

Minutes of the Special Called Meeting of the Board of Trustees of the University of Kentucky, Friday, March 23, 2007.

The Board of Trustees of the University of Kentucky met at 3:00 p.m. (Lexington time) on Friday, March 23, 2007 in the Board Room on the 18<sup>th</sup> Floor of Patterson Office Tower.

A. Meeting Opened

Mr. James Hardymon, chair, called the meeting to order at 3:00 p.m. and asked Ms. Barbara Jones, assistant secretary of the Board, to call the roll.

B. Roll Call

The following members of the Board of Trustees answered the call of the roll: Mira Ball, Steve Branscum, Penelope Brown, Dermontti Dawson, Jeff Dembo, James Hardymon (chair), Billy Joe Miles, Sandy Bugie Patterson, Myra Leigh Tobin, Russ Williams, Ernie Yanarella, and Barbara Young. Absent from the meeting were Ann Haney, Pamela May, Phillip Patton, Erwin Roberts, Frank Shoop, JoEtta Wickliffe, and Billy Wilcoxson. Ms. Jones reported that a quorum was present. Jonah Brown arrived following the roll call and joined the members of the Board in the closed session.

The university administration was represented by Executive Vice President for Finance and Administration Frank Butler, Executive Vice President for Health Affairs Michael Karpf, and General Counsel Barbara W. Jones.

C. Closed Session

Mr. Hardymon announced that the Board needed to go into closed session in order to deliberate on the future acquisition of real property by a public agency. The Board must go into closed session because an open discussion of the future acquisition of the real property would affect the value of the property.

He moved that the Board go into closed session pursuant to KRS 61.810 (1) (b). This statutory citation is the exception in the open meetings law that permits the Board to go into closed session to discuss a specific proposal, if, an open discussion would affect the value of the property. Mr. Branscum seconded the motion, and it carried without dissent. The Board adjourned to conference room "F" and "G" with only the members of the Board of Trustee and the necessary university staff at 3:04 p.m. Only those persons necessary to provide the information to the Board may be present, which includes President Todd, Mr. Butler, Dr. Karpf, Sergio Melgar, Ms. Jones, and some other attorneys.

D. Meeting Reconvened

Mr. Hardymon announced that the closed meeting of the Board of Trustees had concluded at 5:25 p.m., and no matters other than the possible acquisition of real property

were discussed. No final action was taken. The Board meeting proceeded. Mr. Hardymon asked Ms. Tobin to read PR 1.

Ms. Tobin said that PR 1 deals with the authority to negotiate and finalize certain aspects of transactions and further conduct negotiations. The recommendation is that the Board of Trustees authorize the Transaction first identified in the closed meeting of the University Hospital Committee and the Executive Committee on February 9, 2007, and subsequently approved by the Board on February 10, 2007; and, as further updated and within the parameters discussed with the Board in the closed meeting on March 23, 2007.

Frank A. Butler, Executive Vice President for Finance and Administration, Sergio Melgar, Vice President for Health Affairs and Chief Financial Officer for UK Healthcare, and each of them, are authorized to negotiate the further terms of the Transaction, to execute the appropriate legal documents in connection with the negotiations, and to take such further action as may be necessary or appropriate to finalize the terms for the Transaction.

A real estate opportunity previously was presented to the university. Substantial due diligence regarding the Transaction has been completed and is ongoing. Executive Management continues to need the authority to negotiate terms of the Transaction in confidence. All documents setting forth the definitive terms of the Transaction will be consistent with the authority given by the Board of Trustees and become public upon execution by all the parties.

University management has determined that the Transaction remains in the best interest of the university and in the public interest.

Ms. Tobin moved that the Board approve PR 1. Mr. Miles seconded the motion, and it carried without dissent. (See PR 1 at the end of the Minutes.)

E. Adjourn

Mr. Hardymon thanked the members for attending the special called meeting and adjourned the meeting at 5:30 p.m.

Respectfully submitted,

Barbara Jones  
Assistant Secretary, Board of Trustees

(PR 1 which follows is an official part of the Minutes of the meeting.)