86	\$ 3,000.00
1,100	Maytag Company	10/27/86	43,835.00
300	Maytag Company	10/28/86	11,805.00
200	Maytag Company	11/06/86	7,951.56
700	Bellsouth Corporation	11/06/86	40,775.00
500	NYNEX Corporation	11/06/86	32,125.00
700	Pacific Telesis Group	11/06/86	37,800.00
1,000	Southwestern Bell Corporation	11/06/86	106,447.11
190	Southland Corporation	11/13/86	13,982.29
180	Penney J C Incorporated	11/21/86	15,417.00
1,620	Penney J C Incorporated	11/24/86	138,253.23
2,500	Scott Paper Company	11/28/86	152,150.00
2,000	Philip Morris Companies, Inc.	12/09/86	149,550.00
500	Scott Paper Company	12/18/86	31,762.50
800	Norfolk Southern Corporation	12/19/86	68,319.20
51	American Information Technologies Corp.	12/22/86	6,945.56
512	American Telephone & Telegraph Co.	12/22/86	13,920.00
102	Bell Atlantic Corporation	12/22/86	7,331.25
153	Bellsouth Corporation	12/22/86	9,065.25
100	Kentucky Utilities Company	12/22/86	4,337.50
400	Norfolk Southern Corporation	12/22/86	34,062.40
102	NYNEX Corporation	12/22/86	6,846.75
102	Pacific Telesis Group	12/22/86	5,756.62
51	Southwestern Bell Corporation	12/22/86	5,849.06
102	U.S. West Incorporated	12/22/86	5,826.75
300	Norfolk Southern Corporation	12/23/86	25,841.40
500	Norfolk Southern Corporation	12/24/86	43,045.50
	Total - Purchases/Additions		\$1,022,000.93

University of Kentucky
And Affiliated Corporations
Statement of Portfolio Changes for the Regular Endowment Pool
For the Three Months Ended December 31, 1986

Sales/Conversions:

No. of Shares	Security	Net Proceeds from Sales	Book Value	Gain or (Loss)
31,337.20	Guaranteed Mtg. Corporation, 11.95%, 10/1/94	\$ 31,337.20	\$ 31,337.20	(\$ 3,723.20)
300	Ames Department Stores, Inc.	6,466.28	10,189.48	(2,402.43)
200	Ames Department Stores, Inc.	4,294.86	6,697.29	(6,609.37)
3,525	Henley Group Inc.	68,296.88	74,906.25	(10,905.52)
1,400	Ames Department Stores, Inc.	29,658.01	40,563.53	(2,013.09)
400	Ames Department Stores, Inc.	8,573.71	10,586.80	(2,034.17)
500	Ames Department Stores, Inc.	11,057.63	13,091.80	(4,375.69)
1,000	Ames Department Stores, Inc.	20,674.31	25,050.00	61,487.77
3,150	Service Corporation Intl.	111,537.77	50,050.00	(4,799.22)
600	Coachmen Inds. Incorporated	6,569.78	11,369.00	(7,615.13)
700	Fleetwood Enterprises Incorporated	15,703.97	23,319.10	(3,376.12)
300	Fleetwood Enterprises Incorporated	6,617.78	9,993.90	(3,376.12)
300	Fleetwood Enterprises Incorporated	6,617.78	9,993.90	(3,286.72)
300	Fleetwood Enterprises Incorporated	6,707.18	9,993.90	2,889.72
245	Southland Corporation	13,803.57	10,913.85	(4,636.54)
600	Coachmen Inds, Incorporated	6,644.77	11,281.31	(14,284.62)
6,100	Super Valu Stores, Incorporated	130,840.63	145,125.25	5,891.81
2,200	Dayton Hudson Corporation	93,963.26	88,071.45	2,178.24
800	Dayton Hudson Corporation	33,941.27	31,763.03	(13,546.74)
1,800	Coachmen Inds. Incorporated	19,709.34	33,256.08	54,307.57
75,000	Safeco Corporation, 7.6%, 12/15/86	75,000.00	75,000.00	19,663.46
4,325	Fort Howard Paper Company	202,191.32	147,883.75	
3,400	Ohio Mattress Company	55,690.13	36,026.67	
	Total - Sales/Conversions	\$ 965,897.43	\$ 906,463.54	\$ 59,433.89

University of Kentucky
And Affiliated Corporations
Pooled Endowment Funds - Fixed Income Securities
For the Three Months Ended December 31, 1986

Purchases/Additions

No. of Shares	Security	Date of Purchase	Amount of Purchase
1,012,984.07	Thoroughbred Group Prime Obligations - D		\$ 1,012,984.07
660,000	Morgan J P & Company, Inc.	10/08/86	400,181.76
206,000	U.S. Treasury Notes, 11.75%, 01/15/91	10/30/86	241,535.00
10,000	American Tel & Teleg Co., 7.0%, 2/15/2001	12/22/86	8,868.75
5,000	American Tel & Teleg Co., 7.0%, 2/15/2001	12/22/86	4,434.38
	Total - Purchases/Additions		<u>\$ 1,668,003.96</u>

Sales/Maturities:

No. of Shares	Security	Net Proceeds from Sales	Book Value	Gain or (Loss)
250,000	U. S. Treasury Notes, 10.75%, 11/15/89	\$ 276,953.13	\$ 258,515.63	\$ 18,437.50
70,000	U. S. Treasury Notes, 11.75%, 11/15/88	77,131.25	71,531.25	5,600.00
2,324.89	GNMA Pass Thru Regular Pool, 9.0%, 7/15/2001	2,324.89	2,351.80	(26.91)
546.77	GNMA Pass Thru Regular Pool, 9.0%, 5/15/2001	546.77	546.80	(.03)
10,216.29	Valley National Financial Corporation	10,216.29	10,170.32	45.97
200,000	U. S. Treasury Notes, 13.0%, 11/15/90	242,437.50	198,125.00	44,312.50
2,211.84	GNMA Pass Thru Regular Pool, 9.0%, 7/15/2001	2,211.84	2,237.44	(25.60)
544.12	GNMA Pass Thru Regular Pool, 9.0%, 5/15/2001	544.12	544.15	(.03)
9,484.92	Valley National Financial Corporation	9,484.92	9,442.24	42.68
2,485.21	GNMA Pass Thru Regular Pool, 9.0%, 7/15/2001	2,485.21	2,513.97	(28.76)
548.43	GNMA Pass Thru Regular Pool, 9.0%, 5/15/2001	548.43	548.46	(.03)
7,201.91	Valley National Financial Corporation	7,201.91	7,169.50	32.41
330,000	Morgan J P & Co., Inc.	209,344.16	200,090.88	9,253.28
	Total - Sales/Maturities	<u>\$ 841,430.42</u>	<u>\$ 763,787.44</u>	<u>\$ 77,642.98</u>

University of Kentucky
And Affiliated Corporations
Pooled Endowment Funds - Money Market
For the Three Months Ended December 31, 1986

Purchases:

<u>No. of Shares</u>	<u>Security</u>	<u>Date of Purchase</u>	<u>Amount of Purchase</u>
67,000	Thoroughbred Group Prime Obligations - D	10/86	\$ 67,000.00
64,000	Thoroughbred Group Prime Obligations - D	11/86	64,000.00
187,000	Thoroughbred Group Prime Obligations - D	12/86	187,000.00
	Total - Purchases		<u>\$318,000.00</u>

Sales:

<u>No. of Shares</u>	<u>Security</u>	<u>Net Proceeds from Sales</u>	<u>Book Value</u>
97,597.28	Thoroughbred Group Prime Obligations - D	\$ 97,597.28	\$ 97,597.28
31,000	Thoroughbred Group Prime Obligations - D	31,000.00	31,000.00
	Total - Sales	<u>\$128,597.28</u>	<u>\$128,597.28</u>

University of Kentucky
Intercollegiate Athletics Fund
For the Three Months Ended December 31, 1986

Purchases:

<u>No. of Shares</u>	<u>Security</u>	<u>Date of Purchase</u>	<u>Amount of Purchase</u>
51,000	Thoroughbred Group Prime Obligations - D		\$ 51,000.00
330,000	Morgan J P & Company, Inc.	10/08/86	200,090.88
270,000	USX Corporation, 4.625%, 1/1/96	11/25/86	200,385.90
	Total - Purchases		<u>\$ 451,476.78</u>

Sales:

<u>No. of Shares</u>	<u>Security</u>	<u>Net Proceeds from Sales</u>	<u>Book Value</u>	<u>Gain or (Loss)</u>
50,000	U.S. Treasury Notes, 11.875%, 9/29/82	\$ 56,750.00	\$ 50,890.60	\$ 5,859.40
78.05	GNMA Pass - Thru Regular Pool, 10.5%, 5/1/83	78.05	76.57	1.48
1,625.06	GNMA Pass - Thru Regular Pool, 10.5%, 12/15/98	1,625.06	1,593.61	31.45
5,311.92	GMAC 1986, 8.55%, 1/15/91	5,311.92	5,313.58	(1.66)
2,103.49	GNMA Pass - Thru Regular Pool, 9.0%, 8/15/2001	2,103.49	2,127.84	(24.35)
819.75	GNMA Pass - Thru Regular Pool, 10.5%, 4/15/98	819.75	804.22	15.53
1,602.05	GNMA Pass - Thru Regular Pool, 10.5%, 12/15/98	1,602.05	1,571.04	31.01
5,262.46	GMAC 1986, 8.55%, 1/15/91	5,262.46	5,264.10	(1.64)
290,000	American Telephone & Telegraph Co, 4.375%, 5/1/99	201,857.40	199,122.70	2,734.70
1,985.18	GNMA Pass - Thru Regular Pool, 9.0%, 8/15/2001	1,985.18	2,008.16	(22.98)
60,000	Alaska St Hsg Fin Corp., 15.25%, 6/1/92	60,000.00	63,675.00	(3,675.00)
880.43	GNMA Pass - Thru Regular Pool, 10.5%, 4/15/98	880.43	863.75	16.68
4,283.63	GMAC 1986, 8.55%, 1/15/91	4,283.63	4,284.97	(1.34)
1,616.72	GNMA Pass - Thru Regular Pool, 10.5%, 12/15/98	1,616.72	1,585.43	31.29
165,000	Morgan J P & Co., Inc.	104,672.09	100,045.44	4,626.65
2,105.37	GNMA Pass - Thru Regular Pool, 9.0%, 8/15/2001	2,105.37	2,129.74	(24.37)
	Total - Sales	<u>\$ 450,953.60</u>	<u>\$ 441,356.75</u>	<u>\$ 9,596.85</u>