

Minutes of the Special Called Meeting of the Board of Trustees of the University of Kentucky, Saturday, February 10, 2007.

The Board of Trustees of the University of Kentucky met at 2:00 p.m. (Lexington time) on Saturday, February 10, 2007 in the Board Room on the 18th Floor of Patterson Office Tower.

A. Meeting Opened

Mr. James Hardymon, chair, called the meeting to order at 2:00 p.m. and asked Ms. Pam May, 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, Penelope Brown, Jeff Dembo, Ann Haney, James Hardymon (chair), Pamela May, Billy Joe Miles, Sandy Bugie Patterson, Erwin Roberts, Frank Shoop, Myra Leigh Tobin, JoEtta Wickliffe, Russ Williams, and Ernie Yanarella. Absent from the meeting were Jonah Brown, Dermontti Dawson, Phillip Patton, Billy Wilcoxson, and Barbara Young. Ms. May reported that a quorum is 11, and a quorum was present. Mr. Hardymon noted that 14 of the members were present, and there could be more members arriving. Stephen Branscum arrived at 2:10 p.m. 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.

Mr. Hardymon asked that it be recorded in the Minutes that President Lee T. Todd, Jr. was out of state on university business that was already decided before the special meeting was called.

Members of the various news media were also in attendance.

C. Executive Committee Report

Mr. Hardymon reported that he is required to give the Board a report on the special called meeting of the Executive Committee of the Board of Trustees. The committee met on Friday, February 9, 2007 at 10:30 a.m. The committee approved the Minutes of their June 13, 2006 meeting and then went into closed session to deliberate on the future acquisition or sale of real property. The committee came out of closed session and reconvened. On motion made by Myra Tobin, seconded and passed without dissent, ECR 1, which authorizes the executive management of the university to negotiate the terms and conditions of a Transaction, was approved. Mr. Hardymon noted that a copy of ECR 1 had been distributed to each Board member. The Executive Committee meeting adjourned at 12:30 p.m. (See ECR 1 at the end of the Minutes.)

D. Closed Session

Mr. Hardymon asked Ms. Jones to read the statement for the Board to go into closed session.

Ms. Jones said that the Board of Trustees needs to go into closed session in order to deliberate on the future acquisition or sale of real property by a public agency. The Board 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.

Ms. Jones further stated that Mr. Hardymon needed a motion for the Board to go into closed session. Ms. May made a motion that the Board go into closed session, and Mr. Shoop seconded her motion. Ms. Jones said that the Board would go into closed session pursuant to KRS 61.810 (1) (b). This statute notes 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. Hardymon said that there was a motion and a second. He called for a vote, and it carried without dissent. The Board adjourned to conference room F and G and went into closed session at 2:05 p.m. with only the Board of Trustees and the necessary staff members present.

E. Meeting Reconvened

Mr. Hardymon announced that the closed session of the Board of Trustees had concluded at 3:30 p.m. and that no matters other than the possible acquisition or sale of real property were discussed. No final action was taken and the Board is now back in open session and will proceed. He called on Ms. Tobin to present PR 1.

Ms. Tobin said that PR 1 is a recommendation that 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 on February 9, 2007, 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; and that the Board reaffirm the authority of the Executive Committee pursuant to KRS 164.190 and Governing Regulation GR11-5 (a) to exercise oversight over the Transaction.

Ms. Tobin moved approval of PR 1. Mr. Shoop seconded her motion, and it carried without dissent. (See PR 1 at the end of the Minutes.)

F. Adjourn

Mr. Hardymon expressed appreciation to the Board for attending the special called meeting. He said that he continues to be impressed with the Board. He adjourned the meeting at 3:35 p.m.

Respectfully submitted,

Pam May
Secretary, Board of Trustees

(PR 1 and the referenced ECR 1 which follow are official parts of the Minutes of the meeting.)