

Minutes of the Special Called Executive Committee Meeting of the Board of Trustees of the University of Kentucky, Friday, February 9, 2007.

The Executive Committee of the Board of Trustees of the University of Kentucky met in special session on Friday, February 9, 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 10:40 a.m. and asked Ms. Pam May, secretary of the Board, to call the roll.

B. Roll Call

The following members of the Executive Committee answered the call of the roll: James F. Hardymon (Chair), Stephen Branscum, Myra Tobin, JoEtta Wickliffe, Billy Wilcoxson, and Pam May, ex officio member.

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

Mr. Hardymon said that he appreciated the full attendance of the committee. Their presence speaks highly of the members.

C. Approval of Minutes

Mr. Hardymon said that the Minutes of the June 13, 2006 Executive Committee meeting had been distributed and asked for any comments or suggestions. He noted that the Minutes included President Todd's institutional goals and strategic objectives as well as consideration of his bonus. Ms. Wickliffe moved that the Minutes be approved. Her motion, seconded by Mr. Wilcoxson, carried without dissent.

D. Closed Session

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

Mr. Hardymon moved that the committee 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. Ms. Wickliffe seconded his motion, and it carried without dissent. The committee went into closed session at 10:43 a.m.

E. Meeting Reconvened

The meeting reconvened at 12:27 p.m. Mr. Hardymon announced that the closed meeting of the Executive committee had concluded, and no matters other than the possible acquisition or sale of real property were discussed. No final action was taken. The committee is now back in open session and will proceed with a vote on ECR 1.

Ms. Tobin said that ECR 1 is a recommendation that the Executive Committee of the Board of Trustees authorize executive management of the University, in its sound discretion, to negotiate the terms and conditions of the Transaction first identified in the closed meeting of the University Hospital Committee on February 9, 2007, and subsequently identified to the Executive Committee in its closed session, subject to final approval of the same by said Board of Trustees and requisite regulatory approvals. 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 terms of the Transaction, 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 to be presented to the Board of Trustees for approval.

Ms. Tobin made a motion that ECR 1 be approved. Ms. Wickliffe seconded the motion, and it carried without dissent. (See ECR 1 at the end of the Minutes.)

F. Meeting Adjourned

With no further business to come before the committee, the meeting adjourned at 12:30 p.m.

Respectfully submitted,

Pam May  
Secretary, Board of Trustees

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

# ECR 1

Office of the President  
February 9, 2007

Members, Executive Committee of the Board of Trustees:

## AUTHORITY TO NEGOTIATE TRANSACTION

Recommendation: that the Executive Committee of the Board of Trustees recommend to the Board of Trustees that it authorize the executive management of the University, in its sound discretion, to negotiate the terms and conditions of the Transaction first identified in the closed meeting of the University Hospital Committee on February 9, 2007, and subsequently identified to the Executive Committee in its closed session, subject to final approval of the same by said Board of Trustees and requisite regulatory approvals. 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 to be authorized to negotiate the terms of the Transaction, 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 to be presented to the Board of Trustees for approval.

Background: A real estate opportunity has been presented to the University (the "Transaction"). Executive Management needs the authority to negotiate terms of the Transaction in confidence until definitive terms are reached. The documents setting forth the definitive terms of the Transaction will be presented to the full Board of Trustees for final approval.

University management has determined that the Transaction is in the best interests of the University.

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