Minutes of the Meeting of the Board of Trustees of the University of Kentucky, Tuesday, January 20, 1987.

The Board of Trustees of the University of Kentucky met at 1 p.m. (Eastern Standard Time) on Tuesday, January 20, 1987 in the Board Room on the 18th floor of the Patterson Office Tower on the Lexington Campus.

A. Meeting Opened and Roll Called

Mr. Robert T. McCowan, Chairman, called the meeting to order at 1 p.m., and the invocation was pronounced by Mrs. Edythe Jones Hayes.

The following members of the Board of Trustees answered the call of the roll: Mr. Robert T. McCowan (Chairman), Professor Raymond F. Betts, Mr. William R. Black, Governor Albert Benjamin Chandler, Mr. Albert G. Clay, Professor David R. Driscoll, Jr., Mr. Tracy Farmer, Mr. Ronald G. Geary, Ms. Donna G. Greenwell, Mr. George W. Griffin, Mrs. Edythe Jones Hayes, Mr. Henry E. Hershey, Mr. Brereton C. Jones, Mr. R. Larry Jones, Mr. T. A. Lassetter, Mr. W. Bruce Lunsford, Mr. Frank Ramsey, Mr. James L. Rose, Mr. Bobby Watson, and Professor Constance P. Wilson. 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 news media were also in attendance. A quorum being present, the Chairman declared the meeting officially open for the conduct of business at 1:04 p.m.

B. Minutes Approved

On motion made by Mr. Ramsey, seconded by Mr. Black and passed, the Minutes of the December 9, 1986 meeting of the Board of Trustees and the Minutes of the December 22, 1986 Telephone Conference Call Meeting of the Executive Committee of the Board of Trustees were approved as written.

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

In reviewing his "Report to the Trustees," copies of which were distributed earlier, President Singletary called attention to three items.

Three University faculty have been awarded Fulbright fellowships for 1986-87: Glenn C. Blomquist, Economics, to Sweden; Jon R. J. Dunn, Fine Arts, to Guatemala; and Thomas J. Hudak, English to Thailand. He also called attention to the five visiting Fulbright scholars for 1986-87: two from India, the U.S.S.R., Venezuela and Spain.

The Lexington Veterans Administration Medical Center's open heart surgery program will be continued. He noted that Congressman Larry Hopkins played a very important role in the decision to continue the program.

The University has 13 National Merit Scholars as students at U.K. this year and, in addition, scholarships have been awarded to 115 other freshman students in the same ACT or SAT range, i.e. 28 to 34. Also there is another group of students at U.K. with no scholarship assistance who are in the same range.

D. Personnel Actions (PR 2)

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

E. Appointment of Dean, College of Dentistry (PR 3A)

Acting on the recommendation of Chancellor Bosomworth, President Singletary recommended to the Board that Dr. David A. Nash be named Dean of the College of Dentistry, effective June 30, 1987. Chancellor Bosomworth reviewed briefly the credentials and experience of Dr. David A. Nash, who is currently Chairperson of the Department of Pediatric Dentistry at West Virginia University. Mr. Black so moved. The motion was seconded by Mr. Brereton Jones and unanimously carried. (See PR 3A at the end of the Minutes.)

F. Proposed Amendment to the Governing Regulations (PR 3B)

On motion made by Professor Betts, seconded by Professor Driscoll and passed, the proposed amendment to the Governing Regulations in PR 3B, which was received for preliminary consideration by the Board at its December 1986 meeting, was approved. (See PR 3B at the end of the Minutes.)

G. Owensboro Community College General Development Plan (PR 4A)

President Singletary recommended that the Owensboro Community College General Development Plan be approved "in principle," with the understanding that the plan may be periodically revised as the program requirements of the College become more fully expressed. Chancellor Wethington explained that the University has undertaken the preparation of a development plan for each of its community colleges for the purpose of establishing a broad framework within which the physical development of the colleges may take place in an efficient and orderly manner. He added that the plan being submitted today has the strong support of the Advisory Board of Owensboro Community College and other community leadership with whom the plan has been discussed. On motion made by Mr. Ramsey, seconded by Mrs. Hayes and carried, the Board approved the Owensboro Community College General Development Plan as recommended in PR 4A. (See PR 4A at the end of the Minutes.)

H. Appointment of Director, Southeast Community College (PR 4B)

Acting on the recommendation of Chancellor Wethington, President Singletary recommended to the Board that Dr. W. Bruce Ayers be appointed Director of Southeast Community College, effective February 1, 1987. Chancellor Wethington reviewed briefly Dr. Ayers' credentials and experience, noting that Dr. Ayers has demonstrated his leadership ability in the University of Kentucky Community College System by excellent performance in the various positions he has held at Southeast since 1969. Professor Driscoll so moved. The motion was seconded by Mr. Lunsford and unanimously carried. (See PR 4B at the end of the Minutes.)

I. Naming of University Building (PR 5A)

With President Singletary so recommending, Professor Betts moved that the reading room in the Special Collections Department of the Margaret I. King Library be named the MARY MARVIN BRECKINRIDGE PATTERSON ROOM. The motion, seconded by Mr. Watson, carried. (See PR 5A at the end of the Minutes.)

J. Arthur Andersen & Co. Professorship of Accounting (PR 5B)

President Singletary indicated his pleasure in recommending that the Board establish in the School of Accountancy, College of Business and Economics, the Arthur Andersen & Co. Professorship of Accounting. The motion, which was made by Mr. Larry Jones and seconded by Ms. Greenwell, was voted on and unanimously carried. (See PR 5B at the end of the Minutes.)

K. Kentucky Organ Donor Affiliates (PR 6A)

President Singletary said he was pleased to recommend University of Kentucky participation in Kentucky Organ Donor Affiliates, Inc., a non-profit group that will be a joint effort with University of Louisville and hospitals statewide. Chancellor Bosomworth explained that the specific objectives of the organization are to promote organ and tissue donation, organ and tissue procurement, education in the field of organ and tissue donation, and to coordinate efforts to obtain and use available organs within the Commonwealth. He added that it will service hospitals and other health care facilities in Kentucky and in other states, and has been partially funded through a federal grant. Mr. Ramsey so moved. The motion was seconded by Mr. Farmer and unanimously carried. (See PR 6A at the end of the Minutes.)

L. Appointment to Johnston-Wright Endowed Chair, Department of Surgery, College of Medicine (PR 6B)

President Singletary indicated his pleasure in recommending that the Board of Trustees authorize the appointment of Dr. A. Byron Young as the first occupant of the Johnston-Wright Endowed Chair of Surgery, effective January 20, 1987. The motion, which was made by Mr. Brereton Jones and seconded by Professor Wilson, was voted on and unanimously carried. President Singletary introduced Dr. Young who was accompanied by his wife and son. They were asked to stand and be recognized following which they were given a round of applause. Mr. McCowan expressed his pleasure also with Dr. Young's appointment to the Johnston-Wright Endowed Chair. (See PR 6B at the end of the Minutes.)

M. Master of Science Degree Program in Physical Therapy, College of Allied Health Professions (PR 6C)

On motion made by Mr. Griffin, seconded by Mr. Black and carried, the Board authorized for submission to the Council on Higher Education a new degree program, Master of Science in Physical Therapy, for the College of Allied Health Professions. (See PR 6C at the end of the Minutes.)

N. Information Items

With the concurrence of the Chairman and other members of the Board, President Singletary announced that the May 5 meeting of the Board of Trustees would be held in Ashland.

President Singletary stated that he and Mrs. Singletary would be hosting a pre-game dinner for the Trustees prior to the Kentucky-Tennessee game on February 11. He also informed the Trustees of a dinner for Mr. Hilary Boone which is being planned for March 2 at the Hilary J. Boone Faculty Center prior to its being open to the public.

O. Acceptance of Interim Financial Report (FCR 1)

Mr. Clay, Chairman of the Finance Committee, reported that the Committee met on the morning of January 20, 1987 and reviewed the seven actions items to be presented for action. He then recommended and moved that the Board accept the University of Kentucky Consolidated Financial Report for the five months ended November 30, 1986. The motion was seconded by Mr. Ramsey, and it was so ordered. (See FCR 1 at the end of the Minutes.)

P. Disposal of Personal Property (FCR 2)

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

Q. Report of Lease (FCR 3)

Mr. Clay moved that the report of lease in FCR 3 be accepted and made a matter of record. The motion was seconded by Mr. Lassetter, and it was so ordered. (See FCR 3 at the end of the Minutes.)

R. Lease of Equipment (FCR 4)

On motion made by Mr. Clay, seconded by Mr. Ramsey and carried, approval was given for the lease of equipment as recommended in FCR 4. (See FCR 4 at the end of the Minutes.)

S. Establishment of Quasi-Endowment for the U.K. Library Endowment Fund (FCR 5)

With the concurrence of the Finance Committee, Mr. Clay recommended and so moved that the Board authorize the creation of a quasi-endowment fund to be entitled the U.K. LIBRARY QUASI-ENDOWMENT FUND. The motion was seconded by Mr. Rose and carried without dissent. (See FCR 5 at the end of the Minutes.)

T. Adoption of Resolution Approving the Issuance and Sale of University of Kentucky Consolidated Educational Buildings Revenue Bonds, Series J, dated March 1, 1987 (FCR 6)

Mr. Clay reported that the Resolution and official documents regarding the Consolidated Educational Buildings Revenue Bonds, Series J, dated March 1, 1987, had been prepared by Bond Counsel. These documents contemplate action by this Board of Trustees, approving same at this time and contemplating a sale of such Bonds on March 3, 1987. He stated that

the Resolution supersedes and nullifies a previous resolution adopted by the Board of Trustees on December 9, 1986, authorizing $31,300,000 of Series J Bonds, so as to reduce the amount authorized to $29,350,000 because of the availability of a balance of approximately $1,950,000 of the proceeds of the Series I Bonds. Mr. Clay noted that present at the meeting is a quorum of the Board of Trustees.

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

> A RESOLUTION AUTHORIZING THE ISSUANCE OF $29,350,000 OF UNIVERSITY OF KENTUCKY CONSOLIDATED EDUCATIONAL BUILDINGS REVENUE BONDS, SERIES J, DATED MARCH 1, 1987, OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY,

be adopted, that the official documents relating to the advertisement and sale of said Revenue Bonds be approved, and that, as provided in the sale documents, bids be considered for the purchase of such Bonds by the Treasurer of the University in the office of the President, Administration Building, University of Kentucky Campus, Lexington, Kentucky, until March 3, 1987 at 10:30 A.M., E.S.T., and that the University Treasurer, in cooperation with the President of the University and the Fiscal Agent, Dupree & Company, Inc., ascertain the best bid for the bonds, subject to the provision that the actual award of the Bonds to the best bidder shall be made by action of either the full Board or its Executive Committee at a meeting scheduled for a later hour on that same date, 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	Nayes Against the Motion
Robert T. McCowan	None
Raymond F. Betts	
William R. Black	
Albert G. Clay	
David R. Driscoll, Jr.	
Tracy Farmer	
Ronald G. Geary	
Donna G. Greenwell	
George W. Griffin	
Edythe Jones Hayes	
Henry E. Hershey	
Brereton C. Jones	
R. Larry Jones	
T. A. Lassetter	
W. Bruce Lunsford	
Frank Ramsey	
James L. Rose	
Bobby Watson	
Constance P. Wilson	

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 6 at the end of the Minutes.)

U. Adoption of Resolution Accepting the Successful Bid for the University of Kentucky Community Colleges Educational Buildings Revenue Bonds, Series F, dated February 1, 1987 (FCR 7)

Mr. Clay announced that bids had been received for the purchase of Community Colleges Educational Buildings Revenue Bonds, Series F of the University of Kentucky, dated February 1, 1987 until 10:30 A.M., E.S.T., on this date of January 20, 1987, pursuant to a Notice of Bond Sale which had been published. He stated that since the hour of 1:00 A.M., E.S.T., 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. He 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.

The Treasurer and the Fiscal Agent presented to the Finance Committee, after the analysis, the best offer for the purchase of said Community Colleges Educational Buildings Revenue Bonds, Series F of the University of Kentucky, dated February 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 $26,100,000 PRINCIPAL AMOUNT OF UNIVERSITY OF KENTUCKY COMMUNITY COLLEGES EDUCATIONAL BUILDINGS REVENUE BONDS, SERIES F, DATED FEBRUARY 1, 1987.

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

Yeas for the Motion	Nayes Against the Motion
Robert T. McCowan	None
Raymond F. Betts	
William R. Black	
Albert G. Clay	
David R. Driscoll, Jr.	
Tracy Farmer	
Ronald G. Geary	
Donna G. Greenwell	
George W. Griffin	
Edythe Jones Hayes	
Henry E. Hershey	
Brereton C. Jones	
R. Larry Jones	
T. A. Lassetter	
W. Bruce Lunsford	
Frank Ramsey	
James L. Rose	
Bobby Watson	
Constance P. Wilson	

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.)

V. Report on Presidential Search Committee

Mr. McCowan, Chairman of the Presidential Search Committee, reported that well over 200 applications and nominations had been received and that the Committee was pleased with the caliber of individuals who have been nominated or applied. Although no timetable has been set for submitting a recommendation to the full Board, Mr. McCowan indicated the Committee hoped to have a recommendation within the next few weeks. In response to a question from Mr. Farmer, Mr. McCowan replied that it was too early to determine the number of finalists that would be presented to the full Board. Mr. McCowan indicated he was pleased with the progress of the Committee and expressed appreciation for the time and effort which is being devoted to this important task.

W. Mr. Lunsford's Remarks

Mr. Lunsford stated that in all probability he was attending his last meeting as a member of the Board of Trustees inasmuch as his appointment was for a term ending June 30, 1986. He commended President Singletary on his leadership of the University. Mr. Lunsford expressed the hope that the new president would have the same credentials as President Singletary and would be appointed in time for a smooth and effective transition in the presidency of the University. Mr. McCowan thanked Mr. Lunsford for his comments.

X. Meeting Adjourned

There being no further business to come before the Board, the Chairman adjourned the meeting at 1:48 p.m., E.S.T.

Respectfully submitted,

George W. Griffin
Secretary
Board of Trustees

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

Office of the President
January 20, 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-B of the Governing Regulations of the University. These recommendations are transmitted to the Board by the appropriate chancellor through the President and have his concurrence.

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

Action taken: Approved ✓ Disapproved _____ Other _____

Date: January 20, 1987

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COMMUNITY COLLEGE SYSTEM

I. BOARD ACTION

A. ADMINISTRATIVE APPOINTMENTS

Madisonville Community College

Schuermer, David, Associate Professor in the Community College System (with tenure), Chairman, Division of Humanities and Related Technologies, 1/1/87 through 6/30/88.

II. ADMINISTRATIVE ACTION

A. ACADEMIC APPOINTMENTS

Jefferson Community College

Butsch, Pamela M., Instructor in the Community College System, 1/1/87 through 6/30/87.
Eddleman, Caroline C., Instructor in the Community College System, 1/1/87 through 6/30/87.
Hess, Ann, Instructor in the Community College System, 1/1/87 through 6/30/87.
King, S. Lee, Instructor in the Community College System (voluntary), 1/1/87 through 6/30/87.
Spurling, Katherine, Instructor in the Community College System, 1/1/87 through 6/30/87.
Zimmerman, Joseph E., Instructor in the Community College System, 1/1/87 through 6/30/87.

Prestonsburg Community College

DeRossett-Stewart, Kimberly, Instructor in the Community College System, 1/1/87 through 6/30/87.

B. ADMINISTRATIVE APPOINTMENTS

Hazard Community College

Roark, Peggy J., CC Business Officer, 1/5/87.

Southeast Community College

Bacon, Mary L., Assistant Professor in the Community College System, Acting Director, 1/1/87 through 1/31/87.

C. REAPPOINTMENTS

Jefferson Community College

Billings, Thomas, Instructor in the Community College System (voluntary), 1/1/87 through 6/30/87.
Brooks, Beverly L., Instructor in the Community College System (voluntary), 1/1/87 through 6/30/87.
Campbell, Karen, Instructor in the Community College System (voluntary), 1/1/87 through 6/30/87.
Constable, Mary Jude, Instructor in the Community College System (voluntary), 1/1/87 through 6/30/87.
Cornett, Martha H., Instructor in the Community College System (voluntary), 1/1/87 through 6/30/87.
Dutton, Patricia, Instructor in the Community College System (voluntary), 1/1/87 through 6/30/87.
Fife, Debbie, Instructor in the Community College System (voluntary), 1/1/87 through 6/30/87.
Gibson, John M., Instructor in the Community College System, 1/1/87 through 6/30/87.
Hall, Judith, Instructor in the Community College System (voluntary), 1/1/87 through 6/30/87.
Higdon, Mary Ann, Instructor in the Community College System (voluntary), 1/1/87 through 6/30/87.
Huber, Jan, Instructor in the Community College System (voluntary), 1/1/87 through 6/30/87.
Klein, Karen, Instructor in the Community College System (voluntary), 1/1/87 through 6/30/87.
Lipscomb, Martha, Instructor in the Community College System (voluntary), 1/1/87 through 6/30/87.
Mohr, Anna, Instructor in the Community College System (voluntary), 1/1/87 through 6/30/87.
Nay, Patricia, Instructor in the Community College System (voluntary), 1/1/87 through 6/30/87.
Newkirk, Angela M., Instructor in the Community College System (voluntary), 1/1/87 through 6/30/87.
Pedigo, Andrea, Instructor in the Community College System (voluntary), 1/1/87 through 6/30/87.
Richman, Anne Dunbar, Instructor in the Community College System (voluntary), 1/1/87 through 6/30/87.
Robison, Margaret P., Assistant Professor in the Community College System, 1/1/87 through 6/30/87.
Schuster, Salvia, Instructor in the Community College System (voluntary), 1/1/87 through 6/30/87.
Stemmle, Donna, Instructor in the Community College System (voluntary), 1/1/87 through 6/30/87.
Taylor, Lisa, Instructor in the Community College System (voluntary), 1/1/87 through 6/30/87.
Tonegawa, Shelba, Instructor in the Community College System (voluntary), 1/1/87 through 6/30/87.

Veith, Betty, Instructor in the Community College System (voluntary), 1/1/87 through 6/30/87.
Wahl, Jeanette, Instructor in the Community College System (voluntary), 1/1/87 through 6/30/87.

Owensboro Community College

Marroquin, Fernando, Instructor in the Community College System, 1/1/87 through 6/30/87.

Southeast Community College

Bacon, Mary L., Assistant Professor in the Community College System, 1/1/87 through 1/31/87.

D. LEAVES OF ABSENCE

Prestonsburg Community College

Cantrell, Etta L., Associate Professor in the Community College System (with tenure), Sabbatical leave at full salary, 7/1/87 through 12/31/87.
Whitaker, Thomas J., Professor in the Community College System (with tenure), Sabbatical leave at full salary, 7/1/87 through 12/31/87.

Southeast Community College

Noe, Roger, Professor in the Community College System, (with tenure), leave of absence without pay, 1/6/87 through 1/9/87, and 2/1/87 through 5/30/87.

LEXINGTON CAMPUS

I. BOARD ACTION

A. ACADEMIC APPOINTMENTS

College of Arts and Sciences

Huggins, Frank E., Research Professor, Geological Sciences, 9/1/86 through 8/31/89.

College of Home Economics

Brock, Gregory W., Associate Professor (with tenure), Family Studies, effective 1/1/87.

B. ADMINISTRATIVE APPOINTMENTS

College of Home Economics

Brock, Gregory W., Associate Professor (with tenure), Family Studies, appointed Chairman, Family Studies, 1/1/87 through 6/30/90.

C. RETIREMENTS

College of Agriculture

Harrison, John, Regulatory Specialist, Regulatory Services, after 40 consecutive years of service, under Section II.B of AR II-1.6-1, effective 2/12/87.

Vice Chancellor for Administration

Allen, Ronald G., Student Athletics Admissions Officer, Athletics Association, after 15 consecutive years of service, under Section II.B of AR II-1.6-1, effective 2/28/87.

D. EARLY RETIREMENTS

College of Agriculture

Scillian, Doris Shaw, County Extension Secretary, Cooperative Extension Service, after 25 consecutive years of service, under Section II.A.1(b) of AR II-1.6-1, effective 1/16/87.

*Special Title Series

II. ADMINISTRATIVE ACTION

A. ACADEMIC APPOINTMENTS

College of Architecture

de Hahn, Henri, Visiting Assistant Professor (part-time), 1/1/87 through 6/30/87.
Gillig, Robert, Instructor (part-time), 8/1/86 through 6/30/87.
Polk, Richard J., Jr., Instructor (part-time), 8/1/86 through 6/30/87.

College of Arts and Sciences

Stull, William A., Assistant Professor/Major, Military Science, 6/1/85 through 6/1/88.
Vanderpool, Betty Lou, Instructor (part-time), Mathematics, 11/1/86 through 12/31/86.
Walden, Gregory A., Assistant Professor/Captain, Military Science, 6/1/87 through 6/1/90.

College of Law

Horne, Kevin M., Instructor (part-time), 1/1/87 through 4/30/87.

College of Social Work

Erwin, Anne B., Lecturer (part-time), 1/14/87 through 5/15/87.

B. REAPPOINTMENTS

College of Arts and Sciences

Swauger, Clifford J., Adjunct Assistant Professor, Mathematics, 7/1/86 through 6/30/88.

College of Communications

Anderson, Paula M., Adjunct Assistant Professor, Journalism, 7/1/86 through 6/30/87.

College of Education

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

College of Engineering

Hwang, Alun, Assistant Professor (part-time), Civil Engineering, 1/1/87 through 5/15/87.

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*Special Title Series

Mathur, Maya S., Visiting Assistant Professor, Electrical Engineering, 1/1/87 through 6/30/87.

College of Home Economics

Ruddy, Sue Gibson, Instructor (part-time), 1/1/87 through 5/15/87.

College of Law

Hamblin, Pierce W., Assistant Professor (part-time), 1/1/87 through 4/30/87.

C. PROMOTIONS WITHOUT TENURE

College of Business and Economics

Feltus, Oliver L., from Instructor, Accountancy, to Assistant Professor, Accountancy, 12/1/86 through 6/30/87.
Johnson, Nancy Brown, from Instructor, Management, to Assistant Professor, Management, 12/1/86 through 6/30/87.
Moser, James T., from Instructor, Finance, to Assistant Professor, Finance, 10/1/86 through 6/30/87.
Viator, Ralph E., from Instructor, Accountancy, to Assistant Professor, Accountancy, 11/1/86 through 6/30/87.

D. LEAVES OF ABSENCE

College of Agriculture

Foster, Judith Ann, County Extension Agent, Cooperative Extension Service, Study leave with half salary, 9/23/87 through 3/25/88.
Stuckey, Richard E., Extension Professor (with tenure), Plant Pathology, Leave without pay, 4/28/87 through 7/31/87.

College of Arts and Sciences

Prescott, Laurence E., Associate Professor (with tenure), Spanish and Italian, Sabbatical leave with half salary, 7/1/87 through 6/30/88.
Sabharwal, P. S., Professor (with tenure), Biological Sciences, Leave without pay, 1/1/87 through 6/30/87.
Saenz, Gerardo, Professor (with tenure), Spanish and Italian, Sabbatical leave with full salary, 7/1/87 through 12/31/87.
Sigelman, Lee P., Professor (with tenure), Political Science, Leave without pay, 7/1/86 through 6/30/87.
Thompson, Joe A., Professor (with tenure), History, Sabbatical leave with full salary, 7/1/87 through 12/31/87.
Yates, Steven W., Professor (with tenure), Chemistry, Sabbatical leave with half salary, 1/1/88 through 12/13/88.

*Special Title Series

College of Engineering

Distler, Raymond J., Associate Professor (with tenure), Electrical Engineering, Sabbatical leave with full salary, 1/1/87 through 6/30/87.

Szwilski, Anthony B., Associate Professor (with tenure), Mining Engineering, To rescind sabbatical leave with half salary for 1/1/87 through 12/31/87.

College of Home Economics

Wesley, Myrna, Associate Professor (with tenure)*, Nutrition and Food Science, Sick leave with pay, 1/5/87 through 4/5/87.

*Special Title Series

MEDICAL CENTER

I. BOARD ACTION

A. ADMINISTRATIVE APPOINTMENTS

College of Medicine

Golden, Abner, Professor (with tenure), and Chairperson, Pathology, named Acting Chief, Clinical Service of Radiation Medicine, effective 11/14/86.

College of Dentistry

Marciani, Robert D., Associate Professor (with tenure), Oral & Maxillofacial Surgery, named Acting Chairperson, Oral & Maxillofacial Surgery, 1/1/87 through 6/30/87.

B. CORRECTION IN MINUTES

College of Medicine

Conover, Wayne B., Assistant Professor, Obstetrics & Gynecology, 1/1/87 through 6/30/88. Note: To correct beginning date from April 1, 1986 to January 1, 1987, as reported in May 6, 1986 Minutes.

C. EARLY RETIREMENTS

Support Units

Leech, Sara H., Librarian I, Medical Center Library, after 24.5 consecutive years of service, "Under AR II-1.6-1 Section II.A.1(b)", effective 3/1/87.

University Hospital

Combs, Clara A., Bed Assignment Clerk, Admitting/Financial Counseling, after 17 consecutive years of service, "Under AR II-1.6-1 Section II.A.1(b)", effective 12/19/86.

Schumacher, Ruth A., Employee Health Nurse, Infection Control/Employee Health, after 17.5 consecutive years of service, "Under AR II-1.6-1 Section II.A.1(b)", effective 1/31/87.

*Special Title Series

II. ADMINISTRATIVE ACTION

A. ACADEMIC APPOINTMENTS

College of Allied Health Professions

Dyar, Suzanne, Clinical Instructor (voluntary), Physical Therapy, 11/15/86 through 6/30/88.
Skonicki, Phyllis, Assistant Professor (part-time), Allied Health Education and Research, 11/15/86 through 6/30/87.

College of Dentistry

Anderson, William M., Clinical Instructor (voluntary), Community Dentistry, 11/1/86 through 6/30/87.
Pearson, Cheryl A., Clinical Instructor (voluntary), Community Dentistry, 11/1/86 through 6/30/87.
Schroeder, Frederic A., Clinical Instructor (voluntary), Community Dentistry, 12/1/86 through 6/30/87.

College of Medicine

Carnero, Reynaldo A., Assistant Clinical Professor (voluntary), Psychiatry, 10/1/86 through 6/30/88.
Greenlee, Thomas H., Assistant Clinical Professor (voluntary), Surgery, 11/1/86 through 6/30/88.
Hambrick, Horace P., Clinical Instructor (voluntary), Pediatrics, 12/1/86 through 6/30/88.
Oexmann, James B., Assistant Clinical Professor (voluntary), Surgery, 11/1/86 through 6/30/88.
Patel, Pushpa M., Assistant Professor*, Radiation Medicine, 11/1/86 through 6/30/87.

B. REAPPOINTMENTS

College of Dentistry

Scharer, Janet L., Assistant Research Professor, Community Dentistry, 1/1/87 through 6/30/87.

C. CHANGES

College of Dentistry

Gray, John I., from Assistant Clinical Professor (voluntary), Oral & Maxillofacial Surgery, to Assistant Professor (part-time), Oral & Maxillofacial Surgery, 1/1/87 through 6/30/87.
Smith, Kenneth J., from Assistant Clinical Professor (voluntary), Oral & Maxillofacial Surgery, to Assistant Professor (part-time), Oral & Maxillofacial Surgery, 10/1/86 through 6/30/87.

*Special Title Series

Williams, Loren N., from Assistant Clinical Professor (voluntary), Community Dentistry, to Assistant Professor (part-time), Community Dentistry, 11/1/86 through 6/30/87.

College of Medicine

Broughton, Robert, from Assistant Professor, Pediatrics, to Assistant Professor*, Pediatrics, 12/1/86 through 6/30/88.

Kanga, Jamshed F., from Assistant Professor, Pediatrics, to Assistant Professor*, Pediatrics, 12/1/86 through 6/30/88.

Longenecker, Betsy, from Assistant Clinical Professor (part-time), Family Practice, to Assistant Professor (Clinical Title Series), (temporary), Family Practice, 11/1/86 through 6/30/87.

College of Pharmacy

Dunbar, Jane Stubblefield, from Clinical Instructor (voluntary), to Instructor (part-time), 11/17/86 through 6/30/87.

D. LEAVES OF ABSENCE

College of Medicine

Feola, Jose M., Associate Research Professor, Radiation Medicine, extension of Leave of Absence Without Pay, 12/23/86 through 12/22/87.

Martin, Catherine A., Associate Professor (with tenure), Psychiatry, Leave of Absence, 3/1/87 through 2/28/88.

Marx, Martin B., Professor (with tenure), Family Practice, joint as Professor (without tenure), Community Health, College of Allied Health Professions, Leave of Absence, 1/1/87 through 6/30/87.

*Special Title Series

Office of the President
January 20, 1987

PR 3A

Members, Board of Trustees:

APPOINTMENT OF DEAN, COLLEGE OF DENTISTRY

Recommendation: that David A. Nash, D.M.D., Ed.D., be named Dean, College of Dentistry, effective June 30, 1987.

Background: Following the resignation of Dr. Merrill W. Packer, in accordance with the University's Governing Regulations, a search committee was appointed to identify and recommend qualified candidates to the President for the position of Dean, College of Dentistry. The Committee was composed of representative faculty members of the University, Alumni of the College and both undergraduate and graduate student representatives.

Dr. Nash, a native of Kentucky, received his undergraduate degree from Milligan College in 1964. He is a 1968 graduate of the University of Kentucky College of Dentistry. He completed a residency in pediatric dentistry at the University of Iowa in 1970 and was awarded a master of science degree. He also holds a doctorate in higher education administration from West Virginia University (1984). Dr. Nash is currently Professor and Chairperson of the Department of Pediatric Dentistry at West Virginia University. Prior to assuming his present position at West Virginia University in 1973, he was a member of the faculty of the Louisiana State University School of Dentistry.

Dr. Nash is a Fellow of the American Academy of Pediatric Dentistry and recently completed a three-year term as a member of the Board of Directors. He is a diplomate of the American Board of Pediatric Dentistry, a consultant to the Examining Board and Vice President of the College of Diplomates in Pediatric Dentistry. Dr. Nash is actively involved in service to the dental profession and presently serves as Consultant to the Commission on Dental Accreditation of the Council on Dental Education. During 1986 , he served on the American Dental Association President's Special Committee on Professionalism and Ethics.

Dr. Nash is a frequent contributor to the literature of dentistry with scientific publications before various organizations and publications in several journals including the Journal of Dental Education, Journal of American Dental Association, Journal of Dental Research, Pediatric Dentistry, and the Journal of Dentistry for Children. Dr. Nash has also pursued his interest in ethics by participating in the two major ethics courses available for health professionals: The Hasting Center's "Professional Ethics Institute", and Georgetown University Kennedy Center's "Intensive Bioethics Workshop."

Action taken: Approved ✔ Disapproved _____ Other _____

Date: January 20, 1987 .

Office of the President
January 20, 1987

PR 3B

Members, Board of Trustees:

PROPOSED AMENDMENT TO THE GOVERNING REGULATIONS

Recommendation: that the following amendment to the Governing Regulations of the University of Kentucky, which was received by the Board of Trustees for preliminary consideration at its December 1986 meeting, be approved:

(Note: Proposed addition of new wording is underlined.)

Amendment: Change Part IV, sixth paragraph, to read:

> The ex officio non-voting membership shall include the President, all vice presidents, University Registrar, Director of Undergraduate Admissions, Dean of University Extension, Dean of Students, Professor of Military Science, Professor of Aerospace Studies, Director of the University Studies Program, and, if they are not already elected members of the Senate, the University System faculty members of the Board of Trustees, the Academic Ombudsman, the Director of the Honors Program, and the chairmen of the University Senate Committees, including University Senate Advisory Committees. All officials mentioned in the preceding paragraph who are not ex officio voting members in any year shall be considered ex officio non-voting members. Other ex officio non-voting members may be added by the University Senate for the purpose of supplying information and viewpoints on problems considered by the Senate. Ex officio non-voting members shall enjoy all privileges of the elected membership except the right to vote.

Background: On February 3, 1986, the University Senate approved the new University Studies Program outline. In a subsequent meeting (April 14, 1986), the University Senate approved the rule changes necessary to implement the new program. In the future, the University Senate will be considering specific proposals for the new University Studies Program in preparation for implementation in Fall 1988. To this end, and to facilitate communications relating to a wide range of academic policies, the University Senate recommends that the Director of the University Studies Program be added to the University Senate as an ex officio non-voting member.

1748A

Action taken: Approved ✓ Disapproved _____ Other _____

Date: January 20, 1987

Office of the President
January 20, 1987

PR 4A

Members, Board of Trustees:

OWENSBORO COMMUNITY COLLEGE GENERAL DEVELOPMENT PLAN

Recommendation: that the Owensboro Community College General Development Plan be approved "in principle," with the understanding that the plan may be periodically revised as the program requirements of the College become more fully expressed.

Background: The University has undertaken the preparation of a Development Plan for each of its community colleges for the purpose of establishing a broad framework within which the physical development of the colleges may take place in an efficient and orderly manner. The Owensboro Community College General Development plan has now been completed and published. The plan has the strong support of the Advisory Board of Owensboro Community College and other community leadership with whom the plan has been discussed.

NOTE: The Development Plan is not included in the Minutes of the meeting but is included in the official files.

Action taken: Approved ✔ Disapproved _____ Other _____

Date: January 20, 1987

Office of the President
January 20, 1987

PR 4B

Members, Board of Trustees:

APPOINTMENT OF DIRECTOR, SOUTHEAST COMMUNITY COLLEGE

Recommendation: that Dr. W. Bruce Ayers be named Director of Southeast Community College, effective February 1, 1987.

Background: A Search Committee was appointed by the Chancellor of the Community College System in August 1986 to seek qualified candidates for the position of Director, Southeast Community College. The Committee, composed of faculty representatives, a student representative and an Advisory Board representative screened applications and recommended three candidates to the Chancellor. The three candidates were then interviewed by the Chancellor and Dr. Ayers was chosen to be recommended to the President and Board of Trustees.

Dr. Ayers has a bachelor's degree from the University of Kentucky, a master's degree from the University of Kentucky, and a doctorate from East Tennessee State University. He has been employed at Southeast Community College since 1969 where he has served as faculty member, Division Chairman and Coordinator of Resource Development.

Dr. Ayers has had successful teaching and administrative experience at Southeast Community College. He has demonstrated his leadership ability in the University of Kentucky Community College System by excellent performance in the various positions he has held at Southeast since 1969.

Action taken: Approved ✔ Disapproved _____ Other _____

Date: January 20, 1987

Office of the President
January 20, 1987

PR 5A

Members, Board of Trustees:

NAMING OF UNIVERSITY BUILDING

Recommendation: that the Board of Trustees approve naming the reading room in the Special Collections Department of the Margaret I. King Library the MARY MARVIN BRECKINRIDGE PATTERSON ROOM.

Background: Mrs. Mary Marvin Breckinridge Patterson has had ties to the Frontier Nursing Service in Kentucky since she worked in eastern Kentucky in the 1920's. She served as chair of the Frontier Nursing Service for a number of years and is still honorary chair, and as such, she visits Kentucky about once a year. She has personally given the Library a number of items from the Breckinridge family and has pledged $100,000 toward this room. It is, therefore, fitting that we honor her in this way.

In accordance with University policy, the Committee for Naming University Buildings has made its recommendation to the Chancellor of the Lexington Campus who recommends to the President and Board of Trustees that the reading room of the Special Collections Department be named the MARY MARVIN BRECKINRIDGE PATTERSON ROOM.

Action taken: Approved ✓ Disapproved _____ Other _____

Date: January 20, 1987

Office of the President
January 20, 1987

PR 5B

Members, Board of Trustees:

ARTHUR ANDERSEN & CO. PROFESSORSHIP OF ACCOUNTING

Recommendation: that the Board of Trustees establish in the School of Accountancy, College of Business and Economics, the Arthur Andersen & Co. Professorship of Accounting.

Background: Arthur Andersen & Co., one of the "big-eight" Certified Public Accounting firms, has been a strong supporter of the School of Accountancy and the College of Business and Economics for many years. Contributions from alumni working for the firm, combined with a match by the Arthur Andersen Foundation, have exceeded $50,000 over the last several years. Currently several alumni partners, in combination, have pledged $20,000 per year for the next five years in addition to the regular contributions made by other members of the firm. It is the intent of the Director of the School of Accountancy and the Dean of the College of Business and Economics to use these funds to establish an endowment to support the professorship. The firm has requested that the professorship be named the Arthur Andersen & Co. Professorship of Accounting.

Action taken: Approved ✓ Disapproved _____ Other _____

Date: January 20, 1987

Office of the President
January 20, 1987

PR 6A

Members, Board of Trustees:

KENTUCKY ORGAN DONOR AFFILIATES

Recommendation: that the Board of Trustees authorize University of Kentucky participation in the independent, non-profit, Kentucky Organ Donor Affiliates, Inc.

Background: The Kentucky Organ Donor Affiliates is an independent, non-profit, cooperative effort of the University of Kentucky and University of Louisville in affiliation with hospitals statewide. The purpose of the organization is to coordinate and serve statewide efforts in organ procurement. Copies of draft Articles of Incorporation and By-Laws are attached for information. Changes in these documents will require the approval of the presidents of the University of Kentucky and the University of Louisville.

Funding for the operation of the program will be provided through fees, contractual arrangements, contributions, gifts and grants. A federal grant from the Office of Organ Transplantation of the Department of Health and Human Services in the amount of $240,000 has already been awarded. The University of Louisville Research Foundation will be the fiscal agent for the organization. There is no commitment of University of Kentucky funds or facilities, but the Medical Center does plan to be a charter member organization and to obtain services which will be available to member hospitals.

The specific objectives of the organization are to promote organ and tissue donation, organ and tissue procurement, education in the field of organ and tissue donation, and to coordinate efforts to obtain and use available organs within the Commonwealth. It will service hospitals and other health care facilities in Kentucky and in other states.

The program will operate with principal offices in Louisville and operational offices in Lexington and Louisville.

Action taken: Approved ✓ Disapproved _____ Other _____

Date: January 20, 1987

ARTICLES OF INCORPORATION
OF
KENTUCKY ORGAN DONOR AFFILIATES, INC.

We, the undersigned incorporators of Kentucky Organ Donor Affiliates, Inc., of Jefferson County, Kentucky, do hereby incorporate a non-profit corporation without capital stock or shareholders, under the provisions of KRS 273.161 to 273.390, and for that purpose adopt the following Articles of Incorporation.

ARTICLE I.

The name of the corporation is Kentucky Organ Donor Affiliates, Inc. and is hereinafter referred to as "KODA".

ARTICLE II.

The period of duration of the corporation is perpetual.

ARTICLE III.

Any provision of these Articles of Incorporation to the contrary notwithstanding, KODA shall not have any purpose or object, nor have or exercise any power, nor engage in any activity which in any way contravenes or is in conflict with the provisions of this Article III of these Articles of Incorporation.

The objects and purposes of KODA, and the powers which KODA shall and may exercise, are as follows:

1) to conduct and carry on its work, not for profit, but exclusively for charitable, educational and scientific purposes, in such manner that no part of its income or property shall inure to the private benefit of any donor, director or individual having a personal or private interest in the activities of KODA, and in such manner that it shall not directly or indirectly carry on propaganda or otherwise attempt to influence legislation and, in summary, to operate at all times solely for those purposes which will enable KODA to qualify and remain exempt from federal income tax under Internal Revenue Code Section 501(c)(3);

2) to engage in any and all lawful activities or pursuits for which a corporation may be incorporated under Kentucky Revised Statutes Chapter 273 (which deal with non-stock, non-profit corporations) and to exercise any and all powers which such a corporation may now or hereafter exercise, whether or not such powers are specifically set forth herein, but

only insofar as such powers or the exercise of such powers are not inconsistent with Section 1) above;

3) to establish KODA as the central coordinating organization for the donation of all organs and tissues for transplantation within the state and contiguous areas, by combining the independently operated organ procurement agency (OPA) at the University of Kentucky with the independently operated organ procurement agency (OPA) at the University of Louisville;

4) to coordinate all efforts to obtain and use available organs, especially by working with hospitals, as provided by KRS 311.241(1) as amended from time to time, and to cooperate with, and to provide organ and tissue procurement services equitably to, any hospital or other appropriate facility (whether it is located within or outside of the Commonwealth of Kentucky) which needs organs and tissues for use in its clinical transplantation program (s) or biomedical research program(s);

5) to develop a continuing education program to promote organ and tissue donation in Kentucky through public and private education campaigns for organ donation, so that more people, including medical professionals, are aware of both the need for and the possibility of organ donations and transplants;

6) to help coordinate all informational activities related to organ and tissue donation so that, as far as possible, a consistent organized approach to public education will be maintained at the local, state and regional level;

7) to make available to the general public writings and other educational materials and resources concerning the field of organ and tissue donation and transplantation so that every individual, as well as every family member facing the death of a relative, can know his, her or the family's rights and options and will have the opportunity to make an independent, informed choice concerning organ donation;

8) to assist state, local, regional and specialty medical associations (or one or more committees of any such association) in their (or its) continuing education activities in the field of organ and tissue donation and transplantation;

9) to develop and maintain the identity and involvement of the organization within the Organ Procurement and Transplantation Network and within other national groups; and

10) to engage directly, via any means appropriate to achieve KODA's general purposes, in the continual active conduct of educational projects, including but not limited to the implementation and coordination of educational efforts relating to KRS 311.165 to 311.235 (Anatomical Gifts); KRS 311.241 to 311.247 (dealing with a hospital's obligation to establish organ procurement protocol) and KRS 446.400 (determination of death), as the legislature may amend these statutes from time to time, in conjunction with such hospital or hospitals --as that term is used in Internal Revenue Code Section 170(b)(1)(A)-- and their professional staffs.

ARTICLE IV.

In the event of a dissolution and liquidation, the assets of the corporation in the process of dissolution shall be applied and distributed as follows:

1) all liabilities and obligations of the corporation shall be paid and discharged, or adequate provision shall be made therefore;

2) assets held by the corporation upon condition the fulfillment or breaking of which requires return, transfer or conveyance, shall be returned, transferred or conveyed upon the occurrence requiring such action; and

3) all other assets not held upon a condition requiring return, transfer or conveyance on dissolution of KODA shall be transferred or conveyed to the Commonwealth of Kentucky for charitable purposes, pursuant to a plan of distribution adopted as provided by law.

ARTICLE V.

There shall be three (3) classes of members:

1) Charter Organizations;
2) Affiliated Organizations; and
3) Associates

ARTICLE VI.

Unless otherwise changed, the registered office of the corporation shall be located at the Office of University Counsel, 206 Administration Building, Belknap Campus, University of Louisville, Louisville, Kentucky 40292 and the name of its registered agent at such address is Thomas H. Lyons, University Counsel.

ARTICLE VII.

Unless otherwise changed, the principal office of the corporation shall be located at the University of Louisville, School of Medicine, Louisville, Kentucky 40292.

ARTICLE VIII.

The business and affairs of the corporation shall be under the supervision, management and control of a Board of Directors, which shall exercise the corporation's pow-- and authority.

The Board of Directors of KODA shall consist of a total of eight (8) Directors, four (4) Directors appointed by the President of the University of Kentucky after consultation with the Dean of the College of Medicine, and four (4) Directors appointed by the President of the University of Louisville, after consultation with the Dean of the School of Medicine. Each president shall appoint at least two (2) physicians active in organ procurement and/or transplantation and at least one (1) non-physician. There may be any number of ex-officio, non-voting Directors as provided in KODA's Bylaws.

The number of Directors constituting the initial Board of Directors shall be eight (8) and the names and addresses of the persons who are to serve as initial Directors follow:

University of Kentucky appointees,

David L. Cowen, M.D.
Associate Dean for Clinical Affairs
College of Medicine
University of Kentucky
Lexington, Kentucky 40506-0084

Ray Hill
Assistant Hospital Director

_____

_____

Bruce Lucas, M.D.
Division of Urology
Director of Renal Transplant Program

_____

_____

John Thompson, M.D.
Chairman, Department of Medicine

_____

_____

University of Louisville appointees,

Richard N. Garrison, M.D.
Director, Renal Transplant Program
2K06 Ambulatory Care Building
Humana Hospital University
530 South Jackson Street
Louisville, Kentucky 40202

Kenneth R. McLeish, M.D.
Acting Chief, Division of Nephrology
Kidney Disease Program
East Muhammed Ali Boulevard
Louisville, Kentucky 40202

Alfred L. Thompson, M.D.
Associate Dean for Clinical Affairs
School of Medicine
University of Louisville
L3 Ambulatory Care Building
Humana Hospital University
530 South Jackson Street
Louisville, Kentucky 40202

Kenneth Watson
Program Director
Organ Procurement Agency
3rd Floor, Myers Hall
School of Medicine
University of Louisville
Louisville, Kentucky 40292

ARTICLE IX.

The names and addresses of the incorporators follow:

Dr. Otis A. Singletary
President, University of Kentucky
Lexington, Kentucky 40506

Dr. Donald C. Swain
President, University of Louisville
Louisville, Kentucky 40292

ARTICLE X.

Indemnification of directors, officers, employees and agents of the corporation may be as provided for in the Bylaws, provided that such indemnification is not in conflict with any provision of Article III above.

ARTICLE XI.

The Board of Directors and the Charter Organizations as represented by the President of each University may adopt Bylaws and amend such following the procedure set forth therein.

ARTICLE XII.

The Board of Directors and the Charter Organizations as represented by the President of each University may amend these Articles of Incorporation in the manner provided by law and following the procedure set forth in the Bylaws.

In testimony whereof, witness the signature of the incorporators this _____, 19___.

_____
Otis A. Singletary, President,
University of Kentucky

_____
Donald C. Swain, President,
University of Louisville

Commonwealth of Kentucky)
) SS
County of Fayette)

I certify that in the state and county aforesaid Otis A. Singletary appeared before me on _____, 19___ and acknowledged the above written instrument to be the Articles of Incorporation for the Kentucky Organ Donor Affiliates, Inc. and signed his name thereto or acknowledged his signature written thereon to signify his intention of acting as incorporator.

Witness my signature this _____, 19___.
My Commission expires_____, 19___.

_____
Notary Public, _____,Kentucky

Commonwealth of Kentucky)
) SS
County of Jefferson)

I certify that in the state and county aforesaid Donald C. Swain appeared before me on _____, 19___ and acknowledged the above written instrument to be the Articles of Incorporation for the Kentucky Organ Donor Affiliates, Inc. and signed his name thereto or acknowledged his signature written thereon to signify his intention of acting as incorporator.

Witness my signature this _____, 19___.
My Commission expires_____, 19___.

_____
Notary Public, _____, Kentucky

I certify that I prepared this instrument:

_____
Karen Ray Bossmeyer
Acting Assistant University Counsel
Office of University Counsel
206 Administration Building
University of Louisville
2301 South Third Street
Louisville, Kentucky 40292
(502) 588-6981

BYLAWS

OF

KENTUCKY ORGAN DONOR AFFILIATES, INC.

ARTICLE I.

1.1 Name. The name of the corporation is Kentucky Organ Donor Affiliates, Inc. and is hereinafter referred to as "KODA".

ARTICLE II.

2.1 Principal Office. KODA's principal office and place of business shall be in Louisville, Jefferson County, Kentucky. KODA may have such other offices either within or without Kentucky as KODA's business may from time to time require.

2.2 Registered Office. KODA's registered office shall be in Louisville, Jefferson County, Kentucky, as provided in Article VI of the Articles of Incorporation. The Board of Directors may from time to time change the address of KODA's registered office.

ARTICLE III.

3.1 Classes of Members. There shall be three (3) classes of members:
a) Charter Organizations;
b) Affiliated Organizations; and
c) Associates

3.2 Charter Organizations. The University of Kentucky and the University of Louisville are the two (2) Charter Organizations. Should either Charter Organization withdraw, KODA may restructure and continue to operate.

3.3 Affiliated Organizations. Clinical transplantation programs, donor hospitals and other professional and community organizations demonstrating a commitment to high standards of organ and tissue donation and transplantation may join KODA as Affiliated Organizations.

3.4 Associates. Individuals, including transplant patients, donor or donee family members, internists, neurosurgeons, neurologists, general surgeons, urologists, pediatricians, immunologists, nurses and other health professionals, attorneys, chaplains, social workers and other interested persons may join KODA as Associates.

3.5 Applications for Membership. An interested organization or individual shall apply for membership as an Affiliated Organization or Associate by writing to the

President a letter requesting membership. The Membership/ Nominating Committee shall review the application letter, investigate the applicant and, if it approves the application, it shall then present its nomination of the prospective member to the Board of Directors, at the Board's next regular meeting, for the Board's approval by majority vote of the voting Directors.

3.6 Termination of Membership. An Affiliated Organization or Associate may terminate its, his or her membership at any time.

ARTICLE IV.

4.1 Board of Directors. The Board of Directors shall conduct KODA's business, manage KODA's property and carry out KODA's purposes.

4.2 Composition of the Board of Directors. The President of the University of Kentucky (after consultation with the Dean of the College of Medicine) and the President of the University of Louisville (after consultation with the Dean of the School of Medicine) shall each appoint four (4) people to the Board of Directors. At least two (2) of each President's appointees shall be physicians active in organ procurement or transplantation and at least one (1) of each President's appointees shall be a person who is not a physician. These eight (8) appointees shall be voting Directors.

4.3 Ex-Officio Directors. The Medical Director, Executive Director and Organ Procurement Supervisors shall each, by virtue of his or her position, be an ex-officio Director (assuming the person holding the position is not a University President's appointee). Also, the Board of Directors may from time to time by resolution appoint as ex-officio Director any person who has some special qualification. There shall be no limit to the number of ex-officio Directors, but no ex-officio Director shall have a vote nor shall any of them be counted in establishing a quorum and, unless he or she is an ex-officio Director by virtue of position, he or she shall serve at the pleasure of the voting Directors. An ex-officio Director shall automatically, by virtue of his or her office as ex-officio Director, serve on the Advisory Board.

4.4 Director's Term of Office. Each voting Director's term shall be for three (3) years, except that the first set of appointments shall be staggered, one (1) Director appointed for one (1) year, two (2) for two (2) years and one (1) for three (3) years. At the end of the Director's term the University President who appointed him

or her (or that University President's successor as President) shall, after consultation with the Dean of the College of Medicine or School of Medicine, appoint his or her successor. The University President, after consultation with the Dean of the College of Medicine or School of Medicine, may appoint a Director to successive terms.

4.5 Resignation or Death of a Director during Term of Office. Upon any vacancy on the Board of Directors the University President who appointed the former holder of the now vacant place, (or that University President's successor as President) within thirty (30) days of the occurrence which caused the vacancy, shall, after consultation with the Dean of the College of Medicine or School of Medicine, appoint a successor to serve out the former Director's unexpired term.

4.6 Voting. Voting Directors may vote in person or by proxy.

ARTICLE V.

5.1 Executive Committee. The President of KODA, who shall be a voting Director, and the Medical Director, the Executive Director and the Organ Procurement Supervisors, if they shall also be voting Directors, shall constitute the Executive Committee. The Executive Committee shall consist of at least two (2) voting Directors. If none of the above mentioned KODA employees is a voting Director, the voting Directors shall elect from among their number an additional member to the Executive Committee to serve along with the President. The President shall act as Chairman of the Executive Committee.

5.2 Duties and Responsibilities of Executive Committee. To the limit the law permits, the Board of Directors may delegate to the Executive Committee and the Executive Committee may delegate to the appropriate employees of KODA, the authority to carry on the day to day business of KODA. The Board or Executive Committee shall approve the job description for each of the following positions: Executive Director; Medical Director; and for other key personnel.

5.3 Membership/Nominating Committee. The voting Directors shall elect two (2) Directors to serve for a period of one (1) year as the Membership/Nominating Committee, but they may elect the same Director to successive terms. The Vice President shall serve as the third member and Chairman of the Membership/ Nominating Committee.

5.4 Duties and Responsibilities of Membership/ Nominating Committee. The Membership/Nominating Committee shall investigate all applicants for KODA membership and present its nomination(s) to the Board of Directors for

approval by majority vote of the voting Directors. The Membership/Nominating Committee shall also, subject to approval by a majority vote of the voting Directors, select, from among the Affiliated Organizations and Associates, members of the Advisory Board.

5.5 Other Committees. The voting Directors may establish by resolution such other committees as the Board of Directors finds necessary in order to conduct the business and carry out the purposes of KODA.

ARTICLE VI.

6.1 Officers. The Officers of KODA shall consist of a President, a Vice President and a Secretary-Treasurer which the voting Directors shall, at the first organizational meeting, elect from among their number.

6.2 Term of Office. Each Officer shall serve a one-year term or until his or her successor is duly elected, assuming the officer continues to act Director. If an office becomes vacant for any reason, the voting Directors shall elect a successor as soon as there are again eight (8) voting Directors. Each officer may succeed himself or herself in office.

6.3 Medical Director. The Board of Directors shall appoint a Medical Director who shall, by virtue of his or her office, be an ex-officio member of the Board of Directors. However, if one of the University Presidents has appointed the Medical Director a voting member of the Board of Directors, the voting members of the Board of Directors must choose the President from among the other University President's appointees.

6.4 President's Duties and Responsibilities. The President shall perform all the duties and undertake all the responsibilities customarily pertaining to the office of President. The President shall preside at meetings of the Board of Directors, the Advisory Board and any general meeting.

6.5 Vice President's Duties and Responsibilities. The Vice President shall perform all the duties and undertake all the responsibilities customarily pertaining to the office of Vice President. The Vice President shall act as Chairman of the Membership/Nomination Committee.

6.6 Secretary-Treasurer's Duties and Responsibilities. The Secretary-Treasurer shall perform all the duties and undertake all the responsibilities customarily pertaining to the Office of Secretary-Treasurer including, but not limited to, the following:

a) act as custodian of KODA records and documents;
b) take minutes of all meetings;
c) maintain a current list of KODA members by class;
d) maintain financial records;
e) furnish on a regular basis, at least annually to the President of the University of Kentucky and to the President of the University of Louisville a copy of KODA's financial reports, including its balance sheet, income statement and tax returns; and
f) furnish to the President of the University of Kentucky and to the President of the University of Louisville a copy of all agendas and minutes of the Board of Directors, the Executive Committee and the Advisory Board.

6.7 Assistant Secretary, Assistant Treasurer. The Board of Directors may appoint an Assistant Secretary and/or an Assistant Treasurer.

ARTICLE VII.

7.1 Meetings of the Board of Directors. The regular meetings of the Board of Directors shall take place at such place and time as the Board of Directors shall by resolution provide; except that the Board shall meet at least two (2) times per year. The President may call a special meeting whenever he or she deems such a special meeting necessary and shall instruct the Secretary to notify all Directors in writing, at least ten (10) days before the meeting, of the time and place of any special meeting. The President of the University of Kentucky and the President of the University of Louisville, or the designated representative of each President, may attend all meetings of the Board of Directors, regular or special, each as an observer and the Secretary shall notify each President in writing, at least ten (10) days before the meeting, of the time and place of any special meeting.

7.2 Quorum. A majority of the voting Directors present shall constitute a quorum.

ARTICLE VIII.

8.1 Advisory Board. The Membership/Nominating Committee shall select the members of the Advisory Board from among an authorized representative to KODA from each Affiliated Organization and each Associate by presenting the nomination to the Board of Directors at a regular Board Meeting for the Board's approval by a majority vote of the voting Directors. The Advisory Board shall meet to make recommendations to the Board of Directors.

8.2 Term of Member of Advisory Board. The term of each member of the Advisory Board shall be for up to three (3) years, and the Membership/Nominating Committee may appoint a member to successive terms on the Advisory Board.

8.3 Meetings of the Advisory Board. The Advisory Board shall meet twice a year and the President may call a special meeting of the Advisory Board whenever he or she deems such a special meeting necessary. The President shall instruct the Secretary to notify all members of the Advisory Board in writing, at least ten (10) days before the meeting, of the time and place of any special meeting.

ARTICLE IX.

9.1 Indemnification of Directors, Officers and Employees. KODA may, to the fullest extent permitted by, and in accordance with the provisions of Kentucky Revised Statutes Chapter 273, indemnify each KODA Director or officer or employee against expenses (including attorneys' fees), judgements, taxes, fines, and amounts paid in settlement, which he or she may incur in connection with, (and shall advance expenses (including attorneys' fees) which he or she may incur in defending) any threatened, pending or completed action, suit or proceeding (whether civil, criminal, administrative or investigative) to which he or she is, or is threatened to be, made a party, by reason of the fact that he or she is or was a KODA Director or officer or employee or was serving at KODA's request as a Director, officer, partner, employee or agent of another domestic or foreign corporation, partnership, joint venture, trust or other enterprise. The Board of Directors may require a person to post security enabling KODA to recover amounts the Board has advanced, if there is a possibility that it may ultimately be determined that the person is not entitled to indemnification.

The indemnification for which this Article IX provides shall not be deemed exclusive of any other rights to which KODA Directors or officers or employees may be entitled under any statute, agreement, or action of the Board of Directors or otherwise, and shall continue as to a person who has ceased to be a Director or officer or employee of the Corporation, and shall inure to the benefit of the estate or fiduciary of such a person.

KODA may purchase and maintain insurance on behalf of any person who is or was a KODA Director, officer, employee or agent, or is or was serving at KODA's request as a Director, officer, partner, employee, or agent of another domestic or foreign corporation, partnership, joint venture, trust or other enterprise, against any liability anyone may assert against him or her and which

he or she incurred in such capacity, or which arose out of his or her status as such, whether or not KODA would have the power or be obligated to indemnify him or her against such liability under the provisions of this Article IX or Kentucky Revised Statutes Chapter 273.

Notwithstanding any provision heretofore set forth in this Article IX, if at any time KODA is a private foundation or a private operating foundation as such terms are defined in the Internal Revenue Code of 1954 ("Code"), as amended, then KODA shall only act as permitted under the Code without subjecting the Corporation to additional taxes imposed under Subchapter A, Chapter 42, Subtitle D of the Code.

ARTICLE X.

10.1 Amendments. The Board of Directors may alter, amend or repeal KODA's Articles of Incorporation or Bylaws at any regular or special meeting at which a quorum is present, by a majority vote of the full Board of Directors; however, no amendment to KODA's Articles of Incorporation or Bylaws shall become effective until the President of each Charter Organization of KODA approves it. Formal notification of all proposed changes to the Articles of Incorporation or Bylaws must be submitted in writing to the Board of Directors at least two (2) calendar weeks before a vote is taken.

10.2 Fiscal Year. KODA's fiscal year shall end June 30.

10.3 Fiscal Agent. The University of Louisville Research Foundation, Inc. shall act as KODA's fiscal agent.

10.4 Seal. KODA may adopt a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Corporation, and the words "Commonwealth of Kentucky", and the word "Seal".

10.5 Waiver of Notice. Whenever any notice is required to be given under the provisions of these Bylaws or under the provisions of the laws of the Commonwealth of Kentucky a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

10.6 Compensation. No voting or ex-officio Director or Advisory Board member shall receive any compensation for his or her services in that capacity of Director or member, but KODA may reimburse them for expenses which they incur in carrying out KODA business. This provision

does not affect the salary of any Director (voting or ex-officio) and/or Advisory Board member who is also a KODA employee.

The Members of KODA, Inc. adopted these Bylaws on

_____,19___

_____

_____,Secretary

5546Q

Office of the President
January 20, 1987

PR 6B

Members, Board of Trustees:

APPOINTMENT TO JOHNSTON-WRIGHT ENDOWED CHAIR
DEPARTMENT OF SURGERY, COLLEGE OF MEDICINE
MEDICAL CENTER

Recommendation: that the Board of Trustees authorize the appointment of A. Byron Young, M.D., Professor, as the first occupant of the Johnston-Wright Endowed Chair of Surgery, effective January 20, 1987.

Background: The Board of Trustees, at its meeting on December 9, 1986, approved the establishment of the Johnston-Wright Chair of Surgery. The purpose of this Chair is to provide to the Department of Surgery, a distinguished scholar to promote a high level of excellence and enrich the academic activities of the Department of Surgery at the University of Kentucky Albert B. Chandler Medical Center.

Annual support for this Endowed Chair will be derived from the income of the Dr. Marius E. Johnston and Margaret Johnston Wright Memorial Trust, and will be an amount equivalent to that obtained from the interest on $1,000,000 deposited in a University Endowment Account. Income from the Chair shall be used for both salary and other professional support of the occupant of the Chair, including assistance for research.

Action taken: Approved ✓ Disapproved _____ Other _____

Date: January 20, 1987

1266C

Office of the President
January 20, 1987

PR 6C

Members, Board of Trustees:

MASTER OF SCIENCE DEGREE PROGRAM IN PHYSICAL THERAPY
COLLEGE OF ALLIED HEALTH PROFESSIONS
MEDICAL CENTER

Recommendation: that the Board of Trustees authorize for submission to the Council on Higher Education, a new degree program, Master of Science in Physical Therapy, for the College of Allied Health Professions.

Background: The Department of Physical Therapy, College of Allied Health Professions, proposes to the University of Kentucky that a new Master of Science Degree be offered. This graduate degree, which would culminate in a Master of Science Degree, would follow Plan A of the Graduate School and be administered through the Department of Physical Therapy. The content of this graduate program would enable the practicing physical therapist with a Bachelor of Science Degree to gain advanced skills while remaining in Kentucky. This would be the only master's program in physical therapy in Kentucky. The proposed degree program is part of the 1981-86 Five-Year Plan of the Medical Center and is part of the 1985-90 edition.

Action taken: Approved ✓ Disapproved _____ Other _____

Date: January 20, 1987

1267C

Office of the President
January 20, 1987

FCR 1

Members, Board of Trustees:

ACCEPTANCE OF INTERIM FINANCIAL REPORT FOR THE UNIVERSITY OF KENTUCKY FOR THE FIVE MONTHS ENDED NOVEMBER 30, 1986

Recommendation: that the Board of Trustees accept the University of Kentucky consolidated financial report for the five months ended November 30, 1986.

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 November 30, 1986, the University had realized income of $240,497,000 representing 49% of the 1986-87 estimate of $488,381,000. Expenditures and commitments total $196,871,000 or 40% of the approved budget of $488,381,000.

Action taken: Approved ✔ Disapproved _____ Other _____

Date: January 20, 1987

CONSOLIDATED BALANCE SHEET
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
NOVEMBER 30, 1986
(in thousands)

Statement 1

	Current Unrestricted Funds	Current Restricted Funds	Loan Funds	Endowment Funds	Plant Funds	Totals November 30, 1986
ASSETS						
Cash and cash equivalents	$ 62,319	$ 19,454	$ 2,158	$ 201	$ 68,134	$ 152,266
Notes, loans, and A/R (less bad debt allowances of $3,025)	24,759	5	13,658	3	287	38,712
Investments	12,332	35,224		40,576	27,168	115,300
Property, plant, and equipment					556,420	556,420
Inventories and other	8,476	111				8,587
Total Assets	$107,886	$ 54,794	$15,816	$40,780	$652,009	$ 871,285
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	$ 14,786	$ 398				$ 15,184
Employee withholdings and deposits		9,824				9,824
Other liabilities	531	120			$ 1,407	2,058
Estimated settlements for cost reimbursement	1,374					1,374
Deferred income	3,624	1				3,625
Bonds and notes payable					165,793	165,793
Capitalized lease obligation					3,595	3,595
Net deferred revenues and appropriated fund balances (Schedule 4)	49,915	(866)				49,049
Total Liabilities	70,230	9,477	0	0	170,795	250,502
Interfund Balances	(15,243)	21,481			(6,238)	0
Fund Balances						
Current						
Unrestricted						
Working capital	31,552					31,552
Future operations	13,151					13,151
Other	8,196					8,196
Restricted		23,836				23,836
Loan			$15,816			15,816
Endowment						
True				20,924		20,924
Term				1,019		1,019
Quasi				18,837		18,837
Plant						
Allocated for designated projects					79,094	79,094
Net investment in plant					408,358	408,358
Total Fund Balances	52,899	23,836	15,816	40,780	487,452	620,783
Total Liabilities and Fund Balances	$107,886	$ 54,794	$15,816	$40,780	$652,009	$ 871,285

CONSOLIDATED STATEMENT OF CURRENT FUNDS
REVENUES AND APPROPRIATED FUND BALANCES
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE FIVE MONTHS ENDED NOVEMBER 30, 1986
with comparative totals for November 30, 1985
(in thousands)

Schedule 1

UNIVERSITY OF KENTUCKY UNRESTRICTED CURRENT REVENUES AND APPROPRIATED FUND BALANCES	1986-1987 ORIGINAL BUDGET	1986-1987 REVISED BUDGET	1986-1987 REALIZED TO DATE	1986-1987 PERCENT REALIZED	1985-1986 REALIZED TO DATE	1985-1986 PERCENT REALIZED
STATE APPROPRIATION	$ 205,084	$ 205,084	$ 100,955	49	$ 93,749	50
STUDENT FEES	46,405	46,605	23,875	51	22,823	54
FEDERAL APPROPRIATIONS	12,541	12,541	5,817	46	5,174	37
COUNTY APPROPRIATIONS	3,364	3,364	669	20	557	17
ENDOWMENT INCOME	689	689	155	22	191	28
INVESTMENT INCOME	9,491	9,491	4,728	50	3,814	41
GIFTS AND GRANTS						
Affiliated corporations	6,212	8,736	42	0		
Other	4,214	2,506	332	13	252	24
SALES AND SERVICES	11,080	11,180	4,655	42	4,226	43
HOSPITAL						
Revenues	72,940	72,940	37,523	51	36,313	50
Fund Balances	6,820	6,820	6,820	100	12,535	100
Total Hospital and clinics	79,760	79,760	44,343	56	48,848	58
FUND BALANCES	8,281	8,281	8,281	100	12,239	100
TOTAL GENERAL FUND AND HOSPITAL	387,121	388,237	193,852	50	191,873	52
AUXILIARY SERVICES	24,817	24,824	11,189	45	10,612	44
RESTRICTED FUNDS	34,915	35,004	11,705	33	10,718	36
AFFILIATED ORGANIZATIONS	41,528	41,564	23,751	57	21,360	49
TOTAL REVENUES AND APPROPRIATED FUND BALANCES	$ 488,381	$ 489,629	$ 240,497	49	$ 234,563	50

CONSOLIDATED STATEMENT OF CURRENT FUND
EXPENDITURES AND TRANSFERS SUMMARY BY PROGRAM - ALL FUNDS
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE FIVE MONTHS ENDED NOVEMBER 30, 1986
(in thousands)

Schedule 2

	1986-1987			
	ORIGINAL BUDGET	REVISED BUDGET	EXPENDITURES/ ENCUMBRANCES TO DATE	PERCENT EXPENDED/ ENCUMBERED
INSTRUCTION	$ 131,930	$ 132,358	$ 53,627	41
RESEARCH	55,352	55,945	23,117	41
PUBLIC SERVICE	43,433	43,433	18,678	43
ACADEMIC SUPPORT	32,949	33,061	14,182	43
STUDENT SERVICES	11,142	11,143	4,311	39
STAFF BENEFITS	7,689	7,689	2,526	33
INSTITUTIONAL SUPPORT	18,384	18,450	9,119	49
STUDENT FINANCIAL AID	20,088	20,129	8,607	43
OPERATION AND MAINTENANCE	28,553	28,553	10,657	37
MANDATORY TRANSFERS (DEBT SERVICE)	13,867	13,867	9,784	71
RESERVES	9,386	9,386		
HOSPITAL	80,873	80,873	28,448	35
AUXILIARY ENTERPRISES	34,735	34,742	13,815	40
	$ 488,381	$ 489,629	$ 196,871	40

EXPENDITURES AND TRANSFERS SUMMARY
BY CATEGORY OF EXPENDITURES
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE FIVE MONTHS ENDED NOVEMBER 30, 1986
(in thousands)

	ORIGINAL BUDGET	REVISED BUDGET	EXPENDED/ ENCUMBERED	% EXPENDED ENCUMBERED
PERSONNEL COSTS	$ 290,706	$ 291,210	$ 117,474	40
OPERATING EXPENSES	161,342	161,967	57,856	36
MANDATORY TRANSFERS (DEBT SERVICE)	13,867	13,867	9,782	71
CAPITAL OUTLAY	22,466	22,585	11,759	52
	$ 488,381	$ 489,629	$ 196,871	40

CONSOLIDATED STATEMENT OF CURRENT FUNDS
EXPENDITURES AND TRANSFERS
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE FIVE MONTHS ENDED NOVEMBER 30, 1986
with comparative totals for November 30, 1985
(in thousands)

Schedule 3

	1986-1987				1985-1986	
EXPENDITURES AND TRANSFERS	ORIGINAL BUDGET	REVISED BUDGET	EXPENDED ENCUMBERED TO DATE	PERCENT EXPENDED/ ENCUMBERED	EXPENDED ENCUMBERED TO DATE	PERCENT EXPENDED/ ENCUMBERED
UNRESTRICTED CURRENT FUNDS						
INSTRUCTION	$ 122,992	$ 123,391	$ 50,334	41	45,420	40
RESEARCH	25,234	25,784	9,596	37	9,813	44
PUBLIC SERVICE	36,167	36,167	14,593	40	13,042	40
ACADEMIC SUPPORT	30,167	30,267	13,194	44	12,373	46
STUDENT SERVICES	10,999	10,999	4,241	39	3,534	34
STAFF BENEFITS	7,689	7,689	2,526	33	2,266	31
INSTITUTIONAL SUPPORT	16,830	16,897	8,726	52	8,558	57
STUDENT FINANCIAL AID	4,524	4,524	2,458	54	2,317	54
OPERATION AND MAINTENANCE	28,453	28,453	10,608	37	11,155	43
MANDATORY TRANSFERS DEBT SERVICE	13,867	13,867	9,784	71	8,919	72
RESERVES	9,386	9,386				
HOSPITAL	80,813	80,813	28,448	35	26,200	31
TOTAL CURRENT UNRESTRICTED FUNDS	387,121	388,237	154,508	40	143,597	39
RESTRICTED CURRENT FUNDS						
INSTRUCTION	2,288	2,289	1,354	59	832	33
RESEARCH	13,872	13,915	3,867	28	4,267	27
PUBLIC SERVICE	1,194	1,194	657	55	262	20
ACADEMIC SUPPORT	1,246	1,250	295	24	311	34
STUDENT SERVICES	133	133	29	22	569	84
INSTITUTIONAL SUPPORT	594	594	209	35	37	18
STUDENT FINANCIAL AID	15,428	15,469	6,092	39	5,635	64
OPERATIONS AND MAINTENANCE	100	100	20	20		
HOSPITAL	60	60				
TOTAL RESTRICTED CURRENT FUND	34,915	35,004	12,523	36	11,913	40
AUXILIARY ENTERPRISES	24,817	24,824	10,249	41	9,551	40
AFFILIATED ORGANIZATIONS	41,528	41,564	19,591	47	20,850	48
TOTAL EXPENDITURES	$ 488,381	$ 489,629	$ 196,871	40	$ 185,911	40

CONSOLIDATED SUMMARY OF NET DEFERRED REVENUES
AND APPROPRIATED FUND BALANCES
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE FIVE MONTHS ENDED NOVEMBER 30, 1986
(in thousands)

Schedule 4

REVENUES, REALIZED		$ 225,396
APPROPRIATED FUND BALANCES		
Current unrestricted fund	$ 8,281	
University Hospital	6,820	
TOTAL APPROPRIATED FUND BALANCES		15,101
TOTAL REVENUES AND APPROPRIATED FUND BALANCES (SCHEDULE 1)		240,497
EXPENDITURES/ENCUMBRANCES (SCHEDULE 2)	196,871	
LESS: RESERVE FOR ENCUMBRANCES	(5,423)	
TOTAL EXPENDITURES		191,448
NET DEFERRED REVENUES AND APPROPRIATED FUND BALANCES (STATEMENT 1)		$ 49,049

Office of the President
January 20, 1987

FCR 2

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 loan of specialized research equipment to the University of Colorado.

Exhibit II is the transfer of National Institute of Health equipment to Meharry Medical College.

Action taken: Approved ✔ Disapproved _____ Other _____

Date: January 20, 1987

Exhibit I

UNIVERSITY OF KENTUCKY

Loan of Specialized Research Equipment

INSTITUTION: University of Colorado.

LOAN PERIOD: January 1, 1987 - December 31, 1987.

REASON: Dr. Louis Diamond, a professor in the College of Pharmacy, will be on leave without pay from the University of Kentucky Medical Center from January 1, 1987 to December 31, 1987. This equipment is being utilized by Dr. Diamond in conjunction with his current research programs.

ITEMS:

PROPERTY NUMBER	DESCRIPTION	DATE ACQUIRED
B028418	Pump Respiration	3/79
A249840	Respirator	11/71
A369088	8 Channel Assembly w/amp	9/68
A240151	8 Channel Polygraph	11/70
A257736	Honneywell Tape Recorder	8/72
A279387	Steadwells Spirometer	4/75
A349424	Telethermometer	3/66
A382693	Tektromix Osciroscope	6/72
A398164	Integrator Polygraph	6/72
A417487	Small Animal Plethysmograph	5/81
A425535	Isaac Computer Package	8/83
A435464	Resistance Nasal Analyzer	1/85
B024951	Port Electrocardiograph	3/76
B025302	Grass Stimulator	11/76
B026064	Respiratory Analyzer	7/77
B026065	Power Supply w/case	7/77
B027959	Custom Plethysmography Respiratory Analyzer	10/78

Exhibit II

University of Kentucky

Transfer of National Institute of Health Equipment
on Grant NS20846

INSTITUTION: Meharry Medical College.

REASON: Dr. Steven M. Fredman, a research assistant professor in the school of Biological Sciences, has accepted a position at Meharry Medical College. Title to this equipment resides with the National Institute of Health. A request to transfer the equipment has been initiated. University of Kentucky Board approval for this transfer is contingent upon written approval from the National Institute of Health.

ITEMS:

CAPITAL EQUIPMENT

PROPERTY NUMBER	DESCRIPTION
B035246	IBM PC Microcomputer
B732061	Gould 6508 Instrumentation Recorder
B732062	Gould 6508 Instrumentation Recorder
B732063	Gould 6508 Instrumentation Recorder
B732189	Tektronix 5113 Oscilloscope
B033817	Wild M5A Microscope w/acc
B033305	W/P M707A Amplifier
B035112	W/P M707A Amplifier
B035113	W/P M707A Amplifier
B035114	W/P M707A Amplifier
B035174	Power Supply
B035175	Bak Electronix Amplifier
B035176	Bak Electronix Amplifier
B034468	Gould Chart Recorder and Amplifiers
B034317	Grass Instruments S88 Stimulator and Isolation Units
B034384	Brinkmann Micromanipulators
B034385	Brinkmann Micromanipulators
B034386	Brinkmann Micromanipulators
B034387	Brinkmann Micromanipulators

NON-CAPITAL EQUIPMENT

PROPERTY NUMBER	DESCRIPTION
	Gas Regulator
	Telethermometer
	Flow Switch
	PH Meter
	Stirring/Heating Plate
	Refrigerator
	Surgical Instruments
B033816	Dot Matrix Printer

Office of the President
January 20, 1987

FCR 3

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 Prestonsburg Community College and Boulevard Leasing Co., Dick Jarvis, Gen. Mgr., P. O. Box 3038, Pikeville, Kentucky effective October 1, 1986 through June 30, 1987, for the use of classroom space, rental rate of $7,200 annually, 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: January 20, 1987

Office of the President
January 20, 1987

FCR 4

Members, Board of Trustees:

LEASE OF EQUIPMENT

Recommendations: (1) that the Chairman and Secretary of the Board be authorized to execute a lease dated January 1, 1987, between the University of Kentucky and the State Property and Buildings Commission of the Commonwealth of Kentucky in substantially the same form as that attached hereto. (2) That the Chairman and Secretary of the Board be authorized to execute such other documents as may be required in order to implement the sale and delivery of State Property and Buildings Commission Revenue Bonds, Project 41 (University of Kentucky Equipment Project) dated January 1, 1987, and the application of the bond proceeds to the establishment of a debt service reserve for the Bonds, the payment of the expenses incident to the authorization, sale, and issuance of said Bonds, and the acquisition of the Equipment constituting Project No. 41.

Background: The General Assembly authorized the acquisition of equipment, including various academic equipment, Vector Processing System, and a voice/data communications system for the University of Kentucky with a total cost of $29,970,000. The acquisition of the equipment was to be financed by the issuance of bonds.

The Board of Trustees, on June 25, 1986, authorized a request to the State Property and Buildings Commission that the Commission act as the issuing agency for the bonds. Pursuant to that request, the State Property and Buildings Commission sold Revenue Bonds in the amount of $32,950,000 on December 17, 1986, at a net interest cost of 5.7%. The final maturity date for the bonds is January 1, 1995.

The University will pay rentals for the use of the equipment in amounts sufficient to meet the principal and interest payments on the bonds.

Action taken: Approved ✔ Disapproved _____ Other _____

Date: January 20, 1987

LEASE

By and Between

STATE PROPERTY AND BUILDINGS COMMISSION
of the Commonwealth of Kentucky

As Lessor

and

BOARD OF TRUSTEES
of the
UNIVERSITY OF KENTUCKY
an educational institution and agency of
the Commonwealth of Kentucky

As Lessee

DATED AS OF JANUARY 1, 1987

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LEASE

THIS LEASE, made and entered into as of the 1st day of January, 1987, by and between the STATE PROPERTY AND BUILDINGS COMMISSION of the Commonwealth of Kentucky (hereinafter sometimes referred to as the "Lessor" or "Commission"), and the BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY, an educational institution and agency of the Commonwealth of Kentucky (hereinafter sometimes referred to as the "Lessee" or the "Board"),

W I T N E S S E T H:

THAT WHEREAS, the Board is a body corporate and politic pursuant to the provisions of Sections 164.160 et seq., of the Kentucky Revised Statutes ("KRS"), and constitutes a "State Agency" within the meaning and application of Sections 56.440, et seq., of the Kentucky Revised Statutes; and

WHEREAS, the Board has and possesses authority, inter alia, to have custody and control of all property having to do with the University of Kentucky, including personal property or equipment; and

WHEREAS, the Board is authorized pursuant to KRS 164.260 to take, acquire and hold property, and the State Property and Buildings Commission of the Commonwealth of Kentucky is authorized, pursuant to KRS 56.450, to issue and sell its revenue bonds on behalf of the Board (or any other state agency) in order to acquire real estate, buildings and other facilities, including equipment, to carry out the proper public purposes; and

WHEREAS, the Board has made appropriate application to the Commission requesting the Commission to provide for payment of the costs of the Project pursuant to KRS 56.450 by an issue of the Commission's revenue bonds pursuant to KRS 58.010, et seq., and the Project has been approved by the Commission as Revenue Bond Project No. 41, it being understood that the Board will lease the Project from the Commission to provide revenues for amortization of such bonds, and to provide for accrual of certain reserves in respect thereto, and that the Commission will finance the Project of such revenue bonds according to law; and

WHEREAS, in order to provide revenues for the amortization of the revenue bonds of the Commission which are to be issued for purposes of providing funds for the acquisition of the Project, and to accrue the Debt Service Reserve Account with respect thereto, it is necessary and appropriate that a Lease in respect of the Project be entered into by and between the Commission, as Lessor, and the Board, as Lessee;

NOW THEREFORE, PURSUANT TO THE STATUTORY AUTHORITY CITED IN THE PREAMBLE TO THIS LEASE, AND FOR OTHER GOOD AND VALUABLE CONSIDERATIONS, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED BY BOTH PARTIES, AND IN FURTHER CONSIDERATION OF THE PREMISES, THE LESSOR AND THE LESSEE DO HEREBY COVENANT AND AGREE, EACH WITH THE OTHER, AS FOLLOWS:

SECTION 1

Definintions

As used in this Lease, unless the context requires otherwise:

"Acquisition Fund" means the Project No. 41 Acquisition Fund created by Resolution of the Commission.

"Application" means a certain written instrument tendered to the Commission by the Board according to Section 56.450 of the Kentucky Revised Statutes, wherein and whereby the Board has requested the Commission to provide for payment of the costs of the Commission's "Project No. 41" (hereinafter defined and identified), through application of the proceeds of revenue bonds issued by the Commission in its own name in the manner authorized by Sections 58.010 to 58.140, inclusive, of the Kentucky Revised Statutes, and in which written instrument the Board has offered to lease, as Lessee, all of the properties, facilities and appurtenances of Project No. 41 from the Commission, as Lessor, according to this "Lease" attached to and made a part of said written instrument.

"Bonds" refers to the "State Property and Buildings Commission Revenue Bonds, Project No. 41 (University of Kentucky Equipment Project)", as authorized by the Resolution or any of such Bonds.

"Commission" refers to the State Property and Buildings Commission of Kentucky.

"Acquisition Fund" means the Project No. 41 Acquisition Fund created by Resolution of the Commission.

"Debt Service Reserve Account" means the Debt Service Reserve Account created by the Resolution to be held as a separate account within the Project No. 41 Sinking Fund for the further security of the Bonds.

"Finance Cabinet" means the Finance and Administration Cabinet of the Commonwealth of Kentucky.

"Fiscal Year" means any period of twelve (12) months commencing July 1 of any year and ending June 30 of the ensuing year.

"KRS" means the Kentucky Revised Statutes of the Commonwealth of Kentucky as the same are in full force and effect at the date of adoption of the Resolution, and any future amendments thereto to the extent that the same will not unconstitutionally impair the obligations of contracts created under the provisions of the Resolution or this Lease.

"Lease" means this instrument by which the properties, facilities and appurtenances of Project No. 41 are leased by the Commission, as Lessor, to the Board, as Lessee, which instrument in the Resolution, is authorized to be executed on behalf of the Commission.

"Lessee" means initially, the Board, as lessee, under the provisions of this Lease which, in the Resolution, is authorized to be executed by the Commission, as lessor, and the Board, as lessee; and also any and all subsequent Lessees of any of the properties, facilities and appurtenances of Project No. 41 as contemplated in this Lease and by the terms and provisions of the Resolution.

"Lessor" means the State Property and Buildings Commission of the Commonwealth of Kentucky.

"Parity Bonds" means bonds issued in the future pursuant to the provisions of the Resolution, which rank on a basis of parity with the Bonds authorized hereby (and shall not be deemed to include nor to prohibit the issuance of bonds ranking inferior as to security to the Bonds).

"Project" or "Project No. 41" means and refers to Revenue Bond Project No. 41 of the Commission (the "University of Kentucky Equipment Project"), which includes the acquisition and installation of communications and computer equipment identified and referred to in the Resolution establishing Project No. 41 and authorizing the issuance of the Bonds. Descriptions of the Project are attached hereto and are made a part hereof as Exhibits A.

"Renewal Term" means a period of two years coinciding with the fiscal biennium of the Commonwealth, commencing on July 1 in each even-numbered year and ending on June 30 of the next ensuing even-numbered year.

"Resolution" means the resolution of the State Property and Buildings Commission authorizing the Bonds.

"Sinking Fund Requirements" means, as applied to any renewal term, an amount which is related to all Bonds issued and outstanding by Lessor for account of the Project, and which shall be not less than the sum of:

(i) interest accruing during such renewal terms as evidenced by the aggregate amount of all interest becoming due after the July 1 which is the commencement of such renewal term, and to and including the July 1 immediately following the June 30 which is the end thereof;

(ii) the principal of all Bonds maturing on January 1 after the July 1 which is the commencement of such renewal term and to and including the July 1 immediately following the June 30 which is the end thereof.

SECTION 2

Agreed Recitation of Estimated Total Costs of the Project

Lessor and Lessee agree that the sites upon which Project will be located are now owned by the Commonwealth; that the facilities and appurtenances which constitute the Project have been or will be acquired by the Lessor and the direction of the Lessee; and that by virtue of the foregoing, Lessor and Lessee concur in a present estimate that the aggregate of all costs of the Project, including fees of financing expenses, provision for contingencies, and discount in the sale of Lessor's Bonds, less amounts otherwise made available for Project costs, will be $32,950,000.

SECTION 3

Application and Request of Lessee that Lessor Authorize in Lessor's Own Name Bonds in the Amount of $32,950,000 for the Costs of the Project to the Extent Not Otherwise Provided

Lessee hereby applies and requests (pursuant to KRS 56.450), that Lessor authorize in Lessor's own name and offer at public sale, at the earliest feasible date, Lessor's Bonds in the principal amount of $32,950,000 for the purpose of providing the costs of the Project, to the extent not otherwise provided, all as is more specifically provided in the Resolution.

SECTION 4

Agreement of Lessor to Issue its Bonds and Apply the Proceeds Thereof to the Acquisition and Installation of the Project and Appurtenances Thereto, to the Extent Not Otherwise Provided

Lessor hereby agrees that in accordance with its lawful authority and powers and according to the application and request of Lessee, it will proceed with all reasonable dispatch to authorize in its own name and offer at public sale its Bonds in the aggregate amount of $32,950,000 in order to acquire and install the Project, and appurtenances thereto. In the event that upon the occasion of such public sale Lessor shall receive proposals for the purchase of such Bonds, upon terms of price and interest rates deemed by Lessor to be acceptable, Lessor in its sole discretion shall accept the same and shall issue and deliver the Bonds and apply the proceeds to the agreed purposes. In the Resolution authorizing the issuance of the Bonds, provision shall be made for the issuance in the future of one or more series of bonds which will rank on a basis of parity as to security and

source of payment with the $32,950,000 principal amount of Bonds initially issued for the Project, (a) for the purpose of completing the Project or (b) for the purpose of repairing or restoring any damaged portion of the Project if collected insurance proceeds prove to be insufficient for such purpose; provided that, upon the issuance of each subsequent series of bonds, the Lessee shall pay hereunder to Lessor additional rentals sufficient to enable Lessor to pay, solely from the aggregate of all such rentals and other revenues, the maturing principal of an interest on all outstanding bonds of all such series.

SECTION 5

Lease of Facilities by Lessee from Lessor; Initial Terms; Optional Renewals; Cash Rentals; Maintenance and Insurance

(A) Lessee hereby leases from Lessor, and Lessor hereby leases to Lessee, all of the properties, facilities and appurtenances of the Project, for an initial term ending June 30, 1988, with the right and privilege by Lessee to continue possession of the Project. Lessee shall pay rental equal to the interest on the Bonds becoming due on any interest payment date. In addition, the Lessee shall pay rental in an amount equal to principal coming due on the Bonds on January 1, 1988, and on any principal payment date of the Bonds thereafter, if the Lease is renewed.

(B) Lessor hereby grants unto Lessee exclusive options to renew the Lease for successive ensuing renewal terms, commencing July 1 in each even-numbered year, beginning July 1, 1988, and ending June 30 in the next ensuing even-numbered year, except that the last renewal term shall end June 30, 1995 (the agreed final maturity date of the Bonds to be issued by Lessor for the Project being January 1, 1995); and for each such renewal term, if renewed therefor, Lessee shall become obligated to pay, and hereby agrees that in the event of such renewal it will pay, to Lessor, a cash rental for such biennium, as hereinbefore provided, plus operation, maintenance and insurance expenses, as hereinafter provided; however, in the event outstanding Bonds are retired by purchase or redemption prior to stated maturities, the rentals for the terms shall be adjusted. In similar fashion, rentals shall be adjusted to reflect the application of earnings from the investment of the Debt Service Reserve Account which shall be applied to debt service on the Bonds.

(C) Payments on account of the rental becoming due during the first term ending June 30, 1988, and for each renewal term, if the Lease shall be renewed for such term, shall be paid by Lessee through the Finance Cabinet to the Trustee in immediately available funds on each interest payment date during each such term, in such minimum amounts as will enable Lessor, solely from such source, to pay its outstanding Bonds for the Project, and the interest becoming due thereon, as the same become due and payable from time to time.

(D) Each of the successive options to renew, herein granted, may be exercised for the succeeding renewal term at any time after the adjournment of the Session of the General Assembly of the Commonwealth at which appropriations shall have been made for the operation of the State government for each succeeding renewal term by notifying the Lessor in writing, signed by the Chairman of the Board, and delivered to the office of the Executive Director of the Commission as a member of Lessor; provided, however, that such option shall in each instance be deemed automatically exercised, and the Lease automatically renewed for the succeeding renewal term effective on the first day thereof, unless a written notice of Lessee's election not to renew shall have been delivered in the office of the Executive Director before the close of business on the last working day in April immediately preceding the beginning of such succeeding renewal term.

(E) In addition to the cash rentals herein provided to be paid by Lessee to Lessor, Lessee agrees that during the initial term and each biennial renewal term for which this Lease is renewed and continues in full force and effect, Lessee will at its own expense continuously maintain the Project and all portions thereof in a good state of repair, ordinary wear and tear and acts of God excepted; and Lessee will at its own expense

procure and continuously maintain in force insurance of the Project against damage by fire, windstorm, and such other hazards as are included in the standard "Extended Coverage Endorsement" in an aggregate amount sufficient to provide for not less than full recovery whenever the loss thereunder does not exceed 80% of the full insurable value thereof. Such insurance may be carried through the State Fire and Tornado Insurance Fund of the Commonwealth in insurance companies qualified to do business in Kentucky, either as one or more individual policies, or by endorsements through which one or more blanket policies will provide such coverage; but in either event Lessee shall furnish to Lessor, not less frequently than annually, satisfactory evidence of the maintenance of such insurance and of payment of the premiums therefor. All of such policies of insurance or endorsements of blanket policies shall be so written as to be adjusted with the Lessor and payable to the Trustee for the holders of Lessor's Bonds, as Lessor's interests may appear, such interest being the entire amount payable thereunder, such entire amount, together with whatever amount may then be held in the Project No. 41 Sinking Fund, shall be equal to or exceed the amount necessary to enable Lessor to provide for full retirement of all Bonds then outstanding for the Project at maturity or at

the first permissible redemption date, in which event Lessor may elect to provide for the retirement of all outstanding Bonds and the excess, if any, shall be paid over to Lessee.

(F) In the event of damage to or destruction of any portion of the Project by hazards which are covered by the insurance herein agreed to be procured and maintained, the net amount of insurance proceeds actually collected (less any reasonable expenses incident to the collection thereof) shall be paid over to the aforesaid Trustee for the benefit and protection of the holders of the outstanding Bonds, but shall, unless the same be sufficient to provide for the retirement of all oustanding Bonds and Lessor so elects, be applied to the restoration of the property so damaged or destroyed, upon presentation by Lessee and Lessor to the Trustee of satisfactory evidence that the amount of insurance proceeds available, together with monies available from any other source (including issuance of Parity Bonds by Lessor), will be sufficient to restore such damaged or destroyed property to a condition of usefulness for the purposes of the Project.

SECTION 6

Effect of Lessee's Exercise of its Option to Renew

In the event Lessee shall exercise its successive renewal options, either by affirmative notice or according to the automatic renewal provisions herein set forth, then upon the first day of the biennial renewal term for which such option is exercised, Lessee shall be firmly bound for the entire amount of the cash rental becoming due and payable for such renewal term,

and for the cost of insurance, repairs and maintenance, as a general obligation of Lessee payable from, but not limited to, appropriations which may be made to it from State funds, rentals and other revenues received by Lessee from the Project for such renewal term, and rentals from other properties which may be and are lawfully designated for such purpose, but nothing herein contained shall be construed as binding the Lessee to pay rentals for more than one biennial renewal term at a time.

SECTION 7

Effect of Lessee's Election Not to Renew

In the event Lessee shall given written notice to Lessor of Lessee's election not to renew this Lease for any ensuing option biennial renewal term, prior to the automatic renewal hereinabove provided, for, Lessee shall not become obligated to pay rentals or to insure the Project beyond the last day of the then current term, or to cause the Project to be maintained in a good state of repair beyond such time, and Lessee shall thereby forfeit all of its future options to renew and shall peacefully surrender to Lessor possession of the Project on or prior to the last day of the then current term; provided, however, an election

on the part of Lessee not to renew for a future term shall not in any manner alter or diminish any obligation of Lessee hereunder for the then current term; and for any renewal term shall not preclude subsequent reinstatement of the Lease, if agreed to by the Lessor and the Trustee, for such renewal term upon the same terms and conditions as would have been applicable if the Lease had been renewed according to the provisions hereof, except that (a) if such reinstatement is sought when one or more installments of the rental for such renewal term are overdue and unpaid, it shall be a condition of such reinstatement that such overdue monies be tendered, and (b) if by reason of Lessee's election not to renew it shall have become necessary that Lessor draw upon the Debt Service Reserve Account (to the extent such Account has been funded as provided in the Resolution) in order to prevent default in the payment of maturing principal of or interest on outstanding Bonds issued for the Project, it shall be a further condition of such reinstatement that an amount so transferred from the Debt Service Reserve Account also be restored by Lessee at such time and in such manner as may be acceptable to Lessor.

SECTION 8

Lessee to Have Peaceful Possession So Long as the Lease is in Full Force and Effect

Lessor covenants that during the initial term of this Lease and during each successive optional renewal term for which this Lease may be renewed and Lessee shall continue in good standing according to the provisions hereof, Lessor shall maintain Lessee in peaceful possession and enjoyment of the Project.

SECTION 9

Lessee Permitted to Sublet, or to Enter Into Management Contracts, But Shall Remain Liable for the Rentals Hereunder

It is acknowledged and agreed that in the performance of its lawful powers and duties, it may, in Lessee's judgment, be necessary or desirable that the actual management and operation of the Project be accomplished under contract by other state agencies, municipal agencies or private enterprise; and that it may be necessary or expedient for the Lessee to make provision for the use of all or of certain portions of the Project under contracts or subleases in order to provide such services, conveniences and amenities. Accordingly, it is recognized to be the lawful right and privilege of the Lessee in the exercise of its discretion and judgment in the fulfillment of its lawful responsibilities and duties, to enter into subleases and operational contracts; provided, however, that (i) no such subleases or operational contracts shall be such as to have the effect of causing the Bonds to be classified as "industrial development bonds" or "private activity bonds" under the Internal Revenue Code of 1986, as further set forth in Section 12 hereof, and that (ii) such acknowledgement of the rights of the Lessee shall not relieve the Lessee of its liability for the aggregate amount of rentals which it has undertaken to pay during the

initial term of this Lease, and during any renewal term for which the same may be renewed. So long as the Lessee pays promptly, according to the terms hereof, the aggregate amount of its contractual rental hereunder, including operation, maintenance and insurance costs, Lessee may receive and retain all rentals and other revenues from such subleases and operational contracts.

It is agreed by the Lessee that to the extent necessary it may sublease parts of the Project to other governmental bodies and agencies and will adjust such rentals for the use of the Project in order that the Lessee will have at all times sufficient monies in order to pay the rentals provided for hereunder. If there by a failure for any reason on the part of any governmental agency using any portion of the Project, to the extent that such failure jeopardizes the prompt payment of the amounts herein provided to be paid by the Lessee into the Project No. 41 Sinking Fund established in connection with the issuance of the Bonds, the Lessee covenants that it will use its best efforts, subject to necessary limitations imposed by the requirements of efficient governmental operation, to sublease or cause to be used all or any part of the Project by any other state agency or others upon terms and for such cash subrentals so that the aggregate amount of the gross receipts and revenues from the Project at all times will be sufficient to make the minimum prescribed annual payments into the Project No. 41 Sinking Fund.

SECTION 10

Lessee to Require Sufficient Amounts in Appropriations Bills in Order for Rental Payments to be Made

The Lessee, as Lessee of the Project, covenants and agrees that at the time when Appropriations Bills are prepared for introduction in the various successive Sessions of the General Assembly of the Commonwealth, it will cause to be included in the appropriations proposed to be made for the Lessee sufficient amounts (over and above all other requirements of the Lessee) to enable Lessee to make payments for use and occupancy of the Project such that the aggregate of such appropriations will provide rentals for the Project sufficient for the payment of the Bonds and the interest thereon as become due.

SECTION 11

Provisions of Lease are for Benefit of the Registered Owners of the Bonds as Third Party Beneficiaries

All of the provisions herein contained are made for the benefit of each and all of the Registered Owners of the Bond and of all other bonds issued on a parity therewith as security. Each and all of the Registered Owners of the Bonds have the rights of third party beneficiaries to enforce all of the provisions herein contained.

SECTION 12

Bonds are Not to be Industrial Development Bonds

It is agreed that nothing has been done or will be done by either Lessor or Lessee which will cause the Bonds and any bonds issued upon a parity therewith as to security to be "industrial development bonds" or "private activity bonds" within the meaning of the Internal Revenue Code of 1986 (the "Code").

The Lessee covenants and agrees that at no time during the period when the Bonds are outstanding and unpaid will it permit the Project or any part thereof to be utilized by any person other than a government unit (including any Section 501(c)(3) organization) to the degree which would cause the Bonds to be "private activity bonds" within the meaning of Section 103(b)(1) of the Internal Revenue Code of 1986 or Regulations promulgated thereunder.

The utilization prohibited by this Section is intended to mean the use of the Project, or any part thereof, in the trade or related business of a non-governmental entity, which results in either (a) the annual beneficial use of the Project by non-governmental entities in excess of ten percent (10%) of the services available from the Project equipment; or (b) revenues derived from the annual use of the Project by non-governmental entities exceeding ten percent (10%) of the corresponding annual principal and interest requirements of the Bonds.

Notwithstanding the foregoing, the Lessee may seek and rely upon an opinion of counsel acceptable to the Lessor and Trustee, which, in reliance upon the Regulations ultimately promulgated

under the Code, a Revenue Ruling or Private Letter Ruling, or otherwise, clarifies or further defines the limits on the use of the Project in the trade or business of a person other than a governmental unit, and the criteria set forth in this Section may be modified accordingly.

SECTION 13

Compliance with Arbitrage Restrictions

To the full extent that it has the legal right to do so, the Lessee agrees to all of the provisions of the Resolution authorizing the Bonds and that it will neither take any action nor omit to take any action for the benefit of each and all of the Registered Owners of the Bonds and of all other bonds issued on a parity therewith as security which would cause the Bonds to be considered "arbitrage bonds" within the meaning of the Code. Registered Owners of the Bonds have the rights of third party beneficiaries to enforce all of the provisions herein contained.

SECTION 14

Identification of the Sites Required for the Project

Lessor and Lessee agree that the Project, equipment, facilities and appurtenances thereof, have been or shall be acquired, and installed on property designated by the Lessee at its sole discretion.

SECTION 15

Lessee's Option to Purchase

The Lessee shall have the right to purchase the Project, but only as a whole, at any time upon sixty (60) days written notice to the Lessor, the Finance Cabinet and the Trustee, and upon the

payment of a purchase price equal to the principal amount of Bonds then outstanding, plus interest due or become due thereon until same are retired, plus any expenses incident to the defeasance of said Bonds.

Upon the retirement (or defeasance) of Bonds in full, including all interest due thereon, and the complete payment of all expenses incident to said retirement, whether by a prepayment or rentals due hereunder or upon the payment of the final rental payment due hereunder on January 1, 1995, the Project shall become the property of the Lessee.

SECTION 16

Index and Headings Preceding Sections are not Part of Lease

The Index and the headings preceding the text of the several sections hereof shall be solely for convenience of reference and shall not constitute a part of this Lease, nor shall they affect its meaning, construction or effect.

SECTION 17

Provisions of Lease are Severable

If any section, paragraph, clause or provision of this Lease shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Lease.

IN WITNESS WHEREOF, the Lessor causes the execution of this instrument by the Governor of the Commonwealth, the Chairman of the Commission, duly attested by the Executive Director; and the Lessee causes this instrument to be executed by the Chairman of the Board of Trustees of the University of Kentucky, duly attested by the Secretary of said Board of Trustees, all as of the year and day first written above.

STATE PROPERTY AND BUILDINGS
COMMISSION OF KENTUCKY, Lessor

_____
Martha Layne Collins,
Governor of the Commonwealth
of Kentucky and Chairman of
the Commission

ATTEST:

_____
James R. Ramsey
Executive Director

UNIVERSITY OF KENTUCKY

_____
Chairman, Board of Trustees

ATTEST:

_____
Secretary, Board of Trustees

COMMONWEALTH OF KENTUCKY)
) SS
COUNY OF FRANKLIN)

I, the undersigned Notary Public in and for the State and County aforesaid, do hereby certify that on the _____ day of _____, 198_, the foregoing instrument was produced to me in said County by Martha Layne Collins, and James R. Ramsey, personally know to me to be the Governor and Chairman and Executive Director of the State Property and Buildings Commission of Kentucky, who being duly sworn, did say and acknowledge that their signatures affixed to this lease were their free act and deed as Governor and Chairman and as Executive Director, respectively, of the State Property and Buildings Commission of Kentucky as authorized by Resolution adopted on December 17, 1986; and they say that they have read the aforesaid instrument and that the statements contained therein are true.

WITNESS my hand and seal this _____ day of _____, 198_.

_____
Notary Public

COMMONWEALTH OF KENTUCKY)
) SS
COUNTY OF FAYETTE)

I, the undersigned Notary Public in and for the State and County aforesaid, do hereby certify that on the _____ day of _____, 198_, the foregoing instrument was produced to me in said Commonwealth and County and was executed and acknowledged before be my Robert T. McCowan and George W. Griffin, Chairman and Secretary, respectively, of the Board of Trustees of the University of Kentucky, who being duly sworn, did say and acknowledge that their signatures affixed to this lease were their free act and deed, as authorized by Resolution adopted by said Board.

WITNESS my hand and seal this _____ day of _____, 198_.

_____
Notary Public

This Instrument Prepared by:

_____
Henry M. Reed III
Attorney at Law
Suite 890 Starks Building
Louisville, Kentucky 40202

Office of the President
January 20, 1987

FCR 5

Members, Board of Trustees:

ESTABLISHMENT OF QUASI-ENDOWMENT FOR THE U.K. LIBRARY ENDOWMENT FUND

Recommendation: that the Board of Trustees authorize the creation of a quasi-endowment fund to be entitled the "U.K. Library Quasi-Endowment Fund".

Background: By this action the Board of Trustees will establish the fund and permit the allocation of funds necessary to implement this authorization. Funds for this endowment will come from unrestricted gifts, grants, interest earnings on private funds and any special appropriations for such purpose. The U.K. Library Quasi-Endowment will consist initially of $10,000. The earnings from this endowment will be used to purchase books and materials for the University of Kentucky Libraries. In addition, funds raised from private sources specifically for this purpose will be permanently endowed and will be used for the same purpose.

Action taken: Approved ✓ Disapproved _____ Other _____

Date: January 20, 1987

Office of the President
January 20, 1987

FCR 6

Members, Board of Trustees:

A RESOLUTION AUTHORIZING THE ISSUANCE OF $29,350,000 OF UNIVERSITY OF KENTUCKY CONSOLIDATED EDUCATIONAL BUILDINGS REVENUE BONDS, SERIES J, DATED MARCH 1, 1987, OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY

Recommendation: that the Board of Trustees approve a Resolution authorizing the issuance of $29,350,000 of University of Kentucky Consolidated Educational Buildings Revenue Bonds, Series J, dated March 1, 1987.

The Resolution authorizes the issuance of $29,350,000 of Series J Bonds for the purpose of financing certain educational buildings constituting the Series J Project as part of the Consolidated Educational Buildings Project (the "Project") on the campus of the University of Kentucky in Lexington, Kentucky, consisting of (a) the Lexington Campus/Medical Center, including the Patterson Office Tower-Fire Safety Facility, the Agricultural Engineering Building, the Regulatory Services Building, and the Robotics Facility, and (b) the Lexington Academic/Technical Building portion of those Community College Buildings located in Fayette County, Kentucky, and which are not a part of the separate Community Colleges Educational Buildings Project of the University.

The Resolution also approves a Notice of Bond Sale, Official Terms and Conditions of Sale of Bonds, and Bid Form, all contemplating that the Bonds be sold on March 3, 1987.

Background: The University presently has outstanding eight series of Consolidated Educational Buildings Project Revenue Bonds, Series B through I (all of the Series A Bonds having been retired), in the principal amount of $82,420,000, all secured by a pledge of the Revenues (registration fees) and by a statutory mortgage lien against all of the buildings of the Project. These Series J Bonds are issued for the purpose of financing the Series J Project identified above, together with the cost of funding the balance of the Required Debt Service Reserve, consisting of the maximum Aggregate Principal, Interest and Bond Fund Charges falling due on all outstanding Bonds of Series B through J, as of the time of issuance of the Series J Bonds. The Resolution reaffirms the appointment of First Security National Bank & Trust Company, Lexington, Kentucky, as Trustee, Bond Registrar, Transfer Agent, Payee Bank, and Depository Bank, provides for the execution of the appropriate parity certification establishing that the "coverage" of projected income of the Project over debt service requirements will meet the 1.25 test necessary to

establish that the Series J Bonds will rank on a parity with the outstanding Series B through I Bonds. The Resolution supersedes and nullifies a previous resolution adopted by the Board of Trustees on December 9, 1986 authorizing $31,300,000 of Series J Bonds, so as to reduce the amount authorized to $29,350,000 because of the availability of a balance of approximately $1,950,000 of the proceeds of the Series I Bonds.

Action: Approved ✔ Disapproved _____ Other _____

Dated: January 20, 1987

RESOLUTION AUTHORIZING THE ISSUANCE

OF

$29,350,000 OF

UNIVERSITY OF KENTUCKY
CONSOLIDATED EDUCATIONAL BUILDINGS REVENUE BONDS,
SERIES J,
DATED MARCH 1, 1987,
OF THE BOARD OF TRUSTEES OF
THE UNIVERSITY OF KENTUCKY

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A RESOLUTION AUTHORIZING THE ISSUANCE OF $29,350,000 OF UNIVERSITY OF KENTUCKY CONSOLIDATED EDUCATIONAL BUILDINGS REVENUE BONDS, SERIES J, DATED MARCH 1, 1987, OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY.

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

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

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

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

WHEREAS, the Board has previously authorized, sold, issued, and delivered nine prior issues of Bonds designated "University of Kentucky Consolidated Educational Buildings Revenue Bonds, Series B, Series C, Series D, Series E, Series F, Series G, Series H, and Series I" (all of the Series A Bonds having been retired); and has determined that the Board is in compliance with the conditions set forth in Section 7.10 of the Basic Resolution relative

to the issuance of the Series J Bonds (authorized herein) on a basis of parity and equality as to security and source of payment with such outstanding Bonds of Series B through I, inclusive; and

WHEREAS, the Board has determined that it is in the best interests of the Board to authorize at this time an additional series of Bonds to be designated "University of Kentucky Consolidated Educational Buildings Revenue Bonds, Series J", ranking on a parity with said Series B through I Bonds,

NOW, THEREFORE, the Board of Trustees of the University of Kentucky hereby resolves as follows:

ARTICLE I

DEFINITIONS AND AUTHORITY

Section 1.1. Series J Resolution.

This Resolution (the "Series J Resolution") is adopted in accordance with Article II, Section 2.03, of the Basic Resolution.

Section 1.2. Definitions.

A. All terms which are defined in Article I of the Basic Resolution shall have the same meanings, respectively, in this Series J Resolution as such terms are given in said Article of the Basic Resolution.

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

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

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

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

"BOND REGISTER" means the books and records maintained by the Bond Registrar as to the registered ownership and transfers of ownership of the Series J Bonds, from time to time.

"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 Series J Bonds authorized herein, which Bank shall have the duties and responsibilities

of (a) issuing semiannual checks in payment of interest requirements as to the Series J Bonds, (b) payment of the principal as same matures upon surrender of the Series J Bonds, (c) authenticating, issuing, and delivering the Series J Bonds to the Original Purchasers of same in accordance with the sale of the Series J Bonds, at the direction of the Board, (d) maintaining the Bond Register, (e) handling exchanges, cancellations, reissuance, redemption, and all appurtenant duties of a Bond Registrar and Transfer Agent with respect to the Series J Bonds, as hereinafter set out, and (f) serving as depository of all funds in connection with the Series J Bonds and All Bonds, as defined herein. 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, Payee Bank, and/or Trustee as to the Series J Bonds and any future Bonds.

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

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

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

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

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

"PROJECT" refers to the University of Kentucky Consolidated Educational Buildings Project, consisting of all educational buildings and necessary appurtenances on the campus of the University of Kentucky in Lexington, Kentucky, and all such buildings hereafter erected on such campus and elsewhere in Fayette County, Kentucky.

"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 Bonds outstanding, including

the additional amounts required to have been deposited in each year to date (and scheduled to continue for a period of four years) in such Reserve as a result of the issuance of one or more additional Series of Bonds, until the total Required Debt Service Reserve is accumulated.

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

"SECRETARY", "SECRETARY OF FINANCE CABINET", or "SECRETARY OF THE CABINET" refers to the Secretary of the Finance and Administration Cabinet of the Commonwealth of Kentucky, and each and every officer of the Commonwealth who may hereafter be authorized to exercise powers and authority similar to those vested by law in said Secretary; and each and every Deputy Secretary or other similar officer authorized by law to exercise the powers and authority presently vested by law in the Secretary.

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

"SERIES J PROJECT" refers to (a) the Lexington Campus/Medical Center, including the Patterson Office Tower-Fire Safety Facility, the Agricultural Engineering Building, the Regulatory Services Building, and the Robotics Facility, and (b) the Lexington Academic/Technical Building portion of those Community College Buildings located in Fayette County, Kentucky, and which are not a part of the separate Community Colleges Educational Buildings Project of the University.

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

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

Section 1.3. Statutory Authority.

This Series J Resolution is adopted pursuant to the provisions of Section 162.340, et seq., of the Kentucky Revised Statutes (the "Enabling Acts") and the Basic Resolution.

ARTICLE II

AUTHORIZATION OF SERIES J BONDS

Section 2.1. Series J Bonds Authorized.

Pursuant to the provisions of the Basic Resolution, there is hereby authorized to be issued by the Board of Trustees of the University of Kentucky, in its corporate capacity, a tenth Series of Bonds in the aggregate principal amount of Twenty-Nine Million Three Hundred Fifty Thousand Dollars ($29,350,000). Such Bonds shall be designated "University of Kentucky Consolidated Educational Buildings Revenue Bonds, Series J". Said Series J Bonds are hereby declared to have been authorized under the Basic Resolution and in conformity with the provisions of Section 7.10 of the Basic Resolution.

Section 2.2. Purpose of Issue.

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

Section 2.3. Date and Maturities of Bonds.

Except as set out in Section 2.5 hereof, the Series J Bonds shall be dated March 1, 1986, and bear interest payable on each Interest Payment Date (May 1 and November 1 of each year), commencing November 1, 1987. The Series J 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:

Maturity Date May 1,	Principal Maturity
1988	$ 380,000
1989	760,000
1990	815,000
1991	875,000
1992	935,000
1993	1,000,000
1994	1,075,000
1995	1,150,000
1996	1,235,000
1997	1,325,000
1998	1,420,000
1999	1,520,000
2000	1,630,000
2001	1,750,000
2002	1,875,000
2003	2,010,000
2004	2,155,000
2005	2,310,000
2006	2,475,000
2007	2,655,000

Section 2.4. Series J Bonds to be Issued as Fully Registered Bonds.

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

Section 2.5. Interest Payment Dates.

Each initially issued Series J 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 March 1, 1987, payable on November 1, 1987 (first interest payment - 8 months' interest) and on May 1 and November 1 of each year thereafter to maturity or earlier redemption. Each Series J Bond

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issued (as a result of exchange or transfer) on or after such first Interest Payment Date on the Series J 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.

Section 2.6. 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 2.7. Payment of Interest and Principal of Bonds.

Interest on the Bonds shall be paid by check mailed by the Trustee-Registrar on or before each Interest Payment Date 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. The principal of (and premium, if any) and interest on the 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, upon surrender of same at the main office of the Trustee-Registrar.

So long as any of the Series J Bonds remain outstanding, the Registrar shall keep at its principal office a Bond Register showing and recording a register of the owners of the Series J Bonds and shall provide for

the registration and transfer of such Bonds in accordance with the terms of this Resolution, subject to such reasonable regulations as the Registrar may prescribe.

Section 2.8. Execution of Bonds; Authentication by Trustee-Registrar; Transferability; Temporary or Master Bond (Typewritten).

The (printed) Series J 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 (not necessarily the same authorized officer of the Trustee-Registrar on each Bond) on each Bond before such Bond shall be valid, as set out in Section 2.13 below.

Said Series J Bonds may (but are not required to) be delivered initially in the form of a single, fully registered, typewritten Temporary Bond or "Master Bond" in the full principal amount of the entire bond issue, registered in the name of the Original Purchasers. Such Temporary Bond or Master Bond shall be convertible through the issuance of printed Bond Certificates to the persons designated by the respective Original Purchasers.

Arrangements shall be made for the printing of sufficient Bond Certificates to enable the Trustee-Registrar to maintain an adequate reserve supply of such Bond Certificates as same are sold, exchanged, and/or otherwise surrendered in the future. Notwithstanding anything contained herein, the Trustee-Registrar shall have the right to order the preparation or printing of

additional Bond Certificates which, in the sole discretion of the Trustee-Registrar, shall be necessary to maintain adequate reserves of such Bond Certificates to properly effect the continuing transfers of ownership of Bond Certificates. No further action regarding the authorization of additional Bond Certificates shall be required by the Board, and the expenses incidental thereto shall be borne by the Board as additional annual requirements of the Series J Bonds, the same as interest thereon.

At least five business days prior to the payment of the purchase price for the Bonds (the "Closing Date"), each of the Original Purchasers shall furnish to the Registrar the name, address, social security number or taxpayer identification number, principal amount, and maturities of each party to whom the Bonds shall have been resold and in whose name the respective Bonds are to be registered. The Trustee-Registrar shall then issue and deliver to each respective Purchaser on the Closing Date, fully registered printed Bond Certificates for each registered owner so designated, in substantially the same form as that set out in Section 2.14 hereof.

All of the Series J 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 Bond, as shown on the Bond Register, of such maturity or maturities appearing on the books of the Trustee-Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

Section 2.9. Provisions as to Prior Redemption.

(a) Redemption Prior to Maturity.

The Series J 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:

Redemption Dates, Inclusive	Redemption Price
May 1, 1997 through November 1, 1999	102%
May 1, 2000 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 Series J Bond to be redeemed in whole or in part, at the address shown on the Bond Register as of the date of mailing of such notice. The Trustee-Registrar may furnish one other form of such notice more than 60 days prior to the date fixed for redemption, provided at least one such notice shall be sent not less than 30 nor more than 60 days prior to such date. Such notice shall state the redemption date, the Redemption Price, the accrued interest payable on the redemption date, the place at which the Bonds are to be surrendered for payment, and, if less than all of the Bonds outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Bondowner receives such notice.

Prior to each redemption date, the Trustee-Registrar shall make provision, to the extent funds are then available therefor, for the payment of

the Redemption Price of the Bonds to be redeemed on such date by setting aside and holding in trust an amount sufficient to pay such Redemption Price. Upon presentation and surrender of any such Bond at the main corporate trust office of the Trustee-Registrar on or after the date fixed for redemption, the Trustee-Registrar shall pay the Redemption Price on such Bond (including accrued interest) from the funds set aside for such purpose.

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

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

Section 2.10. Transferability.

Title to any Series J Bond shall be transferable only upon the presentation and surrender of same at the main office of the Trustee-Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative, such transfer to be made on such books and endorsed on the Bond by the Registrar.

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

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

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

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

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

All of the Series J Bonds are payable only from the Gross Revenues derived from the operation of the Project, ranking on a parity with the

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outstanding Series B through I Bonds, and the Series J 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 Series J Bonds, whether in single typewritten temporary form or in the form of a temporary Master Bond, 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 Series J Bonds.

Section 2.14. Form of Bonds.

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

(FORM OF BONDS)

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

NUMBER R-_____ PRINCIPAL AMOUNT:
(DOLLARS)

DATE OF ORIGINAL ISSUE: March 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 November 1, 1987, or, if this Bond is issued subsequent thereto, on the first May 1 or November 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 of America at the main office of the First Security National Bank & Trust Company, Lexington, Kentucky (the "Trustee", "Bond Registrar", and "Payee Bank"). All interest on this Bond

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

This Bond is one of a duly authorized issue of $29,350,000 principal amount of Bonds (said Bonds being hereinafter sometimes collectively referred to as "the Bonds", "these Bonds", or "the Series J Bonds"), issued in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including Sections 162.340 to 162.380, and 58.010 through 58.140 of the Kentucky Revised Statutes, now in full force and effect, and under and pursuant to the Resolution adopted by the Board on September 20, 1960 (the "Basic Resolution"), and the Resolution adopted on December 9, 1986, authorizing the Series J Bonds (the "Series J Resolution"), issuable as fully registered Bonds in the denominations of $5,000 and any authorized multiple thereof within the same maturity, for the purpose of financing (a) the costs (to the extent not otherwise provided) of establishing and erecting certain educational buildings and necessary appurtenances (the "Series J Project"), upon the property of the University in Fayette County, Kentucky, which Series J Project buildings and appurtenant facilities will, when erected and acquired, become part of the Consolidated Educational Buildings Project of said University (the "Project"), and (b) the funding of the additional amount necessary to fully fund the Required Debt Service Reserve, as defined in the Series J Resolution. Copies of the Basic Resolution and the Series J Resolution are on file at the office of the Trustee.

As provided in the Series J Resolution, these Series J Bonds, together with the outstanding Bonds of Series B through I (all of the Series A Bonds having been retired), and any additional Parity Bonds which may hereafter be issued and outstanding under the terms of the Basic Resolution and

subsequent Series Resolutions (hereinafter all references to said outstanding Bonds of Series B through J and any additional Parity Bonds shall be collectively referred to as "All Bonds"), are and will be payable from and constitute a first charge and lien upon the Revenues (as defined in the Basic Resolution) to be derived by the University from the operation of its Consolidated Educational Buildings Project. The fee imposed upon and collected from all students enrolled in the University at the Lexington Campus as an incident to registration at the beginning of each semester of the regular academic year and each summer session, including fees imposed for part-time students, night school and extension courses, is designated as the source of Revenues of the Project. Such fees are known as the Student Registration Fees, and the Board has covenanted on behalf of the University that such fees will be fixed (and, if necessary, revised and increased from time to time) at such rates as may be required to pay the interest on and principal of the Bonds as they respectively mature, to provide reserves therefor, and to pay the operating costs of the Project to the extent that such costs are not otherwise provided. All collections of the Student Registration Fees are to be set aside, as received, into the Consolidated Educational Buildings Project Revenue Fund (the "Revenue Fund") and are made subject to a first pledge, lien, and charge for the security and source of payment of All Bonds.

The Basic Resolution provides for the creation of a special account designated "Consolidated Educational Buildings Project Bond and Interest Sinking Fund" (the "Bond Fund") and for the deposit from the Revenue Fund to the credit of the Bond Fund of a fixed amount of the gross Revenues of the Project sufficient to pay interest on All Bonds as the same become due, to pay or retire the principal of All Bonds at or prior to the maturity thereof, and

to provide a reserve for such purpose, which Bond Fund is pledged to and charged with the payment of said principal and interest.

The aggregate principal amount of Bonds which may be issued under the Basic Resolution is not limited except as provided in such Basic Resolution, and all Bonds issued and to be issued under the Basic Resolution are and will be equally secured by the pledges and covenants made therein, except as otherwise expressly provided or permitted in the Basic Resolution.

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

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

This Bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing at the main office of the Trustee-Registrar, but only in the manner, subject to the limitations provided in the Series J Resolution, and upon surrender and cancellation of this Bond, duly endorsed for transfer or accompanied by an assignment duly executed by the

registered owner or his authorized representative. Upon such transfer being effected, a new fully registered Bond or Bonds of the same series and the same maturity, of authorized denomination, for the same aggregate principal amount, and the same interest rate, will be issued to the transferee in exchange therefor.

The Board and the Trustee-Registrar may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and 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 Series J Resolution, to institute action to enforce the covenants therein, to take any action with respect to any default under such Resolutions, or to institute, appear in, or defend any suit or other proceedings with respect thereto, except as provided in such Resolutions. The Basic Resolution provides for fixing, charging, and collecting fees for the services of the Project, which fees will be sufficient to pay the principal of and interest on All Bonds as the same become due, to provide a reserve for such purpose, and also to pay the cost of operation and maintenance of the Project to the extent that same are not otherwise provided.

Reference is made to such Basic Resolution and Series J Resolution 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 these Series J Bonds, (b) for the provisions, among others, with respect to the custody and

application of the proceeds of the Series J Bonds, (c) the rights, duties, and obligations of the Board and of the Trustee, and (d) the rights of the owners of these Series J Bonds; and by the acceptance of this Bond, the registered owner hereof assents to all of the provisions of said resolutions.

The Series J 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 a single maturity to be selected in such manner as the Trustee may determine), at redemption prices expressed in percentages of the principal amount with respect to each Bond as set forth below, plus in each case accrued interest to the date of redemption:

If Redeemed	Redemption Price
From May 1, 1997 through November 1, 1999	102%
From May 1, 2000 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 Series J Resolution, shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

The Trustee-Registrar shall give notice of any redemption by sending such notice by United States mail, first class, postage prepaid, not less than 30 and not more than 60 days prior to the date fixed for redemption, to the registered owner of this Bond at the address shown on the Bond Register as of the date of mailing of such notice.

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

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

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

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

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

UNIVERSITY OF KENTUCKY
Lexington, Kentucky

By (Facsimile Signature)
Chairman, Board of Trustees

Attest:

(Facsimile Signature)
Secretary, Board of Trustees

(Facsimile Seal of Board of Trustees)

THE AUTHENTICATION DATE OF THIS BOND IS: _____

(FORM OF AUTHENTICATION CERTIFICATE OF TRUSTEE-REGISTRAR)

AUTHENTICATION CERTIFICATE OF TRUSTEE-REGISTRAR

This is to certify that this Bond is one of the Bonds referred to in the within Bond and in the Series J 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 as it appears on the front of this Bond in every particular, without alteration, enlargement, or any change whatsoever.)

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

(Customary abbreviations as to form of Title)

ARTICLE III

PUBLIC SALE OF SERIES J BONDS; COMPLIANCE WITH PARITY REQUIREMENTS; THE SERIES J CONSTRUCTION ACCOUNT; DISPOSITION OF PROCEEDS OF SERIES J BONDS

Section 3.1. Advertisement of Series J Bonds for Sale.

The Series J Bonds shall be offered publicly for sale upon the basis of sealed, competitive bids at such time as the Board shall designate by duly adopted Motion or Resolution.

The Treasurer of the Board is hereby authorized and directed to cause an apporpriate 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 Series J Bonds.

A suggested form of Notice of Sale of Bonds, a suggested form of Official Terms and Conditions of Sale of Bonds, and a suggested form of Official Bid Form, having been prepared by Bond Counsel, in cooperation with the Fiscal Agent, and same, together with a suggested form of Preliminary Official Statement, having been examined by this Board, same are hereby approved for such purposes, and a copy of each is hereby ordered to be attached to this Resolution and to the minutes of the meeting at which this Resolution is adopted. The Notice of Sale of Bonds shall be signed by the Treasurer of the University and may be used for the purpose of publishing notice of the sale

of the Bonds. The Preliminary Official Statement having been prepared by the Board's Fiscal Agent on behalf of the Board in conjunction with the sale, containing all pertinent information in regard to the Series J Bonds, and in regard to the University, and which Preliminary Official Statement is to be supplied to prospective bidders for the purchase of the Series J Bonds, and said Preliminary Official Statement having been reviewed and considered by the Board, same is hereby authorized, ratified, and approved, and the Chairman and the Treasurer are hereby 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 Series J Bonds, that their fee for services rendered with respect to the sale of the Series J Bonds is contingent upon the issuance and delivery of the Series J Bonds, and that they may submit a bid for the purchase of the Series J Bonds at the time of the advertised public sale of the Series J Bonds, either individually or as the member of a syndicate organized to submit a bid for the purchase of the Series J Bonds.

Upon the date and at the respective hour set forth for the opening and consideration of purchase bids, as provided in the instruments hereinabove approved, the sealed bids theretofore received by the Treasurer (in the office of the President) shall be publicly opened and publicly read by the Treasurer and later delivered to the Board and again publicly read by the presiding officer of the Board. If there shall be one or more bids which conform in all respects to the prescribed terms and conditions, such bids shall be compared,

and the Board agrees that if a bid is accepted, it will accept the best of such bids, as measured in terms of the lowest interest cost to the Board, as calculated in the manner prescribed in the Official Terms and Conditions of Sale of Bonds.

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

It is hereby determined that the successful bid for the purchase of the Series J 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.

Section 3.2. Compliance with Parity Requirements of Basic Resolution.

In accordance with the requirements of Section 7.10 of the Basic Resolution, it is hereby certified, covenanted, and declared:

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

(b) That prior to the issuance of the Series J Bonds, there will have been procured and filed with the Trustee a statement by the Treasurer of the Board to the effect that the average of the annual revenues from the Project for the two fiscal years immediately preceding the issuance of the Series J Bonds, was equal to not less than 1.25 times the maximum Aggregate Principal, Interest and Bond Fund Charges in any succeeding twelve month period ending May 1 on the Outstanding Bonds and on the Series J Bonds proposed to be issued. For the purposes of such computation, such certification of the Treasurer shall make an adjustment in the amount of the annual Revenues to reflect any increases or decreases in the pledged Revenues (the student registration fees) which at that time shall have been determined by the Board and made effective for future services of the Project.

Accordingly, based on the foregoing compliance with the requirements of the Basic Resolution, it is hereby found and declared that the Series J Bonds shall rank and be payable on a parity with the outstanding Series B through 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.

Section 3.3. The Series J Construction Account; Disposition of Proceeds of Series J Bonds.

There is hereby established in the Treasury of the Commonwealth a Construction Account to be designated "University of Kentucky Consolidated Educational Buildings Project - Bond Proceeds Series J Construction Account" (the "Series J Construction Account").

Immediately upon the issuance, sale, and delivery of the Series J Bonds, the entire amount received from the Original Purchasers of the Series J Bonds shall be deposited in the Treasury of the Commonwealth for immediate credit and/or transfer as follows:

(a) To the Bond Fund, all amounts received as collected accrued interest for the period from March 1, 1987, the date of the Series J Bonds, to the date of delivery, for application to the payment of interest next becoming due on the Series J Bonds.

(b) To the Debt Service Reserve Fund, whatever amount (tentatively estimated at $2,847,440) shall be necessary to fund the balance necessary to assure that the full amount of the Required Debt Service Reserve shall be on deposit in said Fund as of the date of issuance of the Series J Bonds. Such funding is deemed advisable for the optimum marketability of the Series J Bonds, based on the advice of the University's Fiscal Agent.

(c) To the "University of Kentucky Consolidated Educational Buildings Series J Bonds Cost of Issuance Account", hereby created and to be maintained on deposit with the Trustee, the sum of $ 34,215, or such other appropriate amount as shall be directed by the Treasurer of the Board, to be held and disbursed upon written authorization of the Board or its designee. The Trustee shall apply funds in such account for the purpose of meeting issuance expenses, including printing,

b

fiscal agent fee, legal fees and expenses, rating agency fees, and other necessary costs (to the extent not payable by the Fiscal Agent) of preparing, issuing, advertising, and selling the Bonds. After payment in full of such issuance expenses, based upon the certification of the Board, through its Treasurer, all amounts remaining in such Account shall be transferred to and deposited in the Bond Fund and applied toward the payment of interest requirements falling due on the Bonds on November 1, 1987.

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

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

Amounts on deposit in the Construction Account shall be invested and reinvested from time to time by the State Treasurer upon direction to the State Treasurer by the Treasurer of the University, in direct obligations of the

United States Government or of agencies of the United States Government, or obligations which are fully guaranteed by the United States Government, or in negotiable or nonnegotiable Certificates of Deposit issued by any bank, trust company or national banking association (including the Trustee) which is a member of the Federal Reserve System or of the Federal Deposit Insurance Corporation, provided such Certificates of Deposit, to the exent that same shall exceed the amount insured by the Federal Deposit Insurance Corporation, must be continuously secured by a valid pledge of direct obligations of or obligations guaranteed by the United States Government having a market value (exclusive of accrued interest) at all times equal to at least 100% of the principal amount of said Certificates of Deposit, which Certificates shall be lodged with the State Treasurer as custodian, or in investments permitted by KRS 42.500(9). The Investments shall be made upon the determination of the University Treasurer, upon advice from said Architects or Engineers (or of said Secretary of the Finance Cabinet) that moneys on deposit in the Construction Account are not immediately required for construction purposes and any investments made from the Construction Account shall be selected in contemplation of the anticipated schedule of disbursements prepared by the University Treasurer. All such investments shall be reconverted into cash as and when cash is required to pay costs for which the Construction Account is established.

Any balance remaining in said Construction Account after the establishment and construction of said Series J Project buildings and appurtenances and the payment of all costs in connection therewith shall be deposited in the Bond Fund and (a) credited to the Debt Service Reserve established in and by Section 405(3) of the Basic Resolution if and to the extent that such Debt Service Reserve contains less than the amount of the

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

ARTICLE IV

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

Section 4.1. Compliance with Federal Non-Arbitrage Requirements.

Neither the University nor the Trustee shall take any action at any time which will cause the interest on the Bonds to become subject to Federal income taxation, and, without limiting the foregoing, it is covenanted for the benefit of the holders of such Bonds that no use of the proceeds of the Series J Bonds will be made at any time which, if such use had been reasonably expected on the date of issue of such Bonds, would have caused them to be "arbitrage bonds". This covenant shall impose an obligation to comply with the requirements of Section 148 of the United States Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations thereunder. The word "proceeds" as used herein shall have the meaning which it has under such section of the Code and such regulations and shall include all moneys on deposit in all Funds provided for herein and all Funds established in connection with the Project and the Bonds. Without limiting the generality of the foregoing, in no event shall moneys be deposited in any accounts created hereunder or invested pursuant to the provisions hereof if such deposit or investment shall cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code.

The Board certifies that on the basis of the facts, expectations, and circumstances (including covenants of the Board) in existence on the date of adoption of this Series J Resolution it is not expected that the proceeds of the Series J Bonds will be used in a manner that will cause such obligations to be "arbitrage bonds". The Chairman and the Treasurer of the Board are hereby jointly and severally designated and charged by the Board and the University

with the responsibility for issuing the Series J Bonds and are hereby designated as the officers of the Board and the University to execute (by either of them) the ("no arbitrage") certification required by Section 1.103-1(a)(2)(ii) and any other provisions of the Treasury Regulations, and such certification shall set forth such facts, expectations, and circumstances, which may be in brief and summary terms, and shall state that to the best of his knowledge and belief there are no other facts, expectations, or circumstances that would materially change such expectation that the proceeds of the issue of Bonds herein authorized will not be used in a manner that would cause same to be "arbitrage bonds". If, under any valid provisions of law hereafter enacted, the interest paid by the Board on the Bonds should be excludable from the gross income of a recipient thereof for Federal income tax purposes without regard to compliance with the provisions of Section 148 of the Code, then the University shall not be required to comply with such provisions of the Code.

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

(1) From and after the issuance and delivery of the Series J Bonds, the Treasurer, conforming to the provisions of Section 4.05(2) of the Basic Resolution, shall transfer from the Revenue Fund and deposit to the credit of the Bond Fund from time to time such sums as are required to pay (a) interest falling due on each November 1 with respect to the Series J Bonds, and (b) interest and principal, if any, falling due on each May 1 with respect to the Series J Bonds; and such transfers and deposits into the Bond Fund shall be in addition to the transfers and deposits required to be made from time to time for payment of the interest on and principal of the Series A through I Bonds.

(2) Conforming to the requirements of Section 4.05(2) of the Basic Resolution, if, whenever, and so long as the amount on deposit in the Debt Service Reserve (as part of the Bond Fund) shall be less than the Required Current Debt Service Reserve Accumulation or the Required Debt Service Reserve (as defined herein), with respect to All Bonds for any future year ending May 1, the Treasurer shall transfer from the first available funds in the Revenue Fund and deposit in the Bond Fund, whatever additional amounts over and above all deposits otherwise required to be made into the Bond Fund, as set out in the foregoing paragraph (1) of this Section, shall be required in order to restore and maintain the Required Current Debt Service Reserve Accumulation or the Required Debt Service Reserve in the Debt Service Reserve portion of the Bond Fund. (It is noted that since it is contemplated by Section 3.3 of this Resolution that the Required Debt Service Reserve will be fully funded as of the date of delivery of the Series J Bonds, no other amount need be transferred (at least initially) for the purpose of accumulating or restoring any funds to the Debt Service Reserve Fund.

(3) It is further determined by the Board that in calculating the amount of the required annual payments to be made by the Board into the Bond Fund to meet the principal and interest requirements of All (Outstanding) Bonds, the Board shall (whenever and so long as the Required Current Debt Service Reserve Accumulation or the Required Debt Service Reserve has been accumulated and is being maintained), take credit for the investment income derived from the investment of funds in the Bond Fund, including funds in the Debt Service Reserve; provided, further, however, that the Board, in compliance with the arbitrage requirements of the Internal Revenue Code of 1986, as amended, represents that amounts on deposit in the Bond Fund will be used within thirteen (13) months from the date of deposit for the payment of

principal of and interest on the Outstanding Bonds; and the Bond Fund will annually be depleted through such application, for current debt service requirements on the Outstanding Bonds, except for an amount equal to not more than the greater of (a) one-twelfth (1/12) of the debt service requirements of the Outstanding Bonds for the then ensuing year, or (b) one year's earnings on the Bond Fund.

Section 4.3. Adjustments in the Debt Service Reserve.

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

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

ARTICLE V

MISCELLANEOUS CONCLUDING PROVISIONS

Section 5.1. All Provisions of Basic Resolution and Various Series Resolutions are Hereby Readopted, Ratified, and Confirmed.

The Board hereby readopts, ratifies, and confirms all previous Resolutions relating to the Project, including the Basic Resolution adopted on September 20, 1960, and each of the various Series Resolutions A through I.

Section 5.2. Ratification of Previous Appointment of Trustee to Serve as Registrar, Transfer Agent, and Payee Bank.

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

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

The Trustee/Registrar/Payee Bank shall be entitled to the same rights, privileges, and immunities with respect to the Series J 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 5.3. Replacement by Board of Registrar, Transfer Agent, Payee Bank, and Depository Bank.

The Board shall have the right at any time to replace the Registrar, Transfer Agent, Payee Bank, and/or Depository Bank by observing the same procedure as that required by the Basic Resolution and/or the respective Series Resolutions for replacement of the Trustee.

Section 5.4. Covenant of Board to Take All Action Necessary to Assure Compliance with the Internal Revenue Code of 1986, as Amended.

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

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

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

1. Although interest on the 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 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 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 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 these Bonds without obtaining the consent of the owners of the Bonds (i) to whatever extent shall, in the opinion of Bond Counsel be deemed necessary to assure that interest on the 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 these Bonds, or the application of such proceeds or of the revenues of the Project. The purchasers of these 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 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 these Bonds to Federal income taxes or Kentucky income taxes, the Board shall not be required to comply with such covenants or requirements.

This Resolution is adopted in contemplation that Bond Counsel will render an opinion as to exemption of principal of the Bonds from Kentucky ad valorem taxation and as to exemption of interest on the Bonds from Federal and Kentucky income taxation, based on the assumption by Bond Counsel that the Board complies with covenants made by the Board with respect to compliance with the provisions of the Code, subject to the exceptions set out above, and based on the assumption of compliance by the Board with requirements as to any required rebate (and reports with reference thereto) to the United States of America of certain investment earnings on the proceeds of the Series J 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 5.5. Resolution Contractual With Bondowners.

The Basic Resolution and this Series J Resolution shall, from and after the issuance and delivery of the Series J Bonds, constitute a contract between the Board of the University and the owners of the Series J Bonds as shall be outstanding hereunder.

Section 5.6. Provisions in Conflict are Repealed.

All resolutions or parts thereof in conflict with the provisions of this Series J Resolution are hereby rescinded to the extent of such conflict. This Resolution supersedes the Resolution adopted by the Board of Trustees on

December 9, 1986, authorizing the issuance of $31,300,000 of University of Kentucky Consolidated Educational Buildings Revenue Bonds, Series J, dated March 1, 1987, and said Resolution adopted on December 9, 1986, is hereby cancelled, revoked, and nullified.

Section 5.7. Copy to be Filed with Trustee.

A certified copy of this Series J Resolution shall be filed with the Trustee, and this Series J 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 January 20, 1987.

_____

Chairman, Board of Trustees
University of Kentucky

_____

Secretary, Board of Trustees

(Seal)

CERTIFICATION

I, GEORGE W. GRIFFIN, Secretary of the Board of Trustees of the University of Kentucky, Lexington, Kentucky, hereby certify that the foregoing is a true copy of a Resolution adopted by the Board of Trustees of said University at a meeting held on January 20, 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 January 20, 1987.

_____

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 TRUSTEE

The undersigned, First Security National Bank & Trust Company, Lexington, Kentucky, having heretofore been appointed as and having served as Trustee, hereby agrees to the provisions of the foregoing Resolution to the extent that there are contained therein provisions as to the additional rights and duties of the undersigned as Bond Registrar, Transfer Agent, Payee Bank, and Trustee.

Dated this _____, 1987.

FIRST SECURITY NATIONAL BANK & TRUST COMPANY
Lexington, Kentucky

By_____

Title_____

(Seal of Bank)

NOTICE OF SALE OF BONDS

$29,350,000
UNIVERSITY OF KENTUCKY
CONSOLIDATED EDUCATIONAL BUILDINGS REVENUE BONDS
SERIES J
DATED MARCH 1, 1987

The Treasurer of the Board of Trustees of the University of Kentucky, Lexington, Kentucky (the "Board"), hereby gives public notice that until the

3rd day of March, 1987

at the hour of 10:30 A.M., E.S.T it will receive in the office of the President, Administration Building, University of Kentucky Campus, Lexington, Kentucky 40506, sealed, competitive bids for the purchase of $29,350,000 of the above-identified issue of bonds, being fully registered bonds, in the denomination of $5,000 or any multiple of same within the same maturity, maturing on May 1, 1988 through 2007.

The minimum bid is $28,763,000 (98% of par). All bidders must bid for all of the Bonds, and the purchase price is payable in Federal Funds.

The Bonds will be issued subject to the approving legal opinion of the firm of Rubin & Hays, Municipal Bond Attorneys, Louisville, Kentucky, based on the assumption of compliance by the Board with certain covenants made by the Board in accordance with the Internal Revenue Code of 1986, as set out in detail in the Official Terms and Conditions of Sale of Bonds and in the Preliminary Official Statement.

Good faith check is $293,500. Bid Forms, Official Terms and Conditions, and Preliminary Official Statement may be obtained from the Fiscal Agent, Dupree & Company, Inc., 167 West Main Street, Lexington, Kentucky 40507, phone (606) 254-7741.

Right to reject bids and to waive defects or informalities is expressly reserved. (Signed) Henry Clay Owen, Treasurer, Board of Trustees, University of Kentucky, Lexington, Kentucky 40506.

OFFICIAL TERMS AND CONDITIONS OF BOND SALE

$29,350,000
UNIVERSITY OF KENTUCKY
CONSOLIDATED EDUCATIONAL BUILDINGS REVENUE BONDS
SERIES J
DATED MARCH 1, 1987

SALE: March 3, 1987, 10:30 A.M., E.S.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 and the Finance Committee 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 the President, Administration Building, University of Kentucky Campus, Lexington, Kentucky 40506, sealed, competitive bids for the purchase of the above-identified Bonds (the "Series J Bonds"). To be considered, a bid for the purchase of said Bonds must be submitted on an Official Bid Form and must be delivered to such office no later than the date and hour indicated. Proposals for the purchase of the Bonds will be considered by the Finance Committee of the Board at its meeting on that date and referred to the Executive Committee of the Board (or to the full Board) at a meeting to be held at 1:00 P.M., E.S.T., on that date.

Bids submitted prior to the day and hour hereinabove set forth may be sent to the President of the University at his office in the Administration Building on the Campus of said University in Lexington, Kentucky 40506, and if any such Bid is received in said President's 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 Series J 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 - eight months), and will mature on May 1 of the respective years, as follows:

Year of Maturity May 1	Maturity Amount	Year of Maturity May 1	Maturity Amount
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

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

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

4. With respect to Series J Bonds transferred or exchanged after the initial delivery of the Series J 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 Series J Bond, in which case such Bond shall bear interest from March 1, 1987.

5. The person in whose name any Series J 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).

6. The Series J 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:

Redemption Dates (Inclusive)	Redemption Price
May 1, 1997 through November 1, 1999	102%
May 1, 2000 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 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 Series J 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.

7. These Bonds are issued in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including Sections 162.340-162.380, and 58.010-58.140 of the Kentucky Revised Statutes, and under and pursuant to the Resolution adopted by the Board on September 20, 1960 (the "Basic Resolution"), and to the Resolution adopted on January 20, 1987, authorizing these Bonds (the "Series J Resolution"), for the purpose of financing the cost (to the extent not otherwise provided) of establishing and erecting certain educational buildings and necessary appurtenances on the campus of the University of Kentucky in Lexington, Kentucky, consisting of (a) the Lexington Campus/Medical Center, including the Patterson Office Tower-Fire Safety Facility, the Agricultural Engineering Building, the Regulatory Services Building, and the Robotics Facility, and (b) the Lexington Academic/Technical Building portion of those Community College Buildings located in Fayette County, Kentucky, and which are not a part of the separate Community Colleges Educational Buildings Project of the University.

C. SECURITY.

8. These Series J Bonds, together with the Series B through I Bonds (all of the Series A Bonds having been retired), all previously issued, and any additional parity bonds which may hereafter be issued and outstanding under the terms of the Basic Resolution and any subsequent Series Resolutions, are and will be payable from and will constitute a pledge, charge, and lien upon the Revenues to be derived by the University from the operation of its Consolidated Educational Buildings Project, as defined in the Basic Resolution. The fee imposed upon and collected from all students of the University at Lexington, Kentucky, as an incident to registration at the beginning of each semester of the regular academic year and each summer session, including fees imposed for part-time students, night school and extension courses, is

designated as the source of Revenues of the Consolidated Educational Buildings Project. Such fees are known as the Student Registration Fees (the "Registration Fee") and the Board covenants that the same will be fixed and if necessary revised and increased from time to time at such rates as may be required to pay the interest on and principal of the Bonds as they respectively mature, to provide reserves therefor, and to pay the operating costs of the Project to the extent that such costs are not otherwise provided. All collections of the Student Registration Fee are to be set aside as received into the Consolidated Educational Buildings Project Revenue Fund and are made subject to a first lien and paramount charge for the security and source of payment of all outstanding Consolidated Educational Buildings Revenue Bonds.

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

D. BIDDING CONDITIONS AND RESTRICTIONS.

9. The public offering of the Series J 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 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 that $28,763,000 (98% of par) for the $29,350,000 of Bonds, plus accrued interest from the date of the Bonds (March 1, 1987) to the date of delivery, payable in Federal Funds.

C. Each bid shall be accompanied by a certified or bank cashier's good faith check (which check need not be in Federal Funds) in the amount of $293,500 (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.

D. 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.

E. 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.

F. All Bonds of the same maturity shall bear the same and a single interest rate from the date thereof to maturity.

G. Interest rates must be on an ascending scale, in that the interest rate for Bonds of any maturity may not be less than the interest rate stipulated for any preceding maturity.

H. The right to reject bids for any reason deemed advisable by the 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.

I. Bids must be made on forms which, together with an Official Statement, may be obtained at the office of the Treasurer of the University or from the Fiscal Agent, 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 Revenue Bonds, Series J, dated March 1, 1987", and bids must be received by the aforesaid Treasurer prior to the date and hour set for the sale.

J. 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.

K. 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.

L. The University may (but shall not be required to) tender the Bonds in the form of a single fully registered Master Bond or similar document to the Original Purchasers, in which event, within not more than three days following such delivery such Original Purchasers will be issued fully registered Bond Certificates (in the denomination of $5,000 or any multiple of same within the same maturity) in such names as shall have been properly designated to the Bond Registrar.

M. It shall be the responsibility of the Original Purchasers to furnish or cause to be furnished to the Trustee at least five business 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 Trustee shall issue and deliver to each respective member of the Original Purchasers, within three business days after the 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 Series J Bonds. Their fee for services rendered with respect to the sale of the Series J Bonds is contingent upon the issuance and delivery of the Series J Bonds. They may submit a bid for the purchase of the Series J Bonds at the time of the advertised public sale of the Series J Bonds, either individually or as members of a syndicate organized to submit a bid for the purchase of the Series J Bonds.

P. If the successful bidder desires to obtain insurance guaranteeing the payment of the principal and/or interest on such Bonds, the University agrees that it will cooperate with such successful bidder in obtaining such insurance, but all of the expenses and charges in connection therewith shall be borne by such bidder, and the University shall not be liable to any extent therefor.

E. ADDITIONAL SALE PROVISIONS.

10. If upon the basis of the foregoing, the Board or its Executive Committee shall accept a purchase bid for the $29,350,000 of Series J Bonds, the Board or its Executive Committee 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.

11. The Purchasers will have no expense other than the bid price, and, as herein provided, the cost of CUSIP numbers, in connection with the Series J Bonds. The Board (through the Fiscal Agent) will provide the printed Fully Registered Bonds. The Board will furnish to the Purchasers the

customary No Litigation Certificate and the final, approving Legal Opinion of Rubin & Hays, Municipal Bond Attorneys, Louisville, Kentucky, without expense to the Purchasers.

F. SPECIAL TAX EXEMPTION CONSIDERATIONS.

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

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

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

1. 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 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 Series J 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 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 these Bonds without obtaining the consent of the owners of the Bonds (i) to whatever extent shall, in the opinion of Bond Counsel be deemed necessary to assure that interest on the 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 these Bonds, or the application of such proceeds or of the revenues of the Project. The purchasers of these 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 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 Series J Resolution or referred to in this document would not subject interest on these Bonds to Federal income taxes or Kentucky income taxes, the Board shall not be required to comply with such covenants or requirements.

Bond Counsel will render the customary opinion as to exemption of principal of the Bonds from Kentucky ad valorem taxation and as to exemption of interest on the Bonds from Federal and Kentucky income taxation, based on the assumption by Bond Counsel that the Board complies with covenants made by the Board with respect to compliance with the provisions of the Code, subject to the exceptions set out above, and based on the assumption of compliance by the Board with requirements as to any required rebate (and reports with reference thereto) to the United States of America of certain investment earnings on the proceeds of the Series J 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.

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

14. Subject to the matters set out above, the Series J 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.

15. If, prior to the delivery of the Series J 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, 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 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.

16. The Purchasers will be required to take delivery of the Bonds 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, and the Purchasers will be required to accept delivery of and pay for the Bonds on any designated date within such 45 day period upon notice being given at least five business days prior to the designated delivery date. (Signed) Henry Clay Owen, Treasurer, Board of Trustees, University of Kentucky, Lexington, Kentucky 40506.

OFFICIAL BID FORM

$29,350,000
UNIVERSITY OF KENTUCKY
CONSOLIDATED EDUCATIONAL BUILDINGS REVENUE BONDS
SERIES J
DATED MARCH 1, 1987

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

Ladies and Gentlemen:

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

We hereby bid to purchase said $29,350,000 principal amount of Bonds for the sum of $_____ (not less than $28,763,000), plus accrued interest from March 1, 1987, at the following annual interest rates:

SCHEDULE OF PRINCIPAL AMOUNTS AND INTEREST RATES

Year of Maturity May 1	Maturity Amount	Rate	Year of Maturity May 1	Maturity Amount	Rate
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	____%

We understand that the Bonds are offered for sale on the basis of the principal of the Bonds not being subject to Kentucky ad valorem taxation and on the basis of the interest on the Bonds not being subject to Federal or Kentucky income taxation on the date of their delivery to the successful bidder, subject to certain qualifications related to the Internal Revenue Code

of 1986, as set out in the Official Terms and Conditions of Sale of Bonds. It is also understood that the Board will furnish the final approving Legal Opinion of Rubin & Hays, Bond Counsel, Louisville, Kentucky, subject to whose approving Legal Opinion said Bonds are sold, and will furnish printed bond forms and the usual closing proofs, including the customary no-litigation certificate, to the successful bidder.

A certified or bank cashier's check in the amount of $293,500, payable to the Treasurer of the University of Kentucky, is enclosed in accordance with the Notice of Sale of Bonds and the Official Terms, with the understanding that if we are the successful bidder, said check is to be immediately deposited by the University and credited (without interest) against the purchase price at the time of delivery of the Bonds. If we are the successful bidder, we agree to accept and make payment for the Bonds in accordance with the terms of the sale.

Respectfully submitted,

_____

_____

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

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

Accepted this 3rd day of March, 1987.

BOARD OF TRUSTEES OF UNIVERSITY OF KENTUCKY

Attest:

By_____
Chairman

_____
Secretary

(Seal)

Office of the President
January 20, 1987

FCR 7

Members, Board of Trustees:

RESOLUTION OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY ACCEPTING THE SUCCESSFUL BID FOR THE PURCHASE OF $26,100,000 PRINCIPAL AMOUNT OF UNIVERSITY OF KENTUCKY COMMUNITY COLLEGES EDUCATIONAL BUILDINGS REVENUE BONDS, SERIES F, DATED FEBRUARY 1, 1987

Recommendation: that the Board of Trustees approve a Resolution accepting the successful bid of Prudential-Bache Securities, with reference to the sale of the $26,100,000 University of Kentucky Community Colleges Educational Buildings Revenue Bonds, Series F, dated February 1, 1987, at a net interest cost of 6.21764%.

Background: On December 9, 1986, the Board of Trustees approved a Resolution authorizing the issuance of $26,100,000 University of Kentucky Community Colleges Educational Buildings Revenue Bonds, Series F. Said Resolution also authorized the public advertising for sealed, competitive bids to be received on January 20, 1987. Bids were reviewed by the Finance Committee and the recommended bid is the lowest net interest cost to the University.

Nine bids were received and tabulated as follows:

Prudential-Bache Securities	6.21764%
E. F. Hutton	6.22917%
Smith, Barney, Harris Upham and Co.	6.2503%
Merrill Lynch	6.2778%
L. F. Rothschild	6.302629%
Goldman, Sachs	6.325256%
J. P. Morgan Securities	6.3375%
First Boston	6.4009%
John Nuveen	6.4229%

Action taken: Approved ✔ Disapproved _____ Other _____

Date: January 20, 1987.

2118

RESOLUTION OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY ACCEPTING THE SUCCESSFUL BID FOR THE PURCHASE OF $26,100,000 PRINCIPAL AMOUNT OF UNIVERSITY OF KENTUCKY COMMUNITY COLLEGES EDUCATIONAL BUILDINGS REVENUE BONDS, SERIES F, DATED FEBRUARY 1, 1987.

WHEREAS, Notice of Sale of $26,100,000 principal amount of University of Kentucky Community Colleges Educational Buildings Revenue Bonds, Series F, dated February 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.
BIDDERS	AMOUNTS BID FOR SAID $26,100,000 PRINCIPAL AMOUNT OF BONDS, PLUS ACCRUED INTEREST FROM FEBRUARY 1, 1987	NET INTEREST COST

1.	2.	3.
BIDDERS	AMOUNTS BID FOR SAID $26,100,000 PRINCIPAL AMOUNT OF BONDS, PLUS ACCRUED INTEREST FROM FEBRUARY 1, 1987	NET INTEREST COST

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 $26,100,000 principal amount of University of Kentucky Community Colleges Educational Buildings Revenue Bonds, Series F, dated February 1, 1987, be accepted and confirmed, said bid being at a price of $_____ for said $26,100,000 principal amount of Bonds, plus accrued interest from February 1, 1987, to the date of delivery of the Bonds, such interest to be payable semiannually at the following annual rates:

YEAR OF MATURITY MAY 1	PRINCIPAL MATURITY	INTEREST RATES	YEAR OF MATURITY MAY 1	PRINCIPAL MATURITY	INTEREST RATES
1988	$ 195,000	_____%	1998	$1,270,000	_____%
1989	680,000	_____%	1999	1,360,000	_____%
1990	730,000	_____%	2000	1,460,000	_____%
1991	780,000	_____%	2001	1,565,000	_____%
1992	835,000	_____%	2002	1,675,000	_____%
1993	895,000	_____%	2003	1,795,000	_____%
1994	960,000	_____%	2004	1,925,000	_____%
1995	1,030,000	_____%	2005	2,065,000	_____%
1996	1,105,000	_____%	2006	2,215,000	_____%
1997	1,185,000	_____%	2007	2,375,000	_____%

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 cashed by the University and credited (without interest) against the purchase price of the Bonds.

SECTION 3.

Delivery of Bonds;
Application of Proceeds

That said Bonds shall be delivered by the Treasurer and/or other appropriate officials of the University in accordance with the terms of the Resolution authorizing the Bonds, adopted by the University on December 9, 1986, 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 upons 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 January 20, 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 January 20, 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 $26,100,000 principal amount of University of Kentucky Community Colleges Educational Buildings Revenue Bonds, Series F, dated February 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 January _____, 1987.

_____
Secretary

(Seal of University)