NEW ISSUE

In the opinion of Peck, Shaffer & Williams LLP, Bond Counsel, under existing law (i) interest, including original issue discount, the Series 2011A Bonds is excludible from gross income of the holders thereof for purposes of federal income taxation and (ii) interest on the Series 2011A Bonds is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, all subject to the qualifications described herein under the heading "TAX MATTERS". Receipt of interest on the Series 2011A Bonds is also exempt from certain taxes in Ohio (see "TAX MATTERS" herein).

The University has deemed this Official Statement to be final for the purposes of Securities and Exchange Commission Rule 15c2-12(b)(3).

$17,000,000
UNIVERSITY OF CINCINNATI
General Receipts Bonds,
Series 2011A

Dated: Date of Issuance

Principal is payable each June 1 as shown below. Semi-annual interest is payable June 1 and December 1, commencing June 1, 2011 at The Bank of New York Mellon Trust Company, N.A., Cincinnati, Ohio. The Series 2011A Bonds are issuable as fully registered bonds without coupons.

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Amount</th>
<th>Interest Rate</th>
<th>Yield</th>
<th>CUSIP #</th>
</tr>
</thead>
<tbody>
<tr>
<td>(June 1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>$1,470,000</td>
<td>2.00%</td>
<td>0.57%</td>
<td>914119 SL7</td>
</tr>
<tr>
<td>2012</td>
<td>910,000</td>
<td>3.00</td>
<td>1.08</td>
<td>914119 SM5</td>
</tr>
<tr>
<td>2013</td>
<td>915,000</td>
<td>3.00</td>
<td>1.51</td>
<td>914119 SN3</td>
</tr>
<tr>
<td>2014</td>
<td>925,000</td>
<td>4.00</td>
<td>2.00</td>
<td>914119 SP8</td>
</tr>
<tr>
<td>2015</td>
<td>1,570,000</td>
<td>5.00</td>
<td>2.43</td>
<td>914119 SQ6</td>
</tr>
<tr>
<td>2016</td>
<td>1,645,000</td>
<td>5.00</td>
<td>2.73</td>
<td>914119 SR4</td>
</tr>
</tbody>
</table>

*Bifurcated.

The Series 2011A Bonds are not subject to redemption prior to maturity.

The Series 2011A Bonds are issuable as registered bonds without coupons in the denomination of $5,000 and integral multiples of $5,000.

The Series 2011A Bonds are to be secured by a lien on and payable from the General Receipts (as defined on page 6 herein) of the University, on a parity with the $999,680,000 of outstanding Obligations, as described herein, issued pursuant to a Trust Agreement dated as of May 1, 1974, as supplemented, which was amended and restated in its entirety by the Amended and Restated Trust Agreement dated as of May 1, 2001 between the University of Cincinnati (the "University") and The Bank of New York Mellon Trust Company, N.A., Cincinnati, Ohio, Trustee (the "Trustee").

The Series 2011A Bonds will be issuable under a book-entry system, registered in the name of The Depository Trust Company ("DTC") or its nominee. There will be no distribution of Series 2011A Bonds to the ultimate purchasers. See "BOOK-ENTRY ONLY METHOD" herein.

The University is a state university of the State of Ohio. The Series 2011A Bonds are not obligations of the State of Ohio, and not general obligations of the University and the faith and credit of the University is not pledged to the payment thereof. The Series 2011A Bonds are payable from the General Receipts of the University. Certain receipts of the University, including State appropriations, are excluded from General Receipts. The holders and owners of the Series 2011A Bonds shall have no right to have excises or taxes levied by the General Assembly for the payment of principal, interest or any premium.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Series 2011A Bonds are offered when, as and if issued and received by the Underwriter, subject to the unqualified approval of legality by Peck, Shaffer & Williams LLP, Cincinnati, Ohio. Certain legal matters will be passed upon for the University by Thompson Hine LLP and for RBC Capital Markets, LLC, by Baker & Hostetler LLP. It is expected that the Series 2011A Bonds in definitive form will be available for delivery in New York, New York through DTC, on or about February 1, 2011.

This Official Statement dated January 13, 2011
## TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>The Issuer</td>
<td>1</td>
</tr>
<tr>
<td>Sources of Payment for the Series 2011A Bonds</td>
<td>1</td>
</tr>
<tr>
<td>Purpose of the Series 2011A Bonds</td>
<td>2</td>
</tr>
<tr>
<td>Description of the Series 2011A Bonds</td>
<td>2</td>
</tr>
<tr>
<td>Tax Matters</td>
<td>2</td>
</tr>
<tr>
<td>Parties to the Issuance of the Series 2011A Bonds</td>
<td>2</td>
</tr>
<tr>
<td>Authority for Issuance</td>
<td>2</td>
</tr>
<tr>
<td>Disclosure Information</td>
<td>3</td>
</tr>
<tr>
<td>Additional Information</td>
<td>3</td>
</tr>
<tr>
<td>REGARDING THIS OFFICIAL STATEMENT</td>
<td>4</td>
</tr>
<tr>
<td>AUTHORITY</td>
<td>5</td>
</tr>
<tr>
<td>SECURITY</td>
<td>5</td>
</tr>
<tr>
<td>Rate Covenant</td>
<td>6</td>
</tr>
<tr>
<td>PURPOSE OF SERIES 2011A BONDS</td>
<td>6</td>
</tr>
<tr>
<td>ESTIMATED SOURCES AND USES OF SERIES 2011A BONDS</td>
<td>6</td>
</tr>
<tr>
<td>OUTSTANDING OBLIGATIONS</td>
<td>7</td>
</tr>
<tr>
<td>BOOK-ENTRY ONLY METHOD</td>
<td>8</td>
</tr>
<tr>
<td>THE REFUNDING PROGRAM</td>
<td>10</td>
</tr>
<tr>
<td>THE UNIVERSITY OF CINCINNATI</td>
<td>11</td>
</tr>
<tr>
<td>Reserves on Bonds</td>
<td>11</td>
</tr>
<tr>
<td>Other Indebtedness</td>
<td>12</td>
</tr>
<tr>
<td>Debt Amortization and Future Financings</td>
<td>12</td>
</tr>
<tr>
<td>FINANCIAL INFORMATION</td>
<td>14</td>
</tr>
<tr>
<td>Statement of Revenues, Expenses and Changes in Net Assets for the Years Ended June 30, 2010 and 2009</td>
<td>15</td>
</tr>
<tr>
<td>Statement of Net Assets as of June 30, 2010 and 2009</td>
<td>16</td>
</tr>
<tr>
<td>THE TRUST AGREEMENT</td>
<td>17</td>
</tr>
<tr>
<td>RISK FACTORS</td>
<td>17</td>
</tr>
<tr>
<td>CONTINUING DISCLOSURE</td>
<td>17</td>
</tr>
<tr>
<td>RATINGS</td>
<td>19</td>
</tr>
<tr>
<td>UNDERWRITING</td>
<td>19</td>
</tr>
<tr>
<td>APPROVAL OF LEGAL PROCEEDINGS</td>
<td>19</td>
</tr>
<tr>
<td>LEGAL INVESTMENT</td>
<td>19</td>
</tr>
<tr>
<td>LITIGATION</td>
<td>20</td>
</tr>
<tr>
<td>TAX MATTERS</td>
<td>20</td>
</tr>
<tr>
<td>Circular 230</td>
<td>21</td>
</tr>
<tr>
<td>Original Issue Premium</td>
<td>21</td>
</tr>
<tr>
<td>Original Issue Discount</td>
<td>22</td>
</tr>
<tr>
<td>MISCELLANEOUS</td>
<td>23</td>
</tr>
</tbody>
</table>

**APPENDICES:**

APPENDIX A - The University of Cincinnati
APPENDIX B - Summary of Restated Trust Agreement
APPENDIX C - Form of Legal Opinions of Bond Counsel
INTRODUCTION

The purpose of this Official Statement, which includes the cover page and appendices hereto, is to provide certain information with respect to the issuance of $17,000,000 General Receipts Bonds, Series 2011A (the “Series 2011A Bonds”) of the University of Cincinnati (the “University”), Cincinnati, Ohio.

The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of Series 2011A Bonds to potential investors is made only by means of the entire Official Statement.

The Issuer

The Series 2011A Bonds are being issued by the University, a state university of the State of Ohio.

Sources of Payment for the Series 2011A Bonds

The Series 2011A Bonds are payable from and secured by a lien on the General Receipts of the University. The Series 2011A Bonds are not obligations of the State of Ohio and the faith and credit of the State shall not be pledged to the payment thereof, and the holders and the owners of the Series 2011A Bonds shall have no right to have excises or taxes levied by the General Assembly for the payment of principal, interest or any premium. The Series 2011A Bonds are not obligations of the State of Ohio, and not general obligations of the University and the faith and credit of the University is not pledged to the payment thereof. The Series 2011A Bonds are payable from the General Receipts of the University. Certain receipts of the University, including State appropriations, are excluded from General Receipts.
Purpose of the Series 2011A Bonds

The net proceeds of the Series 2011A Bonds will be used to currently refund $18,075,000 of outstanding Certificates of Participation (University of Cincinnati Jefferson Avenue Residence Hall Project), dated December 1, 2000 (the “Certificates”) stated to mature in the years 2011 through 2021 and pay costs of issuance of the Series 2011A Bonds.

Description of the Series 2011A Bonds

The Series 2011A Bonds are not subject to redemption prior to maturity.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2011A Bonds. The Series 2011A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee). One fully-registered Series 2011A Bond certificate will be issued for the entire amount and will be deposited with DTC.

The Series 2011A Bonds will be issuable under a book entry system, registered in the name of DTC or its nominee. There will be no distribution of Series 2011A Bonds to the ultimate purchasers (see “BOOK-ENTRY ONLY METHOD” herein).

Tax Matters

In the opinion of Peck, Shaffer & Williams LLP, Bond Counsel, under existing law (i) interest on the Series 2011A Bonds is excludible from gross income of the holders thereof for purposes of federal income taxation and (ii) interest on the Series 2011A Bonds will not be a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, all subject to the qualifications described herein under the heading “TAX MATTERS”. Receipt of interest on the Series 2011A Bonds is also exempt from certain taxes in Ohio (see “TAX MATTERS” herein).

See Appendix C hereto for the form of the opinion Bond Counsel proposes to deliver in connection with the Series 2011A Bonds.

Parties to the Issuance of the Series 2011A Bonds

The University is the issuer of the Series 2011A Bonds. Counsel for the University is Thompson Hine LLP, Cincinnati, Ohio. The Trustee for the Series 2011A Bonds is The Bank of New York Mellon Trust Company, N.A., Cincinnati, Ohio. Legal matters incident to the issuance of the Series 2011A Bonds and with regard to the status of the interest thereon are subject to the approving legal opinion of Peck, Shaffer & Williams LLP, Cincinnati, Ohio, Bond Counsel. The Underwriter for the Series 2011A Bonds is RBC Capital Markets, LLC, Cincinnati, Ohio. Certain legal matters will be passed upon for the Underwriter by Baker & Hostetler LLP.

Authority for Issuance

Issuance of the Series 2011A Bonds is authorized pursuant to general laws of the State of Ohio, particularly Chapter 3345 of the Ohio Revised Code (the “Act”). The pledge of fees to secure the Series 2011A Bonds was approved by the Chancellor on December 9, 2010. The Series 2011A Bonds are being issued pursuant to the Act and the resolutions of the University’s Board of Trustees (the “Board”),
adopted March 16, 2010 and January 25, 2011 (together, the “Bond Resolution”). See “AUTHORITY” herein. The Series 2011A Bonds are offered when, as and if issued by the University. The Series 2011A Bonds will be delivered on or about February 1, 2011.

Disclosure Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. This Official Statement and continuing disclosure documents of the University are intended to be made available through one or more repositories. Copies of the basic documentation relating to the Series 2011A Bonds, including the authorizing resolution and the bond forms, are available from the Trustee.

This Official Statement is deemed to be final for the purposes of Securities and Exchange Commission Rule 15c2-12(b)(3).

Additional Information

Additional information concerning this Official Statement, as well as copies of the basic documentation relating to the Series 2011A Bonds, is available from RBC Capital Markets, LLC, Chemed Center, 255 Fifth Street, Suite 1000, Cincinnati, Ohio 45202, (513) 621-2000, through the offering period for the Series 2011A Bonds.
REGARDING THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than the original offering of the Series 2011A Bonds of the University. No dealer, broker, salesman or other person has been authorized by the University to give any information or to make any representation, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the University. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2011A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information and expressions of opinion herein are subject to change without notice. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the University since the date hereof.

Upon issuance, the Series 2011A Bonds will not be registered by the University under any federal or state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity or agency (except the University) will have, at the request of the University, passed upon the accuracy or adequacy of this Official Statement or approved the Series 2011A Bonds for sale.

All financial and other information presented in this Official Statement has been provided by the University from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the University. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future.

Insofar as the statements contained in this Official Statement involve matters of opinion or estimates, even if not expressly stated as such, such statements are made as such and not as representations of fact or certainty. No representation is made that any of such statements have been or will be realized, and such statements should be regarded as suggesting independent investigation or consultation of other sources prior to the making of investment decisions. Certain information may not be current; however, attempts were made to date and document sources of information.

References herein to provisions of Ohio law, whether codified in the Ohio Revised Code (the “Revised Code”) or uncodified, or to the provisions of the Ohio Constitution or the University’s resolutions, are references to such provisions as they presently exist. Any of these provisions may from time to time be amended, repealed or supplemented.

As used in this Official Statement, “debt service” means principal of, interest and any premium on, the obligations referred to, and “State” or “Ohio” means the State of Ohio.
AUTHORITY

The issuance of the Series 2011A Bonds is authorized pursuant to general laws of the State of Ohio, particularly Section 3345.12 of the Ohio Revised Code (the “Act”). The Series 2011A Bonds are being issued pursuant to the Act and the Amended and Restated Trust Agreement dated as of May 1, 2001 (the “Restated Trust Agreement”) by and between the University and The Bank of New York Mellon Trust Company, N.A., Cincinnati, Ohio, as Trustee.

In 1974, the predecessor of the University and The Bank of New York Mellon Trust Company, N.A., as Trustee, entered into a Trust Agreement dated as of May 1, 1974 (the “Original Agreement”). Upon conversion from a municipally owned institution to a state-owned institution on July 1, 1977, the duties and obligations of the predecessor of the University under the Original Trust Agreement, as supplemented, were assumed by the Board of Trustees of the University, pursuant to the terms of the Third Supplemental Trust Agreement dated as of July 1, 1977. The Original Trust Agreement incorporated the General Bond Resolution, adopted by the Board of Directors of the predecessor of the University on May 7, 1974, under which the University issued multiple series of its Bonds.

On May 16, 2001, the University supplemented and amended the Original Trust Agreement in its entirety when the University and the Trustee executed and delivered the Restated Trust Agreement. The terms and provisions of the Restated Trust Agreement control both outstanding Bonds and all obligations of the University issued pursuant to the Restated Trust Agreement. Please see “THE TRUST AGREEMENT” herein.

Under the Act, the University is authorized to construct auxiliary facilities and educational facilities, both defined under the Act (herein the “University Facilities”), borrow money to pay for such construction, and repay or restore moneys advanced for that purpose from other funds of the University. It is empowered to issue, on behalf of the University, bonds and notes in anticipation of the issuance of bonds, said notes and bonds to be secured by a pledge of and lien on the General Receipts, as hereafter defined, of the University, provided said notes and bonds are not general obligations of the State. The Series 2011A Bonds are issued under the foregoing authority and are special obligations of the University, acting by and through the Board.

The University is a state university, which is a body politic and corporate and an instrumentality of the State of Ohio. The Series 2011A Bonds shall not be obligations of the State of Ohio and are not general obligations of the University and the faith and credit of the University is not pledged to the payment thereof, and the holders and owners of the Series 2011A Bonds shall have no right to have excises or taxes levied by the General Assembly for the payment of principal, interest or any premium. Certain receipts of the University, including appropriations, are excluded from General Receipts. The Series 2011A Bonds are payable from the General Receipts of the University.

SECURITY

Payment of the principal and interest on the Series 2011A Bonds is secured by a pledge of the General Receipts of the University (as defined below), which amounted in Fiscal Year 2010 to $519,989,000. The pledge of the General Receipts secures all outstanding Obligations of the University issued under the Restated Trust Agreement on a parity basis. Obligations are defined in the Restated Trust Agreement as the University’s Bonds and Notes. Additional Obligations may be issued by the University under the Restated Trust Agreement, and such additional Obligations will be secured by a pledge of the General Receipts on a parity with the pledge securing the then outstanding Obligations,
provided, among other things, that the General Receipts for the most recently completed Fiscal Year are at least one and one-half times the Maximum Annual Debt Service on all Obligations outstanding and to be outstanding after the issuance of the Obligations then under consideration.

At the time of the issuance of the Series 2011A Bonds, the University will have General Receipts Bond Anticipation Notes outstanding in the amount of $69,000,000 which have been issued under the Restated Trust Agreement and are secured by a pledge of the General Receipts on parity with the pledge securing other outstanding Obligations.

The General Receipts of the University are defined as all moneys received by the University, except: (i) moneys raised by State appropriations and taxation, (ii) any grants, gifts, donations and pledges and receipts therefrom which under restrictions imposed in the grant or promise thereof or as a condition of the receipt thereof are not available for payment of Debt Service Charges, and (iii) any special fee charged pursuant to Section 154.21(D) of the Ohio Revised Code and receipts therefrom.

Rate Covenant

The University has covenanted in the Restated Trust Agreement that so long as any Obligations are outstanding, the University will fix, make, adjust and collect such fees, rates, rentals, charges, and other items of General Receipts so that there will inure to the University General Receipts, in view of other revenues and resources available to the University, sufficient (i) to pay Debt Service Charges then due or to become due in the current Fiscal Year, (ii) to pay all costs and expenses required to be paid under the Restated Trust Agreement and (iii) all other costs and expenses necessary for the proper maintenance and successful and continuous operation of the University.

PURPOSE OF SERIES 2011A BONDS

The net proceeds of the Series 2011A Bonds will be used to currently refund $18,075,000 of outstanding Certificates of Participation (University of Cincinnati Jefferson Avenue Residence Hall Project), dated December 1, 2000 (the “Certificates”) stated to mature in the years 2011 through 2021 and pay costs of issuance of the Series 2011A Bonds.

The Certificates were issued to finance the acquisition, construction, equipping and installation of the Jefferson Avenue Residence Hall which is a residence hall complex consisting of approximately 232,000 gross square feet located at the southwest corner of University and Jefferson Avenues. The residence hall houses approximately 588 students, 180 of these in single rooms.

ESTIMATED SOURCES AND USES OF SERIES 2011A BONDS

Sources:

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series 2011A Bonds</td>
<td>$17,000,000.00</td>
</tr>
<tr>
<td>Net Premium</td>
<td>1,263,297.40</td>
</tr>
<tr>
<td>University Funds</td>
<td>194,567.83</td>
</tr>
<tr>
<td>Total Sources</td>
<td>$18,457,865.23</td>
</tr>
</tbody>
</table>

Uses:

<table>
<thead>
<tr>
<th>Use</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate Redemption Fund</td>
<td>$18,269,567.83</td>
</tr>
<tr>
<td>Costs of Issuance and Underwriter’s Discount</td>
<td>188,297.40</td>
</tr>
<tr>
<td>Total Uses</td>
<td>$18,457,865.23</td>
</tr>
</tbody>
</table>
OUTSTANDING OBLIGATIONS

The following table presents for each bond year ending June 1, the amount required for the payment of principal due on the University’s outstanding Bonds whether by maturity or mandatory redemption, for the payment of interest on said Bonds, and for the total debt service on said Bonds. The table also presents the annual Debt Service Charges for the University’s outstanding notes, determined in accordance with the provisions of the Restated Trust Agreement. The General Receipts of the University for the year ending June 30, 2010, were $519,989,000. Maximum Debt Service on all Obligations (including the Series 2011A Bonds) is $91,869,370.44 (2017). Coverage of maximum debt service on all Obligations for the Fiscal Year 2017 would be 5.66 times (based on General Receipts of $519,989,000).

### AMORTIZATION SCHEDULE

<table>
<thead>
<tr>
<th>Bond Year Ending June 1</th>
<th>General Receipts Bonds, Series 2011A</th>
<th>General Receipts Bonds, Other than Series 2011A Bonds¹</th>
<th>General Receipts Bond Anticipation Notes²</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principal</td>
<td>Interest</td>
<td>Subtotal</td>
</tr>
<tr>
<td>06/01/11</td>
<td>$1,470,000.00</td>
<td>$250,933.33</td>
<td>$1,720,933.33</td>
</tr>
<tr>
<td>06/01/12</td>
<td>910,000.00</td>
<td>723,400.00</td>
<td>1,633,400.00</td>
</tr>
<tr>
<td>06/01/13</td>
<td>915,000.00</td>
<td>696,100.00</td>
<td>1,611,100.00</td>
</tr>
<tr>
<td>06/01/14</td>
<td>925,000.00</td>
<td>668,650.00</td>
<td>1,593,650.00</td>
</tr>
<tr>
<td>06/01/15</td>
<td>1,570,000.00</td>
<td>631,650.00</td>
<td>2,201,650.00</td>
</tr>
<tr>
<td>06/01/16</td>
<td>1,645,000.00</td>
<td>553,150.00</td>
<td>2,204,150.00</td>
</tr>
<tr>
<td>06/01/17</td>
<td>1,730,000.00</td>
<td>470,900.00</td>
<td>2,200,900.00</td>
</tr>
<tr>
<td>06/01/18</td>
<td>1,820,000.00</td>
<td>384,400.00</td>
<td>2,204,400.00</td>
</tr>
<tr>
<td>06/01/19</td>
<td>1,915,000.00</td>
<td>293,400.00</td>
<td>2,208,400.00</td>
</tr>
<tr>
<td>06/01/20</td>
<td>2,005,000.00</td>
<td>205,000.00</td>
<td>2,210,000.00</td>
</tr>
<tr>
<td>06/01/21</td>
<td>2,095,000.00</td>
<td>104,750.00</td>
<td>2,208,750.00</td>
</tr>
<tr>
<td>06/01/22</td>
<td>72,367,502.28</td>
<td>4,935,000.00</td>
<td>77,302,502.28</td>
</tr>
<tr>
<td>06/01/23</td>
<td>65,600,248.08</td>
<td>4,935,000.00</td>
<td>70,535,248.08</td>
</tr>
<tr>
<td>06/01/24</td>
<td>62,344,196.04</td>
<td>4,935,000.00</td>
<td>67,279,196.04</td>
</tr>
<tr>
<td>06/01/25</td>
<td>55,099,740.74</td>
<td>4,935,000.00</td>
<td>60,034,740.74</td>
</tr>
<tr>
<td>06/01/26</td>
<td>51,688,688.82</td>
<td>4,935,000.00</td>
<td>56,623,688.82</td>
</tr>
<tr>
<td>06/01/27</td>
<td>44,774,754.32</td>
<td>4,935,000.00</td>
<td>49,709,754.32</td>
</tr>
<tr>
<td>06/01/28</td>
<td>43,923,930.66</td>
<td>4,935,000.00</td>
<td>48,863,930.66</td>
</tr>
<tr>
<td>06/01/29</td>
<td>43,009,410.36</td>
<td>4,935,000.00</td>
<td>47,944,410.36</td>
</tr>
<tr>
<td>06/01/30</td>
<td>32,909,160.46</td>
<td>4,935,000.00</td>
<td>37,844,160.46</td>
</tr>
<tr>
<td>06/01/31</td>
<td>32,048,195.96</td>
<td>4,935,000.00</td>
<td>37,083,195.96</td>
</tr>
<tr>
<td>06/01/32</td>
<td>20,731,504.50</td>
<td>4,935,000.00</td>
<td>25,666,504.50</td>
</tr>
<tr>
<td>06/01/33</td>
<td>19,178,455.85</td>
<td>4,935,000.00</td>
<td>24,113,455.85</td>
</tr>
<tr>
<td>06/01/34</td>
<td>21,524,355.60</td>
<td>4,935,000.00</td>
<td>26,459,355.60</td>
</tr>
<tr>
<td>06/01/35</td>
<td>11,427,612.80</td>
<td>4,935,000.00</td>
<td>16,362,612.80</td>
</tr>
<tr>
<td>06/01/36</td>
<td>11,235,500.20</td>
<td>11,235,500.20</td>
<td></td>
</tr>
<tr>
<td>06/01/37</td>
<td>11,040,045.20</td>
<td>11,040,045.20</td>
<td></td>
</tr>
<tr>
<td>06/01/38</td>
<td>10,824,951.00</td>
<td>10,824,951.00</td>
<td></td>
</tr>
<tr>
<td>06/01/39</td>
<td>9,194,893.40</td>
<td>9,194,893.40</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$17,000,000.00</strong></td>
<td><strong>$4,982,333.33</strong></td>
<td><strong>$21,982,333.33</strong></td>
</tr>
</tbody>
</table>

¹ All University General Receipts Debt Service (except as shown under Notes Debt Service). Any Build America Bond debt service is shown as gross debt service and not netted for the 35% subsidy.

² $10.49 MM of Series 2010E BANs, $34.61 MM of Series 2010H BANs, and $23.9 MM Series 2010A BANs -- totaling $69,000,000 -- converted to 25 year bonds using Bond Buyer 20 Index (January 6 - 5.08%).
The University has $94,405,000 of capital lease obligations which have been issued as Certificates of Participation (of which $18,075,000 will be currently refunded by the Series 2011A Bonds), a $41,850,000 obligation with respect to the financing of two projects for the King Highland Community Urban Redevelopment Corporation (“King Highland”) and a $51,960,000 obligation with respect to the financing of a project for the University Heights Community Urban Redevelopment Corporation (“UHCURC”) (see “THE UNIVERSITY OF CINCINNATI - Other Indebtedness” herein). While the University’s lease obligations are payable from the University’s General Receipts, they are not secured by the General Receipts and the certificate holder’s, UHCURC’s and King Highland’s claim on the General Receipts is subordinate to that of holders of both the University’s general receipts bonds or general receipts bond anticipation notes. Coverage of maximum annual debt service for all Obligations and the University’s certificates of participation and lease obligations with respect to UHCURC and King Highland for the fiscal year 2015 would be approximately 4.98 times (based on General Receipts of $519,989,000).

BOOK-ENTRY ONLY METHOD

The following information on the Book-Entry System applicable to all Series 2011A Bonds has been supplied by DTC and neither the University, the Underwriter nor Bond Counsel (each as defined) make any representation, warranties or guarantees with respect to its accuracy or completeness.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the Series 2011A Bonds). The Series 2011A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2011A Bond certificate will be issued for each maturity of the Series 2011A Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17 A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.
Purchases of Series 2011A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2011A Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2011A Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2011A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2011A Bonds, except in the event that use of the book-entry system for the Series 2011A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2011A Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2011A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2011A Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2011A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2011A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2011A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2011A Bond documents. For example, Beneficial Owners of Series 2011A Bonds may wish to ascertain that the nominee holding the Series 2011A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2011A Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2011A Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the University as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Series 2011A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2011A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts, upon DTC’s receipt of funds and corresponding detail information from the University or Agent on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such
Participant and not of DTC, Agent or the University, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the University or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2011A Bonds at any time by giving reasonable notice to the University or the Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2011A Bond certificates are required to be printed and delivered.

The University may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2011A Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the University believes to be reliable, but the University takes no responsibility for the accuracy thereof.

THE REFUNDING PROGRAM

The University has determined that it is in its best interest to provide moneys to currently refund the 2011 through 2021 maturities of the Certificates (the “Refunded Certificates”) in order to achieve lower debt service and to lower the effective interest costs of the amounts financed. The moneys required to refund the Refunded Certificates will be obtained from a portion of the proceeds of the sale of the Series 2011A Bonds and from funds provided by the University. Such moneys will be paid over and simultaneously therewith irrevocably deposited with the Trustee, and held in the Certificate Fund established in the Trust Agreement for the Certificates. Such moneys will be applied by the Trustee to the redemption on February 14, 2011 of the Refunded Certificates.
THE UNIVERSITY OF CINCINNATI

One of the nation’s largest institutions of higher learning, the University of Cincinnati was founded in 1819 with the first charter granted by the State in 1870. The University’s Uptown Campus is located on a 202-acre tract in the residential Clifton area of the City, approximately 2 miles north of downtown Cincinnati. Its physical plant includes 80 principal structures on the Uptown Campus, a portion of which is leased from the City of Cincinnati under a long-term lease. The acreage and buildings at the Victory Parkway Campus (formerly College of Applied Science which is located approximately 2 miles from the Uptown Campus) are included in the Uptown Campus numbers. The University has two satellite branches operating out of 11 principal structures on separate campuses totaling 223 acres. The University also has several smaller sites which are not a part of the campuses listed above, including the Hazelwood Botanical Preserve, Cincinnati and Mitchel Observatories, the Campus Services Building, the Campus Receiving Building, the Center Hill Complex, the UC Reading Campus (formerly Genome Research Institute), One Stetson Square, Turner Center, Stratford Heights and the Central Utility Plant. They represent a total of 40 principal buildings located on 147 acres. Total replacement cost of all its real and personal property (excluding land costs) was estimated by the University’s insurers to be in excess of $3.6 Billion as of July 2010.

The University, formerly city owned, became a state university on July 1, 1977. The University is composed of 13 colleges and two schools. Its total enrollment in the Fall Quarter of 2010 was 41,357 students. The University has approximately 2,311 full-time faculty members, and its total faculty numbered 4,316 for the Fall Quarter of 2010. The University has been designated in long-range planning by the Ohio Board of Regents as one of only two comprehensive graduate public universities in the State. As of June 30, 2010, the market value of the endowment fund of the University exceeded $884 million.

The University carries out its rigorous scholarship and research mission while maintaining a deep commitment to accessible education. Over 41,000 students pursue success in hundreds of academic programs in the sciences, arts, humanities, and professional disciplines. The University’s programs are highly regarded. Programs that are ranked in the Top 10 by U.S. News and World Report include: Cooperative Education (4th), Criminal Justice (3rd), College of Medicine Pediatrics (3rd), Paleontology (6th), Interior Design (3rd), Industrial Design (6th), Opera/Voice (3rd), Musical Conducting (5th), Music (6th), Music Composition (9th) and Orchestra/Symphony (9th). The Architecture and Interior Design programs are ranked No. 1 by the Almanac of Architecture and Design. Research funding has grown rapidly and exceeds $400 million, including affiliates. The University has strong research relationships with other institutions and with industry, including Cincinnati Children’s Hospital Medical Center, UC Health (formerly known as the Health Alliance of Greater Cincinnati), Procter & Gamble, General Electric, Wright Patterson Air Force Base, and others. New National Science Foundation rankings were published in April 2010 based on Fiscal Year 2008 data; the University is currently ranked 25th among public institutions for federal research expenditures and 47th out of all universities for federally financed R&D expenditures. In addition, the University is ranked 34th out of public universities for all R&D expenditures.

Reserves on Bonds

Certain Bonds issued under the Original Trust Agreement are secured by reserve funds which total $2,235,958 (the “Existing Reserve Fund”). While the Series 2011A Bonds are secured by a pledge of the General Receipts which is on a parity with the pledge securing all other Obligations issued under the Original Trust Agreement, as amended and restated by the Restated Trust Agreement, they are
not secured by the Existing Reserve Fund and no other reserve has been established for them. Future obligations issued under the Restated Trust Agreement may be secured by a reserve if the University decides to do so.

Other Indebtedness

The University, as of December 1, 2010, had $4,954,677 of financing obligations outstanding for equipment located in various departments, had a capital lease obligation of $2,330,000 for the University’s Edwards Center, a capital lease obligation of $55,985,000 to finance the costs of the University’s University Center project and a capital lease obligation of $36,090,000 to finance the costs of the Jefferson Avenue Residence Complex (“Jefferson Avenue”) (of which $18,075,000 will be currently refunded by the Series 2011A Bonds). The obligations issued for equipment are unsecured except for an interest in the equipment. In addition, the University has capital lease obligations in connection with the financing of two buildings (One Stetson Square $32,120,000 and the Turner Center $9,730,000) which are owned by King Highland Community Urban Redevelopment Corporation (“King Highland”) and occupied, all or in part, by the University and the financing of a housing complex known as Stratford Heights ($51,960,000) which is owned by University Heights Community Urban Redevelopment Corporation (UHCURC), and managed by the University. These financings were affected by the issuance of economic development revenue bonds by the County of Hamilton, Ohio (the “King Highland Bonds” and “Stratford Heights Bonds”). The leases for the University Center, the Edwards Center and Jefferson Avenue constitute unconditional obligations of the University to make lease payments which pay principal and interest on certain certificates of participation issued by The Bank of New York Mellon Trust Company, N.A., as trustee, through the final maturity of such certificates to the extent of the University’s General Receipts. The leases for One Stetson Square, the Turner Center and Stratford Heights also constitute unconditional obligations to make lease payments which pay the principal and interest on the King Highland Bonds and Stratford Heights Bonds. The University has not pledged its General Receipts to the payment of these leases nor has the University pledged its General Receipts to the payment of such Certificates of Participation, and holders of the Bond have a prior and superior claim to the General Receipts than does King Highland, UHCURC and the trustee for the holders of such Certificates of Participation.

Debt Amortization and Future Financings

Scheduled principal payments (prior to the issuance of the Series 2011A Bonds) for General Receipts Bonds, Certificates of Participation and Capital Leases over the next five fiscal years are as follows:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Principal Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2011</td>
<td>$41,251,000</td>
</tr>
<tr>
<td>FY2012</td>
<td>$42,181,000</td>
</tr>
<tr>
<td>FY2013</td>
<td>$45,272,000</td>
</tr>
<tr>
<td>FY2014</td>
<td>$49,516,000</td>
</tr>
<tr>
<td>FY2015</td>
<td>$52,316,000</td>
</tr>
</tbody>
</table>

At the time of issuance of the Series 2011A Bonds, the University will have $23,900,000 of Series 2010A Notes, $10,490,000 of Series 2010E Notes and $34,610,000 of Series 2010H Notes outstanding. The Series 2010A Notes mature on May 12, 2011. The $10,490,000 of Series 2010E Notes mature July 21, 2011. The 2010H Notes mature December 16, 2011 and include $24,610,000 of “Interim Debt”.
Interim Debt is a short-term financing tool which permits the University to construct projects in advance of the receipt of State capital appropriations. Under the Board of Regents’ system of formula capital allocations to each campus, it is possible to forecast future biennial allocations of capital from the State. This permits the University to finance and commence work locally and pay off the local interim financing with State capital appropriations as they are received.

Since 1997 when the interim debt program began, the University’s Board of Trustees has authorized a total of $269,635,980 of Interim Debt obligations. The University has issued $129,637,463 of Interim Debt; changed the purpose of $1,670,000 of Interim Debt to other projects; retired $105,257,538 of the Interim Debt at maturity; and anticipates issuing an additional $37,195,081 of Interim Debt. The University has decided, for timing and other reasons, not to issue the balance of $101,133,436 of the Interim Debt. Its Interim Debt currently outstanding is for the CARE/MSB Rehabilitation/Eden Quad project, and for Basic Renovations (issued within the Series 2010H Notes).

As of August 31, 2010, the University has unexpended State appropriations totaling $36,700,000 available for expenditures. The following projects/initiatives have received a majority of the funding:

- Barrett Cancer Center/Vontz 330 Lab Renovation
- Medical Sciences Building Rehabilitation
- Raymond Walters College Expansion
- Rieveschl 500 Level Teaching Labs
- Basic Renovations (Uptown Campus, Clermont College, Raymond Walters College)
- Instructional Equipment (Uptown Campus, Clermont College, Raymond Walters College)

Since October 29, 1992, the University has issued $767,070,000 of its General Receipts Obligations to refund various series of its General Receipts Bonds. On March 16, 2010, the University authorized $250,000,000 of additional general receipts refunding obligations; the issuance of Series 2010A Notes, 2010B Bonds and 2010F Bonds used $115,200,000 of this authorization. The University intends to issue all or a portion of the general receipts refunding obligations when market conditions are such that it is economically advantageous to the University to refund certain of its outstanding General Receipts Bonds.

On July 17, 2007, the Board of Trustees approved amending and restating the General Receipts Obligations authority for the early phases of CARE/MSB Rehabilitation/Eden Quad projects, from an amount not to exceed $169,300,000 to an amount not to exceed $410,000,000. This new authorization provides the debt authority necessary to complete the planned future phases of the MSB Rehabilitation portion of the total project. Debt is planned to be issued over a decade long period to correspond with the project construction schedule. The University has issued the following debt series for this project to date: $40,000,000 of its Series 2004A Bonds, $39,280,000 of its Series 2008C Bonds (refunded the Series 2004B Bonds), $14,000,000 of its Series 2007A Bonds, $19,610,000 of its Series 2010H Notes, $59,400,000 of the Series 2007G Bonds and $55,405,000 within Series 2010C Bonds. A total of $17,285,021 of Interim Debt has been issued and retired with the receipt of State capital appropriations. There is a total of $165,019,979 debt authority remaining for the project. The authorization was renewed on March 16, 2010.

On September 22, 2009, the Board of Trustees authorized its General Receipts Obligations in the amount of $5,900,000 for 60 West Charleston Classroom Renovations. The authorization was renewed by the Board of Trustees on March 16, 2010.
On March 16, 2010, the Board of Trustees authorized its General Receipts Obligations for the following amounts and projects: $10,000,000 for Jefferson Avenue Sports Complex and $12,900,000 for Rieveschl Lab Renovations Phases 3 and 4. Series 2010H Notes issued on December 16, 2010 included interim funding for the Jefferson Avenue Sport Complex.

On March 16, 2010, the Board of Trustees renewed its authorization to issue its General Receipts Obligations in the amount not to exceed $30,000,000 to finance early project expenditures associated with capital projects approved by the Board. As of this date, there is no debt outstanding for early project expenditure projects.

On June 22, 2010, the Board of Trustees authorized its General Receipts Obligations in the amount of $3,250,000 for Roof Replacements Phase III.

On September 21, 2010, the Board of Trustees authorized its General Receipts Obligations in the amount of $10,900,000 for Energy Savings Projects/Initiatives Phase III.

The University is continuously reevaluating the capital needs of its various campuses and is contemplating the issuance of General Receipts Notes or Bonds to finance various capital improvements and construction projects. Because the plans for these projects have not yet been finalized, the respective schedules and the portions of the respective projects to be financed by the issuance of debt have not yet been determined.

**FINANCIAL INFORMATION**

The University’s financial statements for its fiscal years ending June 30, 2009 and 2010 have been prepared by the University and audited by the University’s independent auditors. The following Statement of Revenues, Expenses and Changes in Net Assets for the Fiscal Year Ended June 30, 2010 and June 30, 2009 and the Statement of Net Assets as of June 30, 2010 and June 30, 2009 were extracted from the Financial Statements of the University. The Financial Statements for fiscal year 2009-2010 are available by contacting the University at: Office of the Controller, University of Cincinnati, PO Box 210637, Cincinnati, Ohio 45221-0637. The financial statements for years 2009 and 2010 also are available on the University’s internet website at http://www.uc.edu/af/finserv/controller_home.html. While information is presented with respect to the University Relating Organizations (University of Cincinnati Foundation and University of Cincinnati Physicians, Inc.), the Related Organizations are not obligated or liable with respect to any of the University’s General Receipts Obligations.
University of Cincinnati
Statement of Revenues, Expenses and Changes in Net Assets (in thousands)
For the Years Ended June 30, 2010 and 2009

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>University</th>
<th>University Related Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2009</td>
</tr>
<tr>
<td>Operating Revenues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees (net of scholarship allowances of $87,976 and $85,465; and bad debt expense of $3,172 and $1,347)</td>
<td>$304,452</td>
<td>$279,632</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>168,500</td>
<td>149,608</td>
</tr>
<tr>
<td>State and local grants and contracts</td>
<td>6,287</td>
<td>6,176</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>20,450</td>
<td>15,792</td>
</tr>
<tr>
<td>Sales and services</td>
<td>64,875</td>
<td>64,320</td>
</tr>
<tr>
<td>Auxiliary enterprises</td>
<td>3,174</td>
<td>3,074</td>
</tr>
<tr>
<td>Residential life</td>
<td>37,411</td>
<td>30,624</td>
</tr>
<tr>
<td>Athletics</td>
<td>22,385</td>
<td>24,532</td>
</tr>
<tr>
<td>Other Auxiliary enterprises</td>
<td>8,740</td>
<td>6,159</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>88,288</td>
<td></td>
</tr>
<tr>
<td>Total operating revenue</td>
<td>884,783</td>
<td>815,657</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th>University</th>
<th>University Related Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2009</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>288,177</td>
<td>281,437</td>
</tr>
<tr>
<td>Research</td>
<td>176,532</td>
<td>161,904</td>
</tr>
<tr>
<td>Public Service</td>
<td>54,917</td>
<td>58,820</td>
</tr>
<tr>
<td>Academic Support</td>
<td>68,691</td>
<td>67,464</td>
</tr>
<tr>
<td>Student Services</td>
<td>41,297</td>
<td>39,131</td>
</tr>
<tr>
<td>Institutional Support</td>
<td>69,935</td>
<td>72,969</td>
</tr>
<tr>
<td>Operation Maintenance and Plant</td>
<td>58,285</td>
<td>60,118</td>
</tr>
<tr>
<td>Scholarships and Fellowships</td>
<td>36,119</td>
<td>25,611</td>
</tr>
<tr>
<td>Auxiliary Expenses</td>
<td>79,284</td>
<td>65,261</td>
</tr>
<tr>
<td>Depreciation</td>
<td>97,452</td>
<td>63,393</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>968,688</td>
<td>964,188</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>(503,905)</td>
<td>(328,411)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NONOPERATING REVENUES (EXPENSES)</th>
<th>University</th>
<th>University Related Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>State operating appropriations</td>
<td>211,291</td>
<td>211,835</td>
</tr>
<tr>
<td>Federal and state grants (nonexchange)</td>
<td>41,069</td>
<td>30,054</td>
</tr>
<tr>
<td>Gifts, including $28,441 and $31,197 from the University Foundation</td>
<td>42,172</td>
<td>48,809</td>
</tr>
<tr>
<td>Investment income, net</td>
<td>80,341</td>
<td>88,269</td>
</tr>
<tr>
<td>Increase (decrease) in fair value of investments</td>
<td>4,711</td>
<td>(332,030)</td>
</tr>
<tr>
<td>Interest on capital asset-related debt</td>
<td>(46,310)</td>
<td>(44,763)</td>
</tr>
<tr>
<td>Loss on disposal of assets</td>
<td>(1,243)</td>
<td>(1,914)</td>
</tr>
<tr>
<td>Payments to University of Cincinnati</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other nonoperating expenses</td>
<td>17,885</td>
<td>28,922</td>
</tr>
<tr>
<td>Net nonoperating revenues (expenses)</td>
<td>331,675</td>
<td>2,239</td>
</tr>
<tr>
<td>Income (loss) before other revenues, expenses, gains, or losses</td>
<td>27,970</td>
<td>330,741</td>
</tr>
<tr>
<td>State capital appropriations</td>
<td>10,278</td>
<td>2,917</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
<td>11,913</td>
<td>3,417</td>
</tr>
<tr>
<td>Additions to permanent endowments</td>
<td>10,666</td>
<td>23,033</td>
</tr>
<tr>
<td>Total other revenues</td>
<td>31,969</td>
<td>25,597</td>
</tr>
<tr>
<td>Increase (decrease) in net assets</td>
<td>59,679</td>
<td>(301,144)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET ASSETS</th>
<th>University</th>
<th>University Related Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets - beginning of year</td>
<td>1,624,371</td>
<td>1,025,616</td>
</tr>
<tr>
<td>Change in University Related Organizations - beginning of year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net assets, end of year</td>
<td>$1,684,250</td>
<td>$1,024,251</td>
</tr>
</tbody>
</table>
### University of Cincinnati

**Statement of Net Assets (in thousands)**

*as of June 30, 2010 and 2009*

<table>
<thead>
<tr>
<th></th>
<th>University 2010</th>
<th>University 2009</th>
<th>University Related 2010</th>
<th>University Related 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$56,925</td>
<td>$57,560</td>
<td>$18,688</td>
<td>$9,927</td>
</tr>
<tr>
<td>Investments</td>
<td>125,000</td>
<td>121,635</td>
<td>58,237</td>
<td></td>
</tr>
<tr>
<td>Accounts and pledges receivable, net</td>
<td>60,206</td>
<td>65,693</td>
<td>49,025</td>
<td>21,809</td>
</tr>
<tr>
<td>Inventories</td>
<td>1,984</td>
<td>2,040</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits with bond trustees</td>
<td>4,079</td>
<td>7,484</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes receivable, net</td>
<td>6,275</td>
<td>2,938</td>
<td>116</td>
<td></td>
</tr>
<tr>
<td>Other assets</td>
<td>275</td>
<td>2,657</td>
<td>518</td>
<td>147</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>255,744</strong></td>
<td><strong>250,000</strong></td>
<td><strong>126,672</strong></td>
<td><strong>31,683</strong></td>
</tr>
<tr>
<td>Noncurrent assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>108,535</td>
<td>90,664</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts and pledges receivable, net</td>
<td>14,883</td>
<td>9,658</td>
<td>26,865</td>
<td>40,126</td>
</tr>
<tr>
<td>Bond proceeds receivable</td>
<td>99,205</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits with bond trustees</td>
<td>4,387</td>
<td>7,034</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment investments</td>
<td>867,123</td>
<td>815,226</td>
<td>15,185</td>
<td>13,496</td>
</tr>
<tr>
<td>Notes receivable, net</td>
<td>28,236</td>
<td>34,614</td>
<td>409</td>
<td></td>
</tr>
<tr>
<td>Other assets and long-term investments</td>
<td>337,016</td>
<td>352,500</td>
<td>8,249</td>
<td></td>
</tr>
<tr>
<td>Capital assets not being depreciated</td>
<td>82,723</td>
<td>65,959</td>
<td>3,177</td>
<td></td>
</tr>
<tr>
<td>Capital assets being depreciated, net</td>
<td>1,300,897</td>
<td>1,358,833</td>
<td>31,816</td>
<td>1,159</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td><strong>2,840,004</strong></td>
<td><strong>2,704,466</strong></td>
<td><strong>85,701</strong></td>
<td><strong>54,781</strong></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>3,095,748</strong></td>
<td><strong>2,954,666</strong></td>
<td><strong>212,373</strong></td>
<td><strong>86,464</strong></td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>171,816</td>
<td>157,203</td>
<td>21,661</td>
<td>8,855</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>31,039</td>
<td>33,738</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term debt - current portion</td>
<td>121,807</td>
<td>117,313</td>
<td>3,270</td>
<td></td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>324,654</strong></td>
<td><strong>308,244</strong></td>
<td><strong>24,931</strong></td>
<td><strong>8,855</strong></td>
</tr>
<tr>
<td>Noncurrent liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits</td>
<td>5,424</td>
<td>4,535</td>
<td>562</td>
<td>523</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>22,017</td>
<td>28,723</td>
<td>2,986</td>
<td></td>
</tr>
<tr>
<td>Refundable advances for federal loans</td>
<td>24,788</td>
<td>25,152</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term debt</td>
<td>1,031,834</td>
<td>973,331</td>
<td>22,076</td>
<td></td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td><strong>1,084,653</strong></td>
<td><strong>1,031,741</strong></td>
<td><strong>25,025</strong></td>
<td><strong>523</strong></td>
</tr>
<tr>
<td>Deferred outflow of resources</td>
<td>2,771</td>
<td></td>
<td>1,366</td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities and deferred outflow of resources</strong></td>
<td><strong>1,411,424</strong></td>
<td><strong>1,339,666</strong></td>
<td><strong>56,391</strong></td>
<td><strong>5,887</strong></td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td>369,666</td>
<td>387,422</td>
<td>34,993</td>
<td>1,159</td>
</tr>
<tr>
<td>Restricted for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonexpendable</td>
<td>994,069</td>
<td>971,430</td>
<td>42,292</td>
<td>43,422</td>
</tr>
<tr>
<td>Expendable</td>
<td>327,069</td>
<td>326,346</td>
<td>37,453</td>
<td>26,860</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>(6,554)</td>
<td>(60,827)</td>
<td>45,613</td>
<td>5,845</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td><strong>$1,684,250</strong></td>
<td><strong>$1,624,371</strong></td>
<td><strong>$160,351</strong></td>
<td><strong>$77,986</strong></td>
</tr>
</tbody>
</table>
THE TRUST AGREEMENT

The terms and provisions of the Restated Trust Agreement control both outstanding Bonds and all obligations of the University issued pursuant to the Restated Trust Agreement. Please see “SUMMARY OF RESTATED TRUST AGREEMENT” attached hereto as Appendix B.

RISK FACTORS

It is possible under certain market conditions, or if the financial condition of the University should change, that the market price of the Series 2011A Bonds could be adversely affected. If the rating on the Series 2011A Bonds is changed, it is possible that the market price of the Series 2011A Bonds could be adversely affected. See “RATINGS” below. In addition, please see “STATE APPROPRIATIONS” in Appendix A attached to the Official Statement.

CONTINUING DISCLOSURE

In accordance with the Securities and Exchange Commission Rule 15c2-12 (the “Rule”) and so long as the Series 2011A Bonds are outstanding, the University has agreed pursuant to a Continuing Disclosure Certificate dated as of February 1, 2011, to be delivered on the date of delivery of the Series 2011A Bonds, to provide certain information pursuant to a Continuing Disclosure Certificate. The University has agreed to provide to each nationally recognized municipal securities information repository or to the Municipal Securities Rulemaking Board (“MSRB”) in a timely manner, not in excess of ten business days after the occurrence of the event, notice of the occurrence of the following events with respect to the Series 2011A Bonds:

(a) Principal and interest payment delinquencies;
(b) Non-payment related defaults, if material;
(c) Unscheduled draws on debt service reserves reflecting financial difficulties;
(d) Unscheduled draws on credit enhancements reflecting financial difficulties;
(e) Substitution of credit or liquidity providers, or their failure to perform;
(f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the security;
(g) Modifications to rights of security holders, if material;
(h) Bond calls, if material, and tender offers (except for mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event);
(i) Defeasances;
(j) Release, substitution or sale of property securing repayment of the securities, if material;
(k) Rating changes;
(l) Bankruptcy, insolvency, receivership or similar event of the obligated person (Note: for the purposes of this event, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been
assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person);

(m) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(n) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The SEC requires the listing of events (a) through (n) although some of such events may not be applicable to the Series 2011A Bonds.

As required by the Rule, the Continuing Disclosure Certificate provides that the information to be filed with the MSRB described in the preceding paragraph is to be filed in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB. An MSRB rule change approved by the Securities and Exchange Commission establishes a continuing disclosure service of the MSRB’s Electronic Municipal Market Access system (“EMMA”) for the receipt of, and for making available to the public, continuing disclosure documents and related information to be submitted pursuant to continuing disclosure undertakings (such as the Continuing Disclosure Certificate) entered into on or after July 1, 2009, consistent with the Rule. In general, all continuing disclosure documents and related information are to be submitted to the MSRB’s continuing disclosure service through an Internet-based electronic submitter interface (EMMA Dataport) or electronic computer-to-computer data connection, accompanied by certain identification information, in portable document format (PDF) files configured to permit document to be saved, viewed, printed and retransmitted by electronic means and must be word-searchable.

The Continuing Disclosure Certificate provides holders of Obligations with certain enforcement rights in the event of a failure by the University to comply with the terms thereof; however, a default under the Continuing Disclosure Certificate does not constitute a default under the Authorizing Legislation. The Continuing Disclosure Certificate may be amended or terminated under certain circumstances in accordance with the Rule as more fully described therein. Holders of the Series 2011A Bonds are advised that the Continuing Disclosure Certificate, copies of which are available at the office of the District, should be read in its entirety for more complete information regarding its contents.

The University has delivered continuing disclosure certificates or agreements for each issue of Bonds and Notes it has issued since the effective date of the Rule and it is in compliance with its undertakings in such continuing disclosure certificates and agreements.

For purposes of this transaction with respect to events as set forth in the Rule:

(a) there are no debt service reserve funds applicable to the Series 2011A Bonds;
(b) there are no liquidity providers applicable to the Series 2011A Bonds; and
(c) there is no property securing the repayment of the Series 2011A Bonds.
RATINGS

As noted on the cover page of this Official Statement, Moody’s Investors Service, Inc. (“Moody’s”) and Standard & Poor’s Corporation (“S&P”) have assigned the Series 2011A Bonds the ratings of A1 and A+, respectively. Any explanation of the significance of such ratings may be obtained by the rating agency furnishing the same. The address of Moody’s is 99 Church Street, New York, New York 10007 and the address of S&P is 25 Broadway, New York, New York 10004. Any explanation of the significance of such ratings may only be obtained from the rating agency furnishing the same. There is no assurance that such rating will be maintained for any given period of time or that it may not be raised, lowered or withdrawn entirely by the rating agency, if, in its judgment, circumstances so warrant. Any downward change in or withdrawal of such ratings may have an adverse effect on the price at which the Series 2011A Bonds may be resold.

UNDERWRITING

The Series 2011A Bonds are being purchased for reoffering by RBC Capital Markets, LLC (the “Underwriter”) at an aggregate purchase price of $18,153,975.18. The initial public offering price of the Series 2011A Bonds is $18,263,297.40, which is expected to take place on February 1, 2011. The Contract of Purchase provides that the Underwriter will purchase all of the Series 2011A Bonds if any are purchased.

The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Underwriter may offer and sell the Series 2011A Bonds to certain dealers (including dealers depositing the Series 2011A Bonds into investment trusts) and others at prices lower than the public offering prices stated on the cover page hereof. The initial public offering prices may be changed from time to time by the Underwriter.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters in connection with the authorization and issuance of the Series 2011A Bonds are and have been subject to the approval of Peck, Shaffer & Williams LLP, attorneys of Cincinnati, Ohio, whose approving opinion with respect to the Series 2011A Bonds will be delivered therewith.

Certain legal matters will be passed upon for the University by Thompson Hine LLP, University Counsel, and for the Underwriter by Baker & Hostetler LLP.

LEGAL INVESTMENT

In the opinion of Peck, Shaffer & Williams LLP, Bond Counsel, under the authority of Sections 3345.11 and 3345.12 of the Ohio Revised Code, the Series 2011A Bonds are lawful investments for banks, societies for savings, building and loan and savings and loan associations, deposit guarantee associations, trust companies, trustees, fiduciaries, insurance companies, including domestic for life and domestic not for life, trustees or other officers having charge of sinking and bond retirement or other special funds of political subdivisions and taxing districts of this state, the commissioners of the sinking
fund of the state, the industrial commission, the state teachers retirement system, the public employees
retirement system, the public school employees retirement system, and the police and firemen’s disability
and pension fund, notwithstanding any other provisions of the Revised Code with respect to investments
by them, and are also acceptable as security for the deposit of public moneys.

LITIGATION

The University is a defendant, from time to time, in various legal actions incident to its
operations, including professional liability claims resulting from its former operation of the University
Hospital, but all such actions are unrelated to the Series 2011A Bonds. The University believes that its
aggregate liability, if any, in any pending actions, taking insurance coverage into account, will not be
material.

TAX MATTERS

In the opinion of Peck, Shaffer & Williams LLP, Bond Counsel, under existing law
interest on the Series 2011A Bonds is excluded from gross income for federal income tax purposes under
Section 103(a) of the Internal Revenue Code of 1986, as amended (the “Code”), and is not treated as an
item of tax preference under Section 57 of the Code for purposes of the alternative minimum tax imposed
on individuals and corporations; it should be noted, however, that for the purpose of computing the
alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such
interest is taken into account in determining adjusted current earnings.

The Series 2011A Bonds, the interest on the Series 2011A Bonds and the transfer, and
any profit made on the sale or other disposition, of the Series 2011A Bonds are exempt from taxes levied
by the State and its political subdivisions. For purposes of this paragraph, “taxes” means any direct or
indirect taxes, including income, ad valorem, transfer, the commercial activities and excise tax, and
corporate franchise tax measured by net income of a corporation, but “taxes” does not mean or include:
(i) the corporate franchise tax measured by net worth of a corporation; (ii) the estate tax; (iii) the taxes levied
on insurance companies and dealers in intangibles pursuant to Chapter 5725 of the Revised Code; and (iv)
the tax on shares of and capital employed by dealers in intangibles pursuant to Section 5707.03 of the
Revised Code. Bond Counsel will express no opinion and make no representation regarding other federal,
state or local income tax consequences resulting from the receipt or accrual of interest on the Series
2011A Bonds.

The opinion on tax matters will be based on and will assume the accuracy of certain
representations and certifications made by the Board and others, and the compliance with certain
covenants of the University, to be contained in the transcript of proceedings and which are intended to
evidence and assure the foregoing, including that the Series 2011A Bonds are and will remain obligations
the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel has
not and will not independently verify the accuracy of such certifications and representations.

The University has not designated the Series 2011A Bonds as “qualified tax exempt
obligations” as defined in Section 265(b)(3) of the Code.

The Code prescribes a number of qualifications and conditions for the interest on state
and local government obligations to be and remain excluded from gross income for federal income tax
purposes, some of which, including provisions for the rebate by the University of certain investment
earnings to the federal government, require future or continued compliance after issuance of the
obligations in order for the interest to be and continue to be so excluded from the date of issuance.
Noncompliance with these requirements could cause the interest on the Series 2011A Bonds to be included in gross income for federal income tax purposes and thus to be subject to regular federal income tax retroactively to the date of their issuance. The University covenants in the Bond Resolution to take such actions which may be required of it for the interest on the Series 2011A Bonds to be and remain excluded from gross income for federal income tax purposes, and not to take any actions which would adversely affect that exclusion.

Under the Code, interest on the Series 2011A Bonds may be subject to a branch profits tax imposed on certain foreign corporations doing business in the United States of America and a tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes can have certain adverse federal income tax consequences on items of income or deductions for certain taxpayers, including among them financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, and those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations and individuals otherwise eligible for the earned income credit. The applicability and extent of these or other tax consequences will depend upon the particular tax status or other items of income and expenses of the holders of the Series 2011A Bonds. Bond Counsel will express no opinion and make no representation regarding such consequences.

Circular 230

THE FOREGOING DISCUSSION OF TAX MATTERS WAS NOT INTENDED OR WRITTEN BY BOND COUNSEL TO BE USED, AND IT CANNOT BE USED FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON AN OWNER OF THE SERIES 2011A BONDS. THE FOREGOING DISCUSSION OF TAX MATTERS WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE SERIES 2011A BONDS. EACH PROSPECTIVE OWNER OF THE SERIES 2011A BONDS SHOULD SEEK ADVICE BASED ON THE PROSPECTIVE OWNER’S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Original Issue Premium

“Acquisition Premium” is the excess of the cost of a bond over the stated redemption price of such bond at maturity or, for bonds that have one or more earlier call dates, the amount payable at the next earliest call date. The Series 2011A Bonds (except for a portion of the 2019 maturities) are being initially offered and sold to the public at an Acquisition Premium. For federal income tax purposes, the amount of Acquisition Premium on each bond the interest on which is excludible from gross income for federal income tax purposes (“tax-exempt bonds”) must be amortized and will reduce the bondholder’s adjusted basis in that bond. The amount of any Acquisition Premium paid on the Premium Bonds, or on any of the Series 2011A Bonds, that must be amortized during any period will be based on the “constant yield” method, using the original bondholder’s basis in such bonds and compounding semiannually. This amount is amortized ratably over that semiannual period on a daily basis. However, no amount of amortized Acquisition Premium on tax-exempt bonds may be deducted in determining bondholder’s taxable income for federal income tax purposes.

Holders of any Series 2011A Bonds purchased at an Acquisition Premium should consult their own tax advisors as to the actual effect of such Acquisition Premium with respect to their own tax situation and as to the treatment of Acquisition Premium for state tax purposes.
Original Issue Discount

The Series 2011A Bonds stated to mature in 2019 (the “Discount Bonds”) are being initially offered and sold to the public at a discount (“OID”) from the amounts payable at maturity thereon. OID is the excess of the stated redemption price of a bond at maturity (the face amount) over the “issue price” of such bond. The issue price is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of bonds of the same maturity are sold pursuant to that initial offering. For federal income tax purposes, OID on each bond will accrue over the term of the bond. The amount accrued will be based on a single rate of interest, compounded semiannually (the “yield to maturity”) and, during each semi-annual period, the amount will accrue ratably on a daily basis. The OID accrued during the period that an initial purchaser of a Discount Bond at its issue price owns it is added to the purchaser’s tax basis for purposes of determining gain or loss at the maturity, redemption, sale or other disposition of that Discount Bond. In practical effect, accrued OID is treated as stated interest is treated, that is, as excludible from gross income for federal income tax purposes.

In addition, original issue discount that accrues in each year to an owner of a Discount Bond is included in the calculation of the distribution requirements of certain regulated investment companies and may result in some of the collateral federal income tax consequences discussed above. Consequently, owners of any Discount Bond should be aware that the accrual of original issue discount in each year may result in an alternative minimum tax liability, additional distribution requirements or other collateral federal income tax consequences although the owner of such Discount Bond has not received cash attributable to such original issue discount in such year.

Holders of Discount Bonds should consult their own tax advisors as to the treatment of OID and the tax consequences of the purchase of such Discount Bonds other than at the issue price during the initial public offering and as to the treatment of OID for state tax purposes.
MISCELLANEOUS

The summaries or descriptions of the provisions of the Trust Agreement found herein are brief outlines of certain provisions thereof and do not purport to be complete statements of such provisions. Reference is hereby made to the Restated Trust Agreement, which is available from the University, for further information.

The delivery of this Official Statement has been duly authorized by the Board of Trustees of the University of Cincinnati.

BOARD OF TRUSTEES OF THE UNIVERSITY OF CINCINNATI

By: /s/ William L. Doering
William L. Doering, Treasurer

Dated: January 13, 2011
APPENDIX A

THE UNIVERSITY OF CINCINNATI

One of the nation’s largest institutions of higher learning, the University of Cincinnati was founded in 1819 with the first charter granted by the State in 1870. The University’s Uptown Campus is located on a 202-acre tract in the residential Clifton area of the City, approximately 2 miles north of downtown Cincinnati. Its physical plant includes 80 principal structures on the Uptown Campus, a portion of which is leased from the City of Cincinnati under a long-term lease. The acreage and buildings at the Victory Parkway Campus (formerly College of Applied Science which is located approximately 2 miles from the Uptown Campus) are included in the Uptown Campus numbers. The University has two satellite branches operating out of 11 principal structures on separate campuses totaling 223 acres. The University also has several smaller sites which are not a part of the campuses listed above, including the Hazelwood Botanical Preserve, Cincinnati and Mitchel Observatories, the Campus Services Building, the Campus Receiving Building, the Center Hill Complex, the UC Reading Campus (formerly Genome Research Institute), One Stetson Square, Turner Center, Stratford Heights and the Central Utility Plant. They represent a total of 40 principal buildings located on 147 acres. Total replacement cost of all its real and personal property (excluding land costs) was estimated by the University’s insurers to be in excess of $3.6 Billion as of July 2010.

The University, formerly city owned, became a state university on July 1, 1977. The University is composed of 13 colleges and two schools. Its total enrollment in the Fall Quarter of 2010 was 41,357 students. The University has approximately 2,311 full-time faculty members, and its total faculty numbered 4,316 for the Fall Quarter of 2010. The University has been designated in long-range planning by the Ohio Board of Regents as one of only two comprehensive graduate public universities in the State. As of June 30, 2010, the market value of the endowment fund of the University exceeded $884 million.

The University carries out its rigorous scholarship and research mission while maintaining a deep commitment to accessible education. Over 41,000 students pursue success in hundreds of academic programs in the sciences, arts, humanities, and professional disciplines. The University’s programs are highly regarded. Programs that are ranked in the Top 10 by U.S. News and World Report include: Cooperative Education (4th), Criminal Justice (3rd), College of Medicine Pediatrics (3rd), Paleontology (6th), Interior Design (3rd), Industrial Design (6th), Opera/Voice (3rd), Musical Conducting (5th), Music (6th), Music Composition (9th) and Orchestra/Symphony (9th). The Architecture and Interior Design programs are ranked No. 1 by the Almanac of Architecture and Design. Research funding has grown rapidly and exceeds $400 million, including affiliates. The University has strong research relationships with other institutions and with industry, including Cincinnati Children’s Hospital Medical Center, UC Health (formerly known as the Health Alliance of Greater Cincinnati), Procter & Gamble, General Electric, Wright Patterson Air Force Base, and others. New National Science Foundation rankings were published in April 2010 based on Fiscal Year 2008 data; the University is currently ranked 25th among public institutions for federal research expenditures and 47th out of all universities for federally financed R&D expenditures. In addition, the University is ranked 34th out of public universities for all R&D expenditures.

The Board and the University are declared by statute to be a public body, both politic and corporate, performing essential governmental functions and serving public purposes, and an instrumentality of the State of Ohio.
The Board of Trustees

The University’s powers are vested in and are exercised by its Board of Trustees, consisting of nine members appointed by the Governor of Ohio for overlapping terms of nine years. The Board as now constituted includes: Sandra W. Heimann, Chairperson; C. Francis Barrett, Vice Chairperson; Thomas H. Humes, Secretary; H.C. Buck Niehoff, Robert E. Richardson, Jr., Margaret E. Buchanan, Gary Heiman, Stanley M. Chesley and Thomas D. Cassady.

H.C. Buck Niehoff is of counsel to Peck, Shaffer & Williams LLP, the University’s bond counsel. His term expired January 1, 2011, but he remains on the Board of Trustees for up to sixty days or until a replacement is appointed and takes the position.

University Officers

Key officers of the University include Gregory H. Williams, President and Chief Administrative Officer of the University; J. Fred Reynolds, Executive Vice President; Robert F. Ambach, Senior Vice President for Administration and Finance; Andrew Filak Jr., MD, Acting Interim Dean of the College of Medicine and Vice President for Health Affairs; Sandra J. Degen, PhD, Vice President for Research University of Cincinnati, Associate Chair and Professor of Pediatrics, Cincinnati Children’s Research Foundation, University of Cincinnati; Santa J. Ono, PhD, Senior Vice President for Academic Affairs and Provost; Mitchel D. Livingston, Vice President for Student Affairs and Chief Diversity Officer; James D. Plummer, Vice President for Finance; and William L. Doering, Treasurer. Brief biographies of each follow.

Gregory H. Williams, President

Gregory H. Williams serves as the 27th president of the University of Cincinnati, one of the nation’s top 25 public research universities and named by Forbes as one of the world’s most beautiful campuses. He began his tenure at UC on November 1, 2009.

From 2001-2009, Dr. Williams served as president of The City College of New York (CCNY), the flagship college of The City University of New York. He has worked as a university administrator for over 30 years, serving in a variety of posts at The George Washington University, The University of Iowa and The Ohio State University. Prior to becoming CCNY’s president, he was Dean of the Law School and Carter C. Kissell Professor of Law at The Ohio State University. Early in his career, Dr. Williams was a Deputy Sheriff, and he later worked as an aide to a U.S. Senator.

At UC, he is the first African American to serve as president. The author of three published books, he is best known for his award-winning and best-selling memoir, *Life on the Color Line: The True Story of a White Boy Who Discovered He Was Black*. As a result of his autobiography, he has been featured on a number of national programs including “Oprah,” “Dateline NBC with Tom Brokaw,” “Larry King Live,” ABC’s “Nightline with Ted Koppel” and “Fresh Air with Terri Gross” of National Public Radio.

Dr. Williams currently serves on the board of the Cincinnati USA Regional Chamber of Commerce, Cincinnati Center City Development Corporation (3CDC), Uptown Consortium, and United Way of Greater Cincinnati. He is also a member of the Cincinnati Business Committee, the Strive Executive Committee and the CincyTech Executive Committee. He is a past Chair of the Commission on Access, Diversity and Excellence (CADE) of the Association of Public and Land Grant Universities (APLU, formerly the National Association of State Universities and Land-Grant Colleges) and a past president of the Association of American Law Schools.

During his tenure at CCNY, Dr. Williams’ leadership brought the college increased national recognition. Enrollment increased by nearly 50% - including an increase in new freshmen, under new, more rigorous admissions standards, with the largest incoming honors class in the college’s history. According to US News and World Report, City College is the most diverse college campus in the nation, where Hispanics are the largest group. As a result of his leadership, the State of New York has begun to invest close to $1 billion dollars in new science facilities and a new home for the CCNY School of Architecture. Dr. Williams also led CCNY’s first capital campaign in history, which has raised over $330,000,000.

Dr. Williams has received numerous awards. Among them are the “Governor’s Tribute to African-American Leaders of Excellence in State Service” (2004) from New York Governor George Pataki for his significant contributions to the people of the state, the Austrian Cross of Honor in Science and Art, First Class (2006), and the “Dean of the Year” award given by the National Association of Public Interest Law (1999). He also was the first recipient of the National Bar Association’s A. Leon Higginbotham, Jr. Award for Outstanding Contributions to the Preservation of Human and Civil Rights (1999).

President Bill Clinton invited Dr. Williams to the White House in 1998 as part of his “Call to Action” to promote pro bono work and diversity in the legal profession.

President Williams has earned five degrees, including a JD and PhD from George Washington University, and he holds five honorary doctorates.

J. Fred Reynolds, Executive Vice President

J. Fred Reynolds, Executive Vice President, joined the UC team on February 1, 2010, after sixteen years at The City College of New York, where he had been Professor of English and, since 2005, Dean of Humanities and the Arts, City College’s largest academic division. Prior to his five years as Dean, he held a number of CCNY administrative posts including Director of the Writing Center, Director of Writing Programs, Chair of the Department of English, and Deputy Dean of the Humanities. He previously taught at The University of Oklahoma, at Old Dominion University, and at two college preparatory schools, in addition to several years as the vice president for communications of a computer services firm.

Dr. Reynolds received BA and MA degrees from Midwestern State University in Wichita Falls, Texas (from which he received the Arthur Beyer Distinguished Alumnus Award in 1998), and a PhD in rhetoric and composition from The University of Oklahoma. He is the author of five academic books and a collection of short stories, is a nationally recognized expert on the rhetoric of mental health, and for the past several years has been a trustee of the Civitella Ranieri Foundation in New York and of the Institute for the Study of Rhetoric and Writing at The University of Oklahoma.
Dr. Reynolds has resigned as Executive Vice President effective February 1, 2011. Pending Board of Trustees’ approval, Karen Faaborg will serve as Executive Vice President in the Office of the President effective February 1, 2011. Ms. Faaborg is an alumna of UC's College of Law. During her 30-year career at UC, she has served as a faculty member and as an administrator in both academic and administrative areas, most recently as senior associate vice president and chief human resource officer. She joined the UC faculty in 1980 as a professor of arts administration in the College-Conservatory of Music, later serving as associate dean at CCM and vice provost for Faculty Affairs. She was appointed to her human resources position in 2008.

Robert F. Ambach, Senior Vice President for Administration and Finance

Mr. Robert Ambach is currently the Senior Vice President for Administration and Finance at the University of Cincinnati. On December 7, 2009, Bob was asked to serve as the Interim Sr. Vice President and was appointed in the role on a permanent basis on April 1, 2010. Mr. Ambach is a double alumnus of UC and holds a B.B.A. in Finance and Real Estate and a Masters in Public Administration and Economic Development.

Mr. Ambach has spent the majority of his career in Higher Education Administration and economic development. His career began as a Budget Analyst in the Office of Budget and Reporting with the University of Cincinnati.

After serving two years in this capacity, he resigned for a position with the United States Peace Corps and served as a Volunteer in the West African nation of Ghana. As a Small Enterprise Developer, Bob worked in rural areas of the country, writing grant proposals, mentoring business owners, and developing marketing, accounting and record keeping systems for small-scale enterprises.

Upon his return to the United States in 1993, Bob returned to the University of Cincinnati. He held various positions within the Finance Division and was promoted through the ranks (System Analyst, Accountant I, Accountant II and Senior Accountant). In 1997, he accepted the position of Assistant Director of Budget Planning in the Office of the Vice President for Finance and was later promoted to University Director of Budget Planning and served as the Interim Associate Vice President for Finance.

In March 2001, Bob accepted the position of Associate Executive Director of the Cal Poly Foundation at California Polytechnic State University, San Luis Obispo. Primary responsibilities at the Foundation included management of capital projects and liaison with the University on the Faculty/Staff Housing and Student Housing programs. To that end, he was also named the Managing Director of the Cal Poly Housing Corporation. Other responsibilities with the Foundation included the development and recommendation of policies and procedures related to the administration of all Foundation operations (endowment management, bookstore and food services) and representing the Foundation on various Boards and Committees on and off-campus.

In February 2004, Bob returned to the University of Cincinnati as the Senior Associate Vice President and Chief Financial Officer of the UC Academic Health Center, and Senior Associate Dean of Operations and Finance for the College of Medicine. The UC Academic Health Center includes the College of Medicine, Cincinnati Cancer Consortium, the Hoxworth Blood Center, University Health Services as well as various centers and institutes. In January 2008 when the University moved to a “Single Provost Model”, he was also given the responsibility to serve as the liaison for the oversight of the AHC/COM’s space planning, governmental relations and public relations functions which are provided centrally. Other university responsibilities included membership on the President’s Budget
Advisory Committee, Financial Coordinating Committee, Academic Operations Committee, Strategic Enrollment Management Committee, University Naming Committee, Athletics Funding Task Force and Performance Based Budgeting Development Team.

In October 2008, Bob was named as the Fiscal Liaison to UC Physicians (a 650+ Physician Practice Corporation) and served as a resource to the Board, Executive Committee, Finance Committee and Audit Committee of the corporation.

Andrew T. Filak, Jr., MD, Acting Interim Dean of the College of Medicine and Vice President for Health Affairs

Andrew T. Filak, Jr., M.D. has been Senior Associate Dean for Academic Affairs at the University of Cincinnati College of Medicine since 1991 and is currently serving as Acting Interim Dean. In his capacity as Senior Associate Dean, he directs the Office of Medical Education and chairs the Education Policy Committee. His responsibilities include oversight of the medical school curriculum and student performance. Also since 1991, Dr. Filak serves as the Designated Institutional Official for Graduate Medical Education for the University Hospital/University of Cincinnati College of Medicine residency training programs. He directs the Office of Graduate Medical Education and is Associate Chief of Staff at University Hospital.

In January 2009 Dr. Filak was appointed as the founding Chair of the College of Medicine’s newly formed Department of Medical Education. He also holds an academic appointment as Professor of Family Medicine.

Dr. Filak received his M.D. degree at George Washington University and his training in Family Medicine at the University of Cincinnati where he served as Chief Resident. He is board certified in Family Medicine. Prior to returning to UC to join the Family Medicine faculty, he was in practice in a rural community in Ohio and served as medical director of a network of health centers. Upon his return, he served as Director of the Family Medicine Residency Training Program.

Dr. Filak continues to practice Family Medicine, teach medical students and residents, and serve on many national, state, and university committees. Dr. Filak is an alumnus of the Harvard Macy Program for Leaders in Medical Education. He was the recipient of the Educator of the Year Award from the Ohio Academy of Family Medicine in 2003, and has been named a recipient of the Parker J. Palmer Courage to Lead Award from the Accreditation Council for Graduate Medical Education for 2009.

Sandra J. Degen, PhD, Vice President for Research University of Cincinnati, Associate Chair and Professor of Pediatrics, Cincinnati Children’s Research Foundation, University of Cincinnati

Dr. Degen grew up in Los Angeles and attended college at the University of California, San Diego, where she majored in chemistry. She attended graduate school in the Department of Biochemistry at the University of Washington and received her PhD in 1982. Then followed two years of postdoctoral work at the Friedrich Miescher Institute in Basel, Switzerland.

Dr. Degen was appointed assistant professor of pediatrics at the University of Cincinnati and the Cincinnati Children’s Research Foundation in 1985. She was promoted to associate professor with tenure in 1992 and to professor in 1997.
Dr. Degen’s scientific interests include the biological function of the blood coagulation protein prothrombin, as well as a protein, identified in her lab, that is involved in growth control (hepatocyte growth factor-like protein). Her laboratory has generated mouse models lacking these proteins, as well as the receptor tyrosine kinase, Ron in order to study their biological functions. In addition, research in Dr. Degen’s laboratory has focused on the relationship of structure to function in these proteins. She has received three patents for her work on Ron and it ligands.

Dr. Degen has enjoyed continuous grant support since she received her first academic position and was a principal investigator on two continuously funded National Institutes of Health (NIH) grants until 2006. She has been awarded $4 million in grant and endowment support since 1997 from the Charlotte R. Schmidlapp Foundation at Fifth Third Bank to support the Center for Career Development of Women in Pediatrics.

Her many honors include being selected: as a Pew Scholar in the Biomedical Sciences in 1987, as an Established Investigator of the American Heart Association in 1990, for membership on the Hematology II Study Section at the NIH (1993-1996) and the Cell Cycle and Growth Control Study Section of the American Cancer Society-National Center (1997-2000), for participation in the Executive Leadership in Academic Medicine Program in 1997, for the University of Cincinnati Faculty Achievement Award in 1997, for the Leading Woman of Cincinnati Award for Technology/Science/Research in 2001, and for participation in the 1st Science and Society Institute sponsored by the Pew Memorial Trust in 2001. Dr. Degen was awarded the Founders Award by the Women’s Faculty Association at Cincinnati Children’s Hospital and a Special Recognition Award from the American Heart Association Council on Arteriosclerosis, Thrombosis, and Vascular Biology in 2005. Recently, Dr. Degen was appointed by the Governor of the State of Ohio to become a member of the Third Frontier Advisory Board. She also was recently selected to participate in Leadership Cincinnati.

In addition, Dr. Degen has served on the Editorial Board of the Journal of Biological Chemistry, on various regional and national American Heart Association committees including the Research Committee of the national center, and on various ad hoc NIH review committees. She is presently on the Board of Directors of TechSolve, BioOhio and on the Board of Trustees and Executive Committee of BIO/START, a regional new company incubator in the life sciences. She is also on the Board of Directors of the Oak Ridge Associated Universities (ORAU) and the Chair of the Council of Universities for ORAU. She has also been elected to the Association of Public and Land Grant Universities (APLU), Council on Research Policy and Graduate Education Executive Committee. Recently, she was appointed to the Board of Directors of the Cincinnati Youth Collaborative.

In her role as Associate Senior Vice President for Health Affairs (2000-2004), she was responsible for strategic planning on the medical center campus especially with regard to recruitment of new faculty in order to significantly improve extramural funding at UC. In addition, she was responsible for decanal reviews, interactions with the undergraduate campus of the university, and mentoring new deans. She also served as a liaison with the faculty and was responsible for working with Procter & Gamble to promote scientific interchange between scientists at both institutions.

As Associate Chair for Academic Affairs in the Department of Pediatrics, her many responsibilities include overseeing the reappointment, promotion and tenure process, mentoring faculty, overseeing the graduate programs and the Office of Postdoctoral Affairs, coordination of the Summer Undergraduate Research Program and organizing faculty development programs. While Director of the Graduate Program in Molecular and Developmental Biology, she ran the PhD program and was responsible for interacting with and mentoring all the students.
In September 2004, Dr. Degen was appointed Vice President for Research at the University of Cincinnati. In this position, she reports to the President of the university and is responsible for all research compliance activities (human subjects research, animal care and use, biosafety, radiation safety and research compliance training), the Office of Technology Transfer, the Office of Sponsored Research Services and Sponsored Program Accounting, the Office of Entrepreneurial Affairs, Laboratory Animal Medicine Services, the Office of Undergraduate Research, the Office of Postdoctoral Affairs and various faculty development programs. In addition, Dr. Degen is responsible for scientific policy and government relations in the area of research. The University of Cincinnati and its affiliates bring in over $439 million in extramural grant support each year and is ranked in the top 20 of public universities in total federal funding.

On the personal side, Dr. Degen has been married for 34 years to Jay Degen, PhD, who is also a Professor of Pediatrics at the University of Cincinnati. They have one child, Lindsay, who is 22 years old, who recently graduated from the Rhode Island School of Design and puts their lives into perspective.

Santa Jeremy Ono, PhD, Senior Vice President for Academic Affairs and Provost

Santa Jeremy Ono, PhD, was appointed Senior Vice President for Academic Affairs and University Provost at the University of Cincinnati on September 1, 2010. He also serves as Professor of Pediatrics within the College of Medicine and Professor of Biology in the McMicken College of Arts and Sciences. Prior to his move to UC, Dr. Ono served as Vice Provost for Academic Initiatives and Deputy to the Provost and then Senior Vice Provost for Undergraduate Academic Affairs at Emory University, also serving as Professor in the Department of Ophthalmology, Emory University School of Medicine. Ono received his education at the University of Chicago, McGill and Harvard. His training in Biochemistry & Molecular Biology at Harvard was supported by a Helen Hay Whitney Foundation Fellowship.

Dr. Ono’s first academic appointment was as Assistant Professor of Medicine at the Johns Hopkins School of Medicine. While at Hopkins, he won the American Diabetes Association Career Development Award and the Investigator Award from the National Arthritis Foundation. In 1996, Dr. Ono was recruited to the Harvard Medical School, where he was an Associate Professor and on staff at the Schepens Eye Research Institute. He was a member of the Executive Committee of the Harvard Program in Immunology, PI of the Harvard Program in Ocular Immunology and on the Executive Committee of the NIH Training Program in Molecular Bases of Eye Diseases.

In 2001 Dr. Ono was appointed Cumberlege Professor and then GlaxoSmithKline Chair of Biomedical Sciences at University College London and Moorfields Eye Hospital. He was head of the Department of Immunology at the UCL Institute of Ophthalmology and on the executive committee of the UCL Division of Infection & Immunity. At UCL, Dr. Ono also served as Associate Dean of Students, a member of the UCL Council (the university’s governing body) and its finance committee.

Dr. Ono has served on the editorial boards of the Journal of Immunology, Journal of Biological Chemistry, Immunology and the Journal of Allergy & Clinical Immunology. He is a recipient of the Brit Katz Award from Emory University, the Roche Award, the Pharmacia International Award in Allergy Research and the Medal in Bronze from Osaka City University. He has delivered keynote, plenary or major lectures at the Kyoto Cornea Conference, the International Congress of Immunology (ICI), the annual meetings of ARVO and AAAAI and at numerous universities. He has also served on the Boards of the Posse Foundation, Intervarsity USA and Trent School - Church of England.
Mitchel D. Livingston, Vice President for Student Affairs and Chief Diversity Officer

Mitchel Livingston is vice president for Student Affairs and Chief Diversity Officer and professor of Educational Studies at the University. He joined the University in 1994 after serving as vice president for Student Affairs at the University at Albany, SUNY, and Dean of Students at The Ohio State University.

Prior to earning his Ph. D. in Higher Education Administration at Michigan State University, he received his master and bachelor degrees in Education from Southern Illinois University.

Dr. Livingston’s commitment to public higher education is evidenced by the following achievements:

- Thirty-nine years administrative experience
- Fifteen years teaching experience
- Tenure as full professor
- Leadership for multi-million fundraising initiatives
- National consultant implementing a model for developing just campus communities and in the areas of multi-culturalism, community building and organizational behavior
- Keynote speaker for national educational and professional organizations
- Service on six corporate and community boards:
  - Fifth Third Bancorp;
  - Fine Arts Fund Board;
  - Public Media Connect - CET/Think TV;
  - Holocaust & Humanity Education;
  - Bridges for a Just Community (former board chair); and
  - National Underground Railroad Freedom Center.

Dr. Livingston received a number of honors and awards, including the Governor’s Educator of the Year award, State of New York; Dr. Martin Luther King award for distinguished community service and Award for Excellence in Administration, University at Albany; Educator of the Year award, Anti-Defamation League, Albany, New York; national spokesperson for INROADS, Inc. from 2004-06; Educational Excellence award from the League of United Latin American Citizens; and Prince Hall Humanitarian Award from True American Lodge #2.

James D. Plummer, Vice President for Finance

Mr. Plummer is a graduate of Eastern Kentucky University with a Bachelors of Business Administration in 1970 and a Masters of Arts in 1985. His career has consisted of the position of Associate Budget Director and Internal Auditor at Eastern Kentucky University as well as the position of Budget Director at both the University of Nevada-Reno and East Carolina University.

Mr. Plummer was recruited to the University in 1999 as the Associate Vice President and Director of Budget Planning. He was promoted to Chief Financial Officer during Fiscal Year 2004, and, in October 2006, he was promoted to Vice President for Finance.
**William L. Doering, Treasurer**

Mr. Doering has been with University for over 30 years in various capacities within the Finance and Administration division. He is currently responsible for Treasury Management, Payroll Operations, Accounts Receivable, Investment Accounting and Tax Compliance. He has served on the Program Committee for the Treasury Institute for Higher Education annual symposium for four years. He also has been a speaker at the Treasury Institute, the Association for Financial Professionals (AFP) Annual Conference and the National College & University Bursars Conference. He is a graduate of Xavier University and is also a Certified Treasury Professional (CTP).

**Historical Development**

Cincinnati College and Medical College of Ohio were the first units of the present University of Cincinnati and were founded in 1819. Four other units of the University join them as the oldest of their kind outside the original thirteen colonies: the College of Law, the Cincinnati Observatory, the College of Pharmacy, and the College-Conservatory of Music.

In 1858, Charles McMicken, a prominent Cincinnati businessman, left the City of Cincinnati virtually his entire estate of approximately $1 million to establish a municipal university. The University began operations in 1869 as the McMicken College of Arts and Sciences and was chartered by the State of Ohio in 1870.

The campus was moved to its present site in 1895. Engineering courses were added to the curriculum in 1874 and the College of Engineering was established in 1900. Between the turn of the century and 1918 the University also added the Teachers College, the College of Medicine, the College of Nursing and Health, and the College of Law. In 1906 the cooperative system of education, now used by more than 150 colleges and universities throughout the nation, was originated at the University by Dean Herman Schneider. The cooperative system provides students the opportunity for alternating periods of classroom study and work in fields directly connected with their professional goals.

During the 1920’s, growth of the University continued, with the completion of Memorial Residence Hall, Tanners Research Building, Taft Hall, the University Library, Holmes Hospital, and the Basic Science Laboratory. Physical expansion was halted during the depression of the 1930’s and the years of World War II, when the University trained thousands in four separate military programs. The expansion of the University resumed after the war, however, with the addition of the College of Pharmacy in 1947. During the 1960’s the University expanded its dormitory system as enrollment rose from 10,820 in 1955 to 34,742 in 1970-71. In the 1970’s, the University built a completely new engineering complex as well as a new College of Medicine and Central Library.

Today, the University’s transformation continues, from its roots as a municipal university, to a state-affiliated institution, to a full state university, and now to the nationally recognized research university. This transformation was envisioned within the 2000 Campus Master Plan, the UC|21 strategic plan and the University’s Academic Master Plan. In September 2010, President Williams unveiled a new strategic plan, UC2019►Accelerating Our Transformation, which directs the University to build on recent accomplishments and all of the strengths of the past and present, to create a future that places the University among the best in the world.
2000 Campus Master Plan

Since the approval of the University Campus Master Plan (the “Master Plan”) in 1991 and then in 2000, more than $1.4 billion in capital projects have been completed. One major phased project remains in design and construction. Signature, national, and local architects have been selected for the design of major capital projects and the work has been the subject of much press and many awards. In 2010, *Forbes Magazine* named the University one of the world’s most beautiful college campuses, and *Princeton Review* named the University as the greenest public university in Ohio. In-house University staffs, typically provide the programs for major projects and the design for projects costing less that $1 million. Numerous new academic and auxiliary facilities have been built in addition to renovation and rehabilitation of many existing facilities. Some of projects recently completed, under construction, or in the planning stage include:

Building projects recently completed:

- Kettering Preclinical Lab Renovation
- Langsam Library Roof
- McMicken Perimeter Heating
- Morgens Life Safety Upgrades
- Teachers College/Dyer Renovation - Phase 2
- Hazardous Materials Storage Facility
- Undergraduate Teaching Labs Renovation-Phases 1&2

Major projects currently in construction:

- Kehoe 223-240 Renovation
- MSB Rehabilitation Interim Renovations
- Teachers College/Dyer Renovation Phase 2A
- Court Archeological Research Facility
- Crosley Tower Façade Rehabilitation
- Façade Projects - Wherry, Memorial Hall, Old Chemistry
- Jefferson Avenue Sports Complex
- Medical Sciences Bldg Rehabilitation Phases II
- Procter Hall Facade Renovation
- Scioto Hall Decommissioning

Major projects currently in design and planning:

- Alumni Center Upgrades
- Alumni Engineering Learning Center
- DAAP Facade Rehabilitation
- Energy Savings Projects (Ongoing)
- Kettering North Demolition
- Medical Sciences Bldg Rehabilitation Phases III through V
- Morgens Hall Renovations
- 60 West Charlton - Conversion to Classrooms
- Undergraduate Teaching Labs Renovation-Phases 3&4

Major projects currently in fund raising:

- College of Law
- College of Pharmacy
Once the University completed the implementation of the 1991 Master Plan and the transformation of its Uptown Campus, the University was able to focus on its strategic vision. In May 2004, the University unveiled UC|21—Defining the New Urban Research University as the strategic vision for charting its academic course. UC|21 was the shorthand for the University’s aspiration to be a leader in the 21st century. The vision reshaped the University academically as certainly as the campus master plan has reshaped the University’s physical landscape.

UC|21 embraced a set of six guiding principles that were essential for the new urban research university: scholarship, citizenship, stewardship, leadership, partnership and cultural competency. These principals built on the University’s rich heritage as an agent of transformation and discovery, while underscoring its commitment to serve a rapidly changing world and the local Cincinnati community. Under UC|21, the University began the expansion of its role as a comprehensive, public research institution regionally, nationally and globally. Major accomplishments (measured from a Fiscal Year 2003 baseline) as a result of UC|21 included increased enrollments of 21.2%; improved retention rates of 8%; increased graduation rates of 8%; increased research funding of 42.7%; successful budget and administration reorganization as reflected in the audited financial statements as increases in operating cash balances; and partnerships with the local community as evidenced by a 50% increase in the number of students engaged in internships and co-ops, increased corporate research investment, and increased participation in community organizations by students, faculty and staff.

As the milestone of the University’s 200th anniversary approaches in 2019, a unique opportunity arises to build on recent accomplishments and all of the strengths of the past and present, to create a future that places the University among the best in the world. In September 2010, President Williams unveiled a new strategic plan, outlining a blueprint for achieving excellence and setting institutional priorities: UC2019—Accelerating Our Transformation. The UC2019 plan focuses on accelerating our advancement by identifying core principals, operational principals and strategic, ambitious, achievable and measurable goals.

Core Principles

All people benefit from the creation, understanding and dissemination of knowledge. That concept lies at the core of the University of Cincinnati’s mission and vision. The University’s mission is centered on people in a variety of manifestations. The University is committed to:

- **Transforming lives through**
  - education of students, preparing emerging generations for lives of ongoing discovery and full engagement as they shape an evolving world
  - excellent health care provided to all; building the quality of life and the general well-being of people everywhere
  - economic development capacity based on a capable workforce of prepared and dedicated alumni
  - marketable discoveries generated by innovative facility, and unmatched intellectual resources
  - service defined by quality and effectiveness, applying the benefits of knowledge to the betterment of all
• **Transforming education through**
  - continually improved quality of the academic enterprise, driven toward measurable outcomes and assessment
  - a commitment to integrated academic experiences emphasizing purposeful student development, rich in contextual learning such as research, co-op, study abroad, industrial collaborative, service learning, internships, practicum experiences, all leading up to rigorous assessment
  - aggressively inclusive pathways of access to affordable University programs and resources
  - alignment with state initiatives to guarantee a return on public investment
  - maintaining access to an increasingly diverse student population to cultivate future generations of scholars and researchers who will ensure our long-term competitiveness
  - a rich campus life, including nationally competitive athletic programs and recreational sports

• **Transforming knowledge through**
  - ongoing discovery in an environment of intellectual freedom that promotes and reward inquiry, analysis and the generation of new knowledge
  - collaboration in various contexts to encourage the real-world application of ground-breaking innovation
  - leveraging resources as a complex, comprehensive urban research university to fully support the acquisition, discovery and application of knowledge
  - innovation in multidisciplinary collaborative education and research, leveraging UC’s relationships with the business, civic, cultural, educational, health care and professional communities composing the urban environment

**Operational Principles**

In achieving its strategic goals, the University of Cincinnati will be guided by the following operational principles:

- Learning
- Global Engagement
- Discovery
- Diversity
- Community
- Mission-Based Health Care
- Economy
- Collaboration
- Sustainability

**Goals**

Guided by Core Principles and Operating Principles, the University of Cincinnati will achieve specific, objective and measurable goals. The goals are aspirational and, where possible, connected to external benchmarks. The University’s progress will be monitored through an annual report card, as well as a continually updated institutional dashboard. The University will aim to achieve most of these goals within five years and will measure success against the elite set of peers represented by the Association of American Universities and The Top American Research Universities.
The Board of Trustees monitored the progress of the University implementation of UC|21. The Board of Trustees will monitor the progress with respect to the goals of UC2019 on a regular basis and annually receives a report card from the University President setting forth the progress made in the preceding year. The most recent report card was delivered in September 2010 and the following are several of the highlights from the report card.

Learning:
- The new edition of *U.S. News & World Report*’s annual college guide lists the University of Cincinnati among its “Best National Universities” and continues to cite UC as an “up and comer”.
- Projected enrollment for fall 2010 shows that UC will welcome its largest crowd of students in history, with more than 41,250 students expected.
- The first year class is slated to be the most academically prepared ever, with an average ACT of 25, higher average GPA and a record 45 National Merit Scholars.
- The number of students applying for graduation in June 2010 reached the highest level in two decades. A total of 4,728 degrees were awarded during the June 2010 commencement, including associate’s, baccalaureate, master’s and doctoral and professional degrees.

Discovery:
- The National Science Foundation ranked the University 34th among all public institutions nationally for total research expenditures and 25th for all public institutions nationally for federal research expenditures based on Fiscal Year 2008 data, published in April 2010.
- The University had a record high in research funding in Fiscal Year 2009 and continues to set records in Fiscal Year 2010.
- The *Chronicle of Higher Education* identified UC as a “research heavyweight”.
- An Ohio Eminent Scholar in Aerospace Systems has been selected to serve in the College of Engineering and Applied Science and will join the faculty in fall 2010.
- The Governor and Ohio Board of Regents named UC in four of five rounds of Centers of Excellence announced thus far for the state.

Community:
- UC’s Service-learning initiative has grown to a total of 182 courses in 2009-10, a 300% increase over the past two years.
- The number of students participating in volunteer activities in 2009-10 was 7,979; up 23% from the prior year.
- *Forbes* magazine named UC one of the world’s most beautiful college campuses in 2010.

Economy:
- Institutional liquidity (as a % of Total Expenditures and Transfers) has increased in Fiscal Year 2010 to 23.3%.
- The University’s fund-raising campaign, Proudly Cincinnati, is more than halfway to its $1 billion goal, with more than $686.8 million raised as of July 31, 2010.
- New/continued grant and research funding from the National Institute of Health, the National Institute of Environments Health Sciences, and Third Frontier Awards.
- Record level Trademarks and Licensing income.

Sustainability:
- The *Princeton Review* named UC among the nation’s top “green” universities in its first-ever list of schools leading in environmental practices and in preparing the next generation of green professionals.
• UC earned its first gold-level LEED certification, emblematic of excellence in environmental-friendly building practices, for the Center for Academic and Research Excellence (CARE)/Crawley Building.
• Overall in the last five years, the University has avoided approximately $13 million in energy costs due to conservation and other efforts.

Global Engagement:
• The University of Cincinnati has been ranked among the top 200 universities in the world by Times Higher Education magazine based in London, England. UC is ranked 190th among all universities, 69th among United States universities, and 28th among U.S. public universities.
• The latest International Student Barometer, the largest survey of international college students in the world, rates UC among the top 10 in 32 different categories.

Diversity:
• The University of Cincinnati is ranked among the top 100 schools in awarding master’s degrees to African American and Native American students. UC also ranks among the top 100 schools in awarding doctoral degrees to African American, Asian and Native American students and in awarding medical degrees to African American students.
• UC’s Gen-1 House – a living-and-learning residence to support first-generation freshmen from economically disadvantaged backgrounds – was one of only three “exceptional initiatives” in the Midwest to be honored with the first CollegeKeys Compact Innovation Awards. The Gen-1 House also received national attention from NBC Nightly News, New York Times, USA Today and other media.

Mission-Based Health Care:
• UC’s Board of Trustees approved an agreement in principle for the structure of UC Health, which has replaced the Health Alliance. UC Health offers a unique opportunity to build a truly outstanding health enterprise that includes University Hospital, UC Physicians and West Chester Hospital working in affiliation with our Academic Health Center and others.

Collaboration:
• The Ohio State House and Senate agreed to provide $100 million in funding for co-operative education across the state, with many people at UC supporting this effort and working to make it happen.
• With UC programs in design and marketing playing a key role, the Governor announced the designation of a Cincinnati “Consumer Marketing Hub of Innovations and Opportunity” for the state, to strengthen Cincinnati’s already strong reputation in the consumer marketing industry and to create more job opportunities in the area.
• A model innocence reform bill for the nation, signed into law in the state of Ohio in 2010, had its roots in the work of nine UC College of Law students.
ACADEMIC PROGRAMS

The primary educational objectives of the University are: (1) to preserve and disseminate knowledge now available in the arts, sciences, and various professional areas important in modern life; (2) to extend through basic research and investigation the boundaries of knowledge; and (3) to educate men and women, by example and teaching, for a fuller and richer life as responsible citizens in modern society. The important schools and branches of the University are:

- The Graduate School at the University of Cincinnati
- McMicken College of Arts and Sciences
- College of Education, Criminal Justice and Human Services
- College of Business
- College of Medicine
- College of Law
- College of Nursing
- College of Design, Architecture, Art and Planning
- College of Engineering and Applied Science
- College-Conservatory of Music
- Raymond Walters College (located in Blue Ash, a suburb of Cincinnati)
- Clermont College (located in Batavia, Ohio)
- James L. Winkle College of Pharmacy
- School of Social Work
- College of Allied Health Sciences

The University is affiliated with many other institutions, including the Art Academy of Cincinnati, Cincinnati State Technical and Community College, the Cincinnati Speech and Hearing Center and Cincinnati Center for Development Disorders. Through such affiliation, the University is able to broaden its curricular offerings. The University also has Army and Air Force ROTC programs.

The University is a member of the North Central Association, an organization of colleges and universities from 19 states, including Ohio. The Higher Learning Commission is a main division of the North Central Association, and it is the Higher Learning Commission that accredits the colleges and universities in the North Central Association. The University is accredited by The Higher Learning Commission. In addition, many of the University’s programs also receive professional accreditation from specialized accreditation bodies. It also has professional accreditation in many fields, including Architecture, Design, Art, Teaching, Business Administration, Chemistry, Engineering (Aerospace, Chemical, Civil, Electrical, Mechanical, Nuclear, Metallurgical and Material Science), Law, Medicine, Music, Nursing and Health, and Pharmacy. The University is also a member of the Greater Cincinnati Consortium of Colleges and Universities, which is composed of sixteen institutions in the Greater Cincinnati and Northern Kentucky areas.

Many colleges and programs are nationally ranked in prominent publications in addition to the many programs ranked in the Top 10 by *U.S. News and World Report*. In 2010, the *Princeton Review* ranked the College of Law among the Top 172 law schools in the country, and the College of Business among the Top 301 business schools in the country. For the 10th straight year, *DesignIntelligence* ranked UC among the best architecture and design programs in the nation. The interior design program is No. 1 in the country; the industrial design program is ranked No. 4 (undergraduate) and No. 5 (graduate) and the architectural program ranks No. 6. *ARCHITECT* magazine recently published its first-ever rankings guide to architecture schools, and - as with other architectural rankings - UC placed among the nation’s best. The architecture program at DAAP was rated in the nation’s top five in terms of delivering a “practice-based education”.

- A-15 -
PHYSICAL PLANT

The campus of the University consists of the 202-acre Uptown Campus in Clifton and two satellite branches: Raymond Walters College and Clermont College. Raymond Walters College is located in Blue Ash, Ohio, on a 132-acre tract. Clermont College is located on a 91-acre tract near Batavia, Ohio (approximately 17 miles east of downtown Cincinnati).

The University owns or operates 80 academic, research, main administrative, athletic, and student services buildings on the Uptown Campus; 11 principal buildings located on the two branch campuses; and 40 buildings located off-campus on 147 acres of land. In addition, the University leases its hospital buildings to University Hospital, Inc.

The University grounds and buildings are owned by the State and controlled by the University, except for the 19 acres of real property constituting the former General Division of the University of Cincinnati Hospital, which is leased from the City of Cincinnati under a 75-year lease that expires on July 31, 2053 and that was subleased to University Hospital, Inc. as part of the reorganization described in “UNIVERSITY HOSPITAL” below. The site of the Goodman Parking Garage, which serves the Medical Center, is also leased from the City of Cincinnati.

UNIVERSITY HOSPITAL

University Hospital opened in 1823 as the country’s first teaching hospital. The mission of University Hospital is to provide high quality clinical services, research and physicians. Many physicians at University Hospital are also faculty physicians at the University’s College of Medicine, one of the top 50 medical schools in the country. University Hospital is an affiliate of the University’s Academic Health Center and as such plays an important role in the academic mission of the College of Medicine.

The operation of University Hospital is managed by UC Health, formerly known as The Health Alliance of Greater Cincinnati (the “Health Alliance” or “UC Health”). The University Hospital operations have been managed by UC Health since 1995 and its health care activities have been coordinated with those of the other members of UC Health, until recently operated as The Health Alliance of Greater Cincinnati. UC Health is an Ohio nonprofit corporation qualified as a tax-exempt organization under §501(c)(3) of the Internal Revenue Code.

The Health Alliance was formed in January 1995 to provide the greater Cincinnati community with high quality, cost-effective, and accessible health care through an integrated delivery system. The “Participating Entities” in the Health Alliance, who were parties to the Joint Operating Agreement establishing the Health Alliance, included the University (for University Hospital) and certain other hospitals in the Cincinnati area. Between 2008 and mid-2010, each of the Participating Entities other than the University terminated their participation in the Health Alliance. Accordingly, the University is the sole remaining Participating Entity in UC Health.

Until January 1, 1997, University Hospital was a part of the University and governed by its Board. However, effective January 1, 1997, the University reorganized University Hospital into University Hospital, Inc. (“UHI”), an Ohio nonprofit corporation. The University subleased the land and hospital facilities constituting University Hospital to UHI. Since 1997, the net patient service revenues of UHI, which were formerly part of the University’s General Receipts, are no longer included in the University’s General Receipts, nor are they available to the University for any other purpose.
UC Health has recently completed a reorganization to reflect both the departure of the Participating Entities other than the University and UC Health’s new, closer affiliation with the College of Medicine. This reorganization more closely aligns the mission and operations of University Hospital and UC Health, especially as related to the College of Medicine. Even with this closer affiliation, the understanding of all of the involved parties is that the reorganized UC Health will continue to be a private corporation and that it will not be a component of the University. The legal and governance structure for UC Health was formulated so as to achieve these results.

Under the terms of the University’s arrangement with UC Health, net income or loss from UHI’s operations accrues directly to the operating results of UC Health, not the University. Accordingly, the University’s financial reports reflect no net income or loss from University Hospital’s operations, but the University’s investment in UC Health is included as an investment on the University’s Statement of Net Assets and reflects 100% of the net assets of UC Health. At June 30, 2010, the value of that investment reflected on the University’s Statement of Net Assets was $336 million.

The University expects to continue to report UC Health on the University’s Statement of Net Assets as an investment. The University will not be liable for the debts of UC Health. The University believes that there will be no adverse impact on its investment in UC Health from the reorganization of UC Health.

Pursuant to the Operating and Affiliation Agreement between UC Health and the University dated January 25, 2006, UC Health provides financial support to the University for academic programs that directly or indirectly support patient care at University Hospital or UC Health. UC Health also provides the University an annual education and research payment and programmatic support that must be used exclusively for academic health center purposes. The total of these payments and support for the years ended June 30, 2010 and 2009 were $9,103,000 and $9,283,000, respectively. Additionally, the University provides various shared services, consisting mainly of utilities, security and various administrative services to UC Health for which the University is reimbursed on a cost basis. The total cost of these services for the years ended June 30, 2010 and 2009 were approximately $18,149,000 and $17,242,000, respectively.

ENDOWMENT

The University’s total endowment was $883.7 million for its Fiscal Year ended June 30, 2010. This reflects a partial recovery of global equity markets from the steep declines of the previous year. The value of the endowment for Fiscal Year ended June 30, 2009 was $832.9 million, which ranked 72nd largest of 864 colleges and universities and 24th largest of 307 public institutions participating in the 2009 NACUBO-Commonfund Study of Endowments.

The University has also been awarded fourteen endowed chairs under the Eminent Scholars program created for state institutions of higher learning by the Ohio Board of Regents since the program has been extant. These fourteen chairs represent a $7,370,000 contribution to this endowment fund from the Ohio General Assembly.
The table below shows the **Total Endowment Market Value** for fiscal years ending June 30, in thousands. The table includes permanent endowments.

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1,101,100</td>
<td>$1,185,400</td>
<td>$1,099,900</td>
<td>$832,900</td>
<td>$883,700</td>
</tr>
</tbody>
</table>

*Includes University of Cincinnati Foundation permanent endowments.

Source: University of Cincinnati Treasurer.

---

**ENROLLMENT AND ADMISSIONS**

Total fall enrollment in the 2010-11 school year is 41,357 students, or 33,321 full-time equivalents ("FTE’s"). The University awarded 4,969 undergraduate degrees and 2,775 advanced degrees in the 2009-10 academic year. More detailed enrollment statistics follow:

### Fall Enrollment - Total Headcount

<table>
<thead>
<tr>
<th></th>
<th>2006-07</th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate</td>
<td>27,177</td>
<td>27,700</td>
<td>28,369</td>
<td>30,417</td>
<td>31,523</td>
</tr>
<tr>
<td>Graduate</td>
<td>7,365</td>
<td>7,831</td>
<td>7,715</td>
<td>8,221</td>
<td>8,783</td>
</tr>
<tr>
<td>Professional (Law and Medicine)</td>
<td>985</td>
<td>987</td>
<td>988</td>
<td>1,029</td>
<td>1,051</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>35,527</strong></td>
<td><strong>36,518</strong></td>
<td><strong>37,072</strong></td>
<td><strong>39,667</strong></td>
<td><strong>41,357</strong></td>
</tr>
</tbody>
</table>

### Fall Enrollment - Full-Time Equivalents

<table>
<thead>
<tr>
<th></th>
<th>2006-07</th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduates</td>
<td>22,247</td>
<td>22,931</td>
<td>23,570</td>
<td>25,204</td>
<td>26,128</td>
</tr>
<tr>
<td>Graduates</td>
<td>4,886</td>
<td>5,185</td>
<td>5,023</td>
<td>5,417</td>
<td>5,746</td>
</tr>
<tr>
<td>Professional (Law and Medicine)</td>
<td>1,624</td>
<td>1,383</td>
<td>1,372</td>
<td>1,428</td>
<td>1,447</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>28,757</strong></td>
<td><strong>29,499</strong></td>
<td><strong>29,965</strong></td>
<td><strong>32,049</strong></td>
<td><strong>33,321</strong></td>
</tr>
</tbody>
</table>

Of the 41,357 students (33,321 FTE’s) in the fall of 2010, 32,283 students attended classes at the Uptown Campus (26,821 FTE’s) and 9,074 students (6,500 FTE’s) attended classes at branch campuses.

Source: University of Cincinnati Office of Institutional Research.
The average University freshmen composite scores on the American College Test (“ACT”) and the Scholastic Aptitude Test (“SAT”) for the last five years are as follows:

**Average Freshman Standardized Test Scores**
(Baccalaureate Colleges)

<table>
<thead>
<tr>
<th></th>
<th>ACT Scores</th>
<th>SAT Scores*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>24.0</td>
<td>1,117.0**</td>
</tr>
<tr>
<td>2007</td>
<td>24.1</td>
<td>1,110.0**</td>
</tr>
<tr>
<td>2008</td>
<td>24.8</td>
<td>1,129.0**</td>
</tr>
<tr>
<td>2009</td>
<td>24.8</td>
<td>1,128.0**</td>
</tr>
<tr>
<td>2010</td>
<td>25.0</td>
<td>1,134.0**</td>
</tr>
</tbody>
</table>

* Recentered SAT Scores.
** Excludes the writing component score, which is one-third of the total SAT score.

Source: University of Cincinnati Admissions Department.

Over the past five academic years, the average University freshman composite score for those students entering baccalaureate colleges was 24.5 on the ACT and 1,123 on the SAT. The national average for all students for the 2009-2010 academic year on the ACT was 21.0.

**Student Admissions**
(Baccalaureate, Two Year Colleges)

<table>
<thead>
<tr>
<th>Academic Year</th>
<th>Applications Received</th>
<th>Applications Accepted</th>
<th>Percent Accepted</th>
<th>Applicants Enrolled</th>
<th>Percent of Applicants Enrolled</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-07</td>
<td>12,226</td>
<td>10,938</td>
<td>89.47%</td>
<td>4,834</td>
<td>44.19%</td>
</tr>
<tr>
<td>2007-08</td>
<td>13,676</td>
<td>11,769</td>
<td>86.06%</td>
<td>5,432</td>
<td>46.16%</td>
</tr>
<tr>
<td>2008-09</td>
<td>16,707</td>
<td>13,090</td>
<td>78.35%</td>
<td>5,421</td>
<td>41.41%</td>
</tr>
<tr>
<td>2009-10</td>
<td>18,426</td>
<td>13,996</td>
<td>75.96%</td>
<td>6,200</td>
<td>44.29%</td>
</tr>
<tr>
<td>2010-11</td>
<td>19,979</td>
<td>13,742</td>
<td>68.80%</td>
<td>5,969*</td>
<td>43.44%</td>
</tr>
</tbody>
</table>

*Decrease in Academic Year 2010-11 Applicants Enrolled expected due to the closing of the Center for Access & Transition (CAT).

Source: University of Cincinnati Office of Institutional Research.

The University seeks to maintain selectivity in its baccalaureate programs and to be accessible to all students. Applicants who are denied admissions to baccalaureate programs are offered admissions to the University’s associate degree technical programs.

The above table includes admissions to colleges and programs that support the University’s commitment to accessible education. The University differs from many other universities in that it admits undergraduates directly into specific programs of study, rather than admitting undergraduates to the University as a whole and then later requiring the students to seek admission to the programs of study they wish to pursue. This approach is attractive to many undergraduates because it assures them that they will be able to pursue their desired programs of study. As a result of this approach, the University is able to attract many highly motivated and directed undergraduates. The following table reflects admissions to the University’s baccalaureate colleges.
## Student Admissions
*(Baccalaureate Colleges)*

<table>
<thead>
<tr>
<th>Academic Year</th>
<th>Applications Received</th>
<th>Applications Accepted</th>
<th>Percent Accepted</th>
<th>Applicants Accepted</th>
<th>Applicants Enrolled</th>
<th>Percent Enrolled</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-07</td>
<td>10,621</td>
<td>8,138</td>
<td>76.6%</td>
<td>3,173</td>
<td>39.0%</td>
<td></td>
</tr>
<tr>
<td>2007-08</td>
<td>11,741</td>
<td>8,810</td>
<td>75.0%</td>
<td>3,640</td>
<td>41.3%</td>
<td></td>
</tr>
<tr>
<td>2008-09</td>
<td>14,054</td>
<td>9,248</td>
<td>65.8%</td>
<td>3,284</td>
<td>35.5%</td>
<td></td>
</tr>
<tr>
<td>2009-10</td>
<td>15,267</td>
<td>10,283</td>
<td>67.4%</td>
<td>3,798</td>
<td>36.9%</td>
<td></td>
</tr>
<tr>
<td>2010-11</td>
<td>16,328</td>
<td>10,776</td>
<td>66.0%</td>
<td>3,936</td>
<td>36.5%</td>
<td></td>
</tr>
</tbody>
</table>

*Source: University of Cincinnati Office of Institutional Research.*

Not reflected in the above tables is the James L. Winkle College of Pharmacy, which admits students directly from high school into the Doctor of Pharmacy degree program. The highly competitive Pharmacy program accepts only about one-fourth of applicants, and regularly fills its maximum class size.

## Student Financial Aid Awarded
*(In Thousands)*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Federal</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEOG</td>
<td>$2,352</td>
<td>$2,739</td>
<td>$2,914</td>
<td>$2,460</td>
<td>$2,386</td>
</tr>
<tr>
<td>Pell</td>
<td>16,252</td>
<td>16,749</td>
<td>18,941</td>
<td>21,473</td>
<td>35,347</td>
</tr>
<tr>
<td>NDSL/Perkins</td>
<td>6,206</td>
<td>6,095</td>
<td>8,542</td>
<td>2,851</td>
<td>0</td>
</tr>
<tr>
<td>HPL-NSL</td>
<td>264</td>
<td>332</td>
<td>360</td>
<td>270</td>
<td>290</td>
</tr>
<tr>
<td>GSL/Stafford</td>
<td>133,434</td>
<td>145,702</td>
<td>163,897</td>
<td>188,088</td>
<td>228,559</td>
</tr>
<tr>
<td>PLUS/SLS</td>
<td>30,411</td>
<td>29,216</td>
<td>25,597</td>
<td>25,755</td>
<td>32,431</td>
</tr>
<tr>
<td>ALP</td>
<td>15,227</td>
<td>21,289</td>
<td>24,508</td>
<td>22,071</td>
<td>11,373</td>
</tr>
<tr>
<td><strong>State</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OIG</td>
<td>5,064</td>
<td>5,665</td>
<td>5,718</td>
<td>6,220</td>
<td>3,031</td>
</tr>
<tr>
<td><strong>University</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarship</td>
<td>40,533</td>
<td>39,144</td>
<td>42,558</td>
<td>43,410</td>
<td>47,578</td>
</tr>
<tr>
<td>Tuition Remission</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Grad. &amp; Faculty &amp; Staff)</td>
<td>12,454</td>
<td>13,605</td>
<td>13,481</td>
<td>11,367</td>
<td>11,391</td>
</tr>
<tr>
<td>Grad. Scholarship</td>
<td>40,932</td>
<td>43,523</td>
<td>43,674</td>
<td>42,366</td>
<td>41,512</td>
</tr>
<tr>
<td>Graduate &amp; Student Assistant Employment</td>
<td>42,463</td>
<td>42,230</td>
<td>42,600</td>
<td>43,690</td>
<td>44,334</td>
</tr>
<tr>
<td>Sponsored Programs</td>
<td>12,611</td>
<td>15,260</td>
<td>16,625</td>
<td>14,190</td>
<td>8,320</td>
</tr>
<tr>
<td>University Loans</td>
<td>814</td>
<td>732</td>
<td>589</td>
<td>569</td>
<td>559</td>
</tr>
<tr>
<td><strong>Total Aid</strong></td>
<td>$359,017</td>
<td>$382,281</td>
<td>$410,004</td>
<td>$424,780</td>
<td>$467,111</td>
</tr>
</tbody>
</table>

*Source: University of Cincinnati Controller’s Office.*
**GENERAL RECEIPTS**

The General Receipts of the University for the five most recent Fiscal Years are shown below. The University’s current expenditures, which are financed in part by State appropriations and other funds excluded from the General Receipts, have been and are expected to be substantially greater than the General Receipts in every Fiscal Year.

### General Receipts

Fiscal Year Ended June 30  
(Dollars In Thousands)

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Fees</td>
<td>$230,778</td>
<td>$260,605</td>
<td>$272,910</td>
<td>$279,822</td>
<td>$304,482</td>
</tr>
<tr>
<td>Endowment Income</td>
<td>2,790</td>
<td>2,907</td>
<td>3,075</td>
<td>2,571</td>
<td>2,085</td>
</tr>
<tr>
<td>Private Gifts &amp; Grants</td>
<td>1,777</td>
<td>2,732</td>
<td>4,428</td>
<td>4,741</td>
<td>4,808</td>
</tr>
<tr>
<td>Departmental Sales and Charges</td>
<td>56,008</td>
<td>58,645</td>
<td>66,041</td>
<td>64,326</td>
<td>64,878</td>
</tr>
<tr>
<td>Recovery of Indirect Exp.</td>
<td>35,117</td>
<td>36,516</td>
<td>36,287</td>
<td>38,014</td>
<td>40,507</td>
</tr>
<tr>
<td>Other</td>
<td>6,906</td>
<td>6,929</td>
<td>7,991</td>
<td>14,654</td>
<td>11,769</td>
</tr>
<tr>
<td>Auxiliary Enterprises</td>
<td>73,815</td>
<td>77,039</td>
<td>82,415</td>
<td>90,776</td>
<td>91,460</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td><strong>$407,191</strong></td>
<td><strong>$445,373</strong></td>
<td><strong>$473,147</strong></td>
<td><strong>$494,904</strong></td>
<td><strong>$519,989</strong></td>
</tr>
</tbody>
</table>

### Budgeted General Receipts

The following table sets forth the General Receipts included in the University’s budget for Fiscal Year ended June 30, 2011. As in prior years, the University’s current expenditures, which are financed in part by State appropriations and other funds excluded from the General Receipts, are expected to be substantially greater than the General Receipts.

### Budgeted General Receipts

(In Thousands)  
Fiscal Year Ending  
June 30, 2011

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Fees (net of scholarships)*</td>
<td>$328,854</td>
</tr>
<tr>
<td>Recovery of Indirect Expenses</td>
<td>40,958</td>
</tr>
<tr>
<td>Private Gifts and Grants</td>
<td>571</td>
</tr>
<tr>
<td>Endowment Income</td>
<td>2,780</td>
</tr>
<tr>
<td>Sales and Services</td>
<td>63,803</td>
</tr>
<tr>
<td>Other</td>
<td>10,211</td>
</tr>
<tr>
<td>Auxiliary Enterprises</td>
<td>94,136</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>$541,313</strong></td>
</tr>
</tbody>
</table>

*Scholarships are estimated and subject to adjustment.
GRANTS, CONTRACTS, AND AWARDS

In addition to General Receipts, the grants, contracts, and awards that the University has received for the five most recent Fiscal Years are shown below.

<table>
<thead>
<tr>
<th>Grants, Contracts, and Awards</th>
<th>(In Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FEDERAL SOURCES:</td>
<td></td>
</tr>
<tr>
<td>United States Public Health</td>
<td>$118,127</td>
</tr>
<tr>
<td>National Science Foundation</td>
<td>8,009</td>
</tr>
<tr>
<td>Environmental Protection Agency</td>
<td>4,275</td>
</tr>
<tr>
<td>Department of Defense</td>
<td>6,372</td>
</tr>
<tr>
<td>Department of Energy</td>
<td>2,993</td>
</tr>
<tr>
<td>National Aeronautics and Space Administration</td>
<td>295</td>
</tr>
<tr>
<td>Other Federal Agencies</td>
<td>3,931</td>
</tr>
<tr>
<td>TOTAL FEDERAL</td>
<td>170,778</td>
</tr>
<tr>
<td>NON-FEDERAL SOURCES:</td>
<td></td>
</tr>
<tr>
<td>State Governments</td>
<td>11,176</td>
</tr>
<tr>
<td>City/County Governments</td>
<td>233</td>
</tr>
<tr>
<td>Other Non-Government Agencies</td>
<td>15,643</td>
</tr>
<tr>
<td>TOTAL NON-FEDERAL</td>
<td>27,052</td>
</tr>
<tr>
<td>TOTAL ALL UNIVERSITY SOURCES</td>
<td>197,830</td>
</tr>
<tr>
<td>University Faculty at</td>
<td></td>
</tr>
<tr>
<td>Affiliated Institutions</td>
<td>134,825</td>
</tr>
<tr>
<td>TOTAL ALL SOURCES AND</td>
<td>$332,655</td>
</tr>
<tr>
<td>AFFILIATED INSTITUTIONS</td>
<td></td>
</tr>
</tbody>
</table>

The University sponsored funding level for Fiscal Year 2010 is $284.8 million, which represents a significant increase over Fiscal Year 2009. However, this $46.4 million increase is most likely not sustainable in the future. Fiscal Year 2010’s increase includes $44.4 million in federal economic stimulus (ARRA) which is one time funding from the US government. The better metric for growth is the difference between the $46.4 million increase and the $44.4 million economic stimulus, a net $2 million dollar increase.

During Fiscal Year 2010, the University received over $43.3 million in new grant and contract awards. These awards included $8.4 million to renovate a portion of the Medical Sciences Building for safety and long-term support of rodent research; $8 million for the Familial Intracranial Aneurysm Study being performed by Neurology; 4.8 million for Environmental Health Research and $4.8 million in Molecular Genetics for INSIGHTS INteractome Science in Genomic High Throughput Studies.
LABOR RELATIONS

The University has current agreements or is in negotiations with six labor unions covering eight bargaining units.

A. American Association of University Professors (the “AAUP”). In November, 1974, the faculty of the University elected the AAUP as sole bargaining agent with the University administration. Approximately 1,700 full and part-time faculty and librarians are included in the bargaining unit. The current agreement expires on June 30, 2013.

B. American Federation of State, County and Municipal Employees (“AFSCME”) Ohio Council 8. This bargaining unit represents approximately 500 employees primarily in the areas of maintenance and service. The current agreement expires on February 11, 2012.

C. International Union of Operating Engineers (“IUOE”). This agreement covers approximately 70 employees in the areas of skilled trades and power plant. The current agreement expires on July 31, 2012.

D. The Ohio Nurses Association (“ONA”) represents approximately 8 registered nurses at the Hoxworth Blood Center. The present contract expired January 19, 2011. A new agreement has been reached and ratified by the union; it will be placed before the University Board of Trustees for approval on January 25, 2011. The new agreement will expire January 19, 2014.

E. District 1199/Service Employees International Union (“SEIU/1199”) represents approximately 400 clerical and secretarial staff members. The bargaining agreement expires on June 30, 2011.

F. The Fraternal Order of Police/Ohio Labor Council (FOP) represents approximately 50 sworn police officers. The current agreement expires June 30, 2011.

G. The FOP also represents approximately 33 security officers. The current agreement expires on June 30, 2011.

H. The FOP also represents approximately 10 emergency dispatchers. The current agreement expires on June 30, 2012.

The University’s relationship with its employees is governed under the rules of the Civil Service laws and collective bargaining laws of Ohio. Union agreements, negotiated by the above-listed labor unions and the University, cover wages, salaries, hours, terms and conditions of employment, fringe benefits, and other similar matters.

RETIREMENT SYSTEMS

Retirement benefits are available for substantially all employees under one of several contributory retirement plans. Prior to July 1, 1977, when the University became a state institution, employees were covered by either the City of Cincinnati Retirement System (“CRS”) or the Teachers’ Insurance and Annuity Association - College Retirement Equities Fund (“TIAA-CREF”). Certified teachers appointed on or after July 1, 1977, are covered by the State Teachers’ Retirement System (“STRS”). Non-certified employees appointed on or after that date are covered by the Ohio Public Employees Retirement System (“OPERS”). Both STRS and OPERS are statewide systems that offer three separate plans: (1) a defined benefit plan, (2) a defined contribution plan, and (3) a combined plan.
Defined Benefit Plans

The OPERS, STRS, and CRS plans are cost-sharing, multiple-employer, defined-benefit, public-employee retirement systems. Each provides retirement, disability and death benefits to plan members and beneficiaries. These plans also provide health-care benefits to vested retirees. Benefits provided under the plans are established by State statute or the Cincinnati Municipal Code.

All three plans issue separate, publicly available financial reports that include financial statements and required supplementary information. These reports may be obtained by contacting each system as follows: Public Employees Retirement System of Ohio, 277 East Town Street, Columbus, Ohio 43215, Telephone (800) 222-7377; State Teachers Retirement System of Ohio, 275 East Broad Street, Columbus, Ohio 43215, Telephone (888) 227-7877; and City of Cincinnati Retirement System, 801 Plum Street, Cincinnati, Ohio 45202, Telephone (513) 352-3227.

The Ohio Revised Code and the Cincinnati Municipal Code provide OPERS, STRS, and CRS statutory authority, respectively, over employer and employee contributions. The required, actuarially determined contribution rates (as a percentage of covered payroll) for the employee and the University are as follows:

<table>
<thead>
<tr>
<th></th>
<th>OPERS (Staff)</th>
<th>OPERS (Law Enforcement Staff)</th>
<th>STRS</th>
<th>CRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All year</td>
<td>10%</td>
<td>10%</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>7/09 - 12/09</td>
<td>10.10%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/10 - 6/10</td>
<td>11.10%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>University:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All year</td>
<td>14%</td>
<td></td>
<td>14%</td>
<td>17%</td>
</tr>
<tr>
<td>7/09 - 12/09</td>
<td></td>
<td></td>
<td>17.63%</td>
<td></td>
</tr>
<tr>
<td>1/10 - 6/10</td>
<td></td>
<td></td>
<td>17.87%</td>
<td></td>
</tr>
</tbody>
</table>

The portion of the University’s contribution above applied toward health care funding is 5% for OPERS and 1% for STRS.

The University’s contributions, representing 100% of employer contributions for the year ended June 30, 2010, and for each of the two preceding years are as follows (in thousands):

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>OPERS</th>
<th>STRS</th>
<th>CRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>20,155</td>
<td>15,417</td>
<td>278</td>
</tr>
<tr>
<td>2009</td>
<td>20,904</td>
<td>16,733</td>
<td>162</td>
</tr>
<tr>
<td>2010</td>
<td>20,543</td>
<td>17,334</td>
<td>118</td>
</tr>
</tbody>
</table>

OPERS and STRS provide postretirement and postemployment health-care benefits in addition to the retirement benefits described above. OPERS Other Post Employee Benefits (“OPEB”) is advance funded on an actuarially determined basis. The assumptions and calculation below were based on the system’s latest actuarial review performed as of December 31, 2008. The individual entry age actuarial cost method of valuation is used in determining the present value of OPEB. The difference between
assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets not to exceed a 12% corridor. The actuaries’ assumptions were as follows: investment return, 6.5%; annual wage increase (compounded annually), 4%; and health care costs, 4%. Annual pay increases over and above the 4% base increase, were assumed to range from 0.5% to 6.3%. At December 31, 2008, the actuarial funding value of the Retirement System’s net assets available for OPEB was $10.7 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were $29.6 billion and $18.9 billion, respectively. There were 356,388 active contributing participants as of December 31, 2008. Of the $20,543,000 University employer contributions to OPERS for 2010, $7,337,000 was to fund OPEB.

STRS has discretionary authority, pursuant to the Ohio Revised Code, over how much, if any, of the health-care costs will be absorbed by STRS. All benefit recipients are required to pay a portion of the health-care cost in the form of a monthly premium. The balance in the Health Care Stabilization Fund was $2.7 billion at June 30, 2009 (the latest information available). For the year ended June 30, 2009, the net health-care costs paid by STRS were $298,110,000. There were 129,659 eligible benefit recipients.

In addition to the pension benefits described above, the University provides postretirement health-care and dental benefits (under its labor agreement with the American Association of University Professors) to all retirees who are participants of TIAA-CREF when they retire. During Fiscal Years 2010, 2009 and 2008, the net cost of these benefits recorded on a pay-as-you-go basis totaled approximately $2,922,000, 3,148,000 and $3,010,000, respectively.

**Defined Contribution Plans**

On June 23, 1998, pursuant to Ohio House Bill 586, the University created an Ohio Alternative Retirement Plan ("ARP") which is designed to aid the University in recruiting and retaining employees by offering a portable retirement option. The ARP is a defined-contribution plan that provides full and immediate vesting of all contributions made on behalf of the participant. Contributions are directed to one of eight investment management companies, which allows the participant to manage the investment of all retirement funds. New employees who qualify for the ARP have 120 days from the date of hire to elect the ARP option. Once this window has passed, the employee does not have the option to elect into the ARP.

At June 30, 2010, there were 1,877 members of the plan. During Fiscal Years 2010, 2009 and 2008 the employer contributions were $14,221,000, $13,956,000 and $13,730,000, respectively. The employer contribution rate for participants (other than law enforcement) electing out of OPERS and STRS was 14% for Fiscal Years 2010. For law enforcement staff the employer contribution was 17.63% for the period July 2009 to December 2009 and 17.87% for the period January 2010 to June 2010.

**Combined Plans**

STRS offers a combined plan with features of both a defined contribution plan and a defined benefit plan. In the combined plan, employee contributions are invested in self-directed investments, and the employer contribution is used to fund a reduced defined benefit. Employees electing the combined plan receive postretirement health care benefits.
OPERS also offers a combined plan. This is a cost-sharing multiple-employer defined benefit plan that has elements of both a defined benefit and defined contribution plan. In the combined plan, employee contributions are invested in self-directed investments, and the employer contribution is used to fund a reduced defined benefit. Employees electing the combined plan receive postretirement health care benefits. OPERS provides retirement, disability, survivor and postretirement health benefits to qualifying members of the combined plan.

INSURANCE

The University currently carries “all-risk” property insurance on a replacement cost basis for all of its buildings and contents, through an insurance program of four-year state universities in Ohio known as the Inter University Council Insurance Consortium (“IUCIC”). The IUCIC program includes a pooled retention and commercial property insurance, with dedicated limits of $100M per university per occurrence and shared excess limits of $1B per occurrence. The University’s $100,000 deductible under this program is funded through a property reserve account with contributions from various university departments, branches and auxiliaries. Casualty Insurance, including Comprehensive General Liability (“CGL”) and Educators Legal Liability (“ELL”) coverages, is provided through a separate IUCIC program. This program is a combination of self-insurance through actuarially established Trust Funds and commercially purchased insurance. The CGL and ELL coverages each have self-insured limits of $1M, pooled among the participating universities and funded according to an actuarial formula. This program also includes dedicated excess insurance limits of $5M per university, $25M shared excess policies for both CGL and ELL, and an additional $20M shared CGL limit. The university deductible of $100,000 for ELL is funded by a University budget account; the $100,000 CGL deductible is funded through an actuarially-supported trust fund. Medical Professional Liability (“MPL”) coverage is provided through a separate self-insurance trust fund, with actuarially-supported limits of $4M per occurrence. This program is shared among the University’s academic health programs, Hoxworth Blood Center, and clinical practices associated with the Academic Health Center, including UC Physicians, Inc. and subsidiary corporations. An additional $25M in MPL coverage is provided through commercial excess insurance policies.

FEES AND CHARGES

Tuition and Fees

Tuition and fees for the academic year 2010-11 range from $4,863 to $30,855 for residents of Ohio, and from $11,715 to $47,406 for out-of-state residents. Special fees for instruction of students taking less than a full academic program exist in all of the colleges. A General Fee (Student Services Fee) of $255 for Uptown Campus students and $152 for branch campus students per quarter is included in tuition for full-time students. There are also a number of miscellaneous student fees. As part of the planning for the MainStreet Project, the University instituted a Campus Life Fee, and the Campus Life Fee for academic year 2010-11 is $157 per quarter.
University regulations define a resident of Ohio. In general, residence for a period of 12 months prior to the registration date is required to be considered a resident. The academic tuition effective for 2010-11 and general fees for Ohio residents and non-residents per quarter are as follows:

### Ohio Resident

#### Tuition & General Fees (Quarterly)

<table>
<thead>
<tr>
<th></th>
<th>2006-07</th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Uptown Campus</td>
<td>$3,133</td>
<td>$3,133</td>
<td>$3,133</td>
<td>$3,133</td>
<td>$3,355</td>
</tr>
<tr>
<td>- Branch Campus</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clermont College</td>
<td>1,514</td>
<td>1,514</td>
<td>1,514</td>
<td>1,514</td>
<td>1,621</td>
</tr>
<tr>
<td>Raymond Walters College</td>
<td>1,744</td>
<td>1,744</td>
<td>1,744</td>
<td>1,744</td>
<td>1,833</td>
</tr>
<tr>
<td>Graduate School</td>
<td>3,887</td>
<td>4,037</td>
<td>4,118</td>
<td>4,241</td>
<td>4,412</td>
</tr>
<tr>
<td>Law*</td>
<td>9,016</td>
<td>9,491</td>
<td>9,681</td>
<td>9,971</td>
<td>10,473</td>
</tr>
<tr>
<td>Medicine</td>
<td>8,655</td>
<td>8,970</td>
<td>9,329</td>
<td>9,795</td>
<td>10,285</td>
</tr>
</tbody>
</table>

### Non-Ohio Resident

#### Tuition & General Fees (Quarterly)

<table>
<thead>
<tr>
<th></th>
<th>2006-07</th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Uptown Campus</td>
<td>$7,974</td>
<td>$7,974</td>
<td>$7,974</td>
<td>$7,974</td>
<td>$8,196</td>
</tr>
<tr>
<td>- Branch Campus</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clermont College</td>
<td>3,798</td>
<td>3,798</td>
<td>3,798</td>
<td>3,798</td>
<td>3,905</td>
</tr>
<tr>
<td>Raymond Walters College</td>
<td>4,522</td>
<td>4,522</td>
<td>4,522</td>
<td>4,522</td>
<td>4,611</td>
</tr>
<tr>
<td>Graduate School</td>
<td>7,165</td>
<td>7,315</td>
<td>7,461</td>
<td>7,685</td>
<td>7,995</td>
</tr>
<tr>
<td>Law*</td>
<td>16,076</td>
<td>16,551</td>
<td>16,882</td>
<td>17,388</td>
<td>18,263</td>
</tr>
<tr>
<td>Medicine</td>
<td>15,044</td>
<td>15,359</td>
<td>14,329</td>
<td>15,045</td>
<td>15,802</td>
</tr>
</tbody>
</table>

* Law School tuition is presented on a semester basis.

The residence hall fee schedule as of September 1, 2010 is $1,933 per quarter for residence hall bed, together with a $1,301 board charge per quarter for a 209 meal per quarter plan. The residence hall system had a total of 3,862 beds available for occupancy for students in 2010. The occupancy rate for all available rooms for the 2010 Fall Quarter was 100.2% as of September 30, 2010.

### Parking

The University has established rate schedules for its parking lots, campus drives and garages based on hourly and quarterly usage for students and monthly rates for faculty and staff. The following rates are effective as of July 2010 for the various parking facilities.
### Faculty, Staff and Student Rates:

<table>
<thead>
<tr>
<th>Garage/Location</th>
<th>Faculty/Staff</th>
<th>Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCM Garage/Varsity Village Garage and McMicken Decal</td>
<td>$100/month</td>
<td>$300/quarter</td>
</tr>
<tr>
<td>Clifton Court Garage, Kingsgate Garage, Goodman Garage, Calhoun Garage, Zone A designated spaces and CAS designated area</td>
<td>$87/month</td>
<td>$261/quarter</td>
</tr>
<tr>
<td>Woodside Drive Garage, Campus Green Garage, Eden Avenue Garage Levels 1-7</td>
<td>$75/month</td>
<td>$225/quarter</td>
</tr>
<tr>
<td>Stratford Garage:</td>
<td>$70/month</td>
<td>$210/quarter</td>
</tr>
<tr>
<td>Stratford Lot, Corry Garage and University Garage:</td>
<td>$50/month</td>
<td>$150/quarter</td>
</tr>
<tr>
<td>Lot 13, Lot 16 and Lot 22:</td>
<td>$41/month</td>
<td></td>
</tr>
<tr>
<td>Eden Garage Level 8 and CAS (B/3) Zone:</td>
<td>$41/month</td>
<td>$123/quarter</td>
</tr>
<tr>
<td>Reading Lot and Winslow Lot:</td>
<td>$21/month</td>
<td></td>
</tr>
</tbody>
</table>

The handicapped parking rate for students is $150.00 per quarter. Hourly garage parking is available in half-hour increments to a maximum of $9.00 for 24 hours. Evening decals and evening hourly rates are available for the CCM, Clifton Court, Campus Green and Corry garages.

### Fee Regulations

All fees required of students must be paid in advance as a condition of registration. If the fees are not paid promptly, the University may exclude students from their classes. The University allows students and their parents to pay educational expenses in low-cost monthly payments through contracts with private financial organizations. Student fees are subject to change by action of the Board; such changes take effect at once and apply to students already enrolled, unless otherwise specified. The University allows fees for tuition, room and board to be refunded proportionately when the student withdraws on or prior to the fifteenth day of the academic quarter.
STATE APPROPRIATIONS

All State universities in Ohio receive State financial assistance for both operations and capital improvements through appropriations by the General Assembly. Such State appropriations contribute substantially to the successful maintenance and operation of the University.

The following table shows State Operating Appropriations for the past five Fiscal Years (dollars in thousands):

<table>
<thead>
<tr>
<th>Fiscal Year Ending June 30</th>
<th>State Operating Appropriations</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>$179,857</td>
</tr>
<tr>
<td>2007</td>
<td>185,863</td>
</tr>
<tr>
<td>2008</td>
<td>193,814</td>
</tr>
<tr>
<td>2009</td>
<td>211,836</td>
</tr>
<tr>
<td>2010</td>
<td>211,291</td>
</tr>
</tbody>
</table>

State income and budget constraints have compelled and from time to time in the future may compel a stabilization or reduction of the level of State assistance and support for higher education in general and the University in particular, and temporary adjustments in payment schedules of moneys appropriated to the University. In addition, appropriations made by the General Assembly for higher education and other purposes are subject to decreases by the Governor pursuant to Section 126.08, Ohio Revised Code. State operating appropriations are classified as non-operating revenue on the University’s financial reports. For Fiscal Year 2010, when the total State operating appropriation is added to the University’s operating revenues, it represents 24% of the University’s total operating revenues.

A new State funding formula was implemented for the Fiscal Year 2010 budget. Funding allocations are based on course completions rather than enrollments alone; other measures include attracting, retaining and graduating at risk students; degree attainment success factors and incentives for courses in Science, Technology, Engineering and Mathematics (STEM) fields. The new formula for base instructional subsidy, decreased levels of other State subsidies (such as Access and Success Challenge subsidies), combined with federal stimulus funding, results in the level of State support to the University for Fiscal Year 2010 at an amount slightly less than the Fiscal Year 2009 funding. This State funding level was also coupled with a zero increase to in-State undergraduate tuition for Fiscal Year 2010. The University achieved the Fiscal Year 2010 budget projections as a result of increased enrollment, disciplined spending, the implementation of performance based budgeting, and a 3% increase in graduate tuition and a 5% increase in professional tuition (Law and Medicine).

The University Board of Trustees approved a 7% resident undergraduate tuition increase for Fiscal Year 2011 in March 2010. The University developed the Fiscal Year 2011 operating budget to be consistent with the Fiscal Year 2010 budget, and took into consideration a portion of the Fiscal Year 2010 enrollment growth, the approved tuition increase, future State reductions, increased contractual obligations and planned initiatives.

One important initiative within the University’s operating budget began in Fiscal Year 2010 and continued in Fiscal Year 2011 relates to an expected future loss of annual funding. Stimulus funding is expected to be discontinued in Fiscal Year 2012. In Fiscal Year 2010 the University created a line item reserve to replace a portion of State operating support provided through Stimulus Funding. The reserve is
a permanently budgeted line item and originally was established at $4 million in Fiscal Year 2010 and increased by $12.2 million in Fiscal Year 2011. Thus, the University has established a $16.2 million permanently budgeted line item to help address an expected future challenge.

In September 2010, the Ohio Board of Regents informed all public higher education institutions that there will be a lapse in the State Share of Instruction (SSI) funding (the University’s main source of State funding) for Fiscal Year 2011, in the amount of $127.5 million. The University of Cincinnati’s share of this lapse is anticipated to be approximately $12.8 million. The University expects to balance the Fiscal Year 2011 budget through expense reduction and revenue growth.

Actual enrollment for Fiscal Year 2011 is larger than budgeted; it is the highest ever in the University’s 191-year history, surpassing 41,000. The freshman class is comprised of a record 45 National Merit Scholars and has the highest GPA and SAT scores of any incoming freshman class. UC’s progresses on retention and graduation rates as well as its increasing national reputation are all contributing to the enrollment increases.

As is always the case, the University is researching new means of attracting and generating new income sources, and is implementing new programs that will allow for increases in research funding. The University is working closely with the Ohio Board of Regents, the Governor and the State Legislators to insure that future budget proposals will result in a more opportunistic State-funding situation for all Higher Education Institutions in the State of Ohio under the new University System of Ohio. However, the University expects that the Fiscal Year 2012-13 biennium will be a difficult one in terms of State funding. Estimates of a State of Ohio biennial budget gap of as much as $8 billion have been anticipated with little or no direction from the State as to how that budget gap will be closed. At the very least, UC anticipates losing SSI funding that has come from federal stimulus dollars in the amount of $31 million annually, and is preparing internally now for a $45 million decrease in State funding for Fiscal Year 2012. UC will cover $15 million annually with the permanent reserve funding already set aside for that purpose. The balance will come from a combination of revenue increases and significant budget cuts. University administration continues to address the anticipated State cuts in higher education funding for the Fiscal Year 2012-13 biennium.

The University also receives State capital appropriations every biennium. Appropriations are primarily used for renovation/rehabilitation and construction of academic facilities. As of August 31, 2010, the University has State appropriated funds of $36,700,000 for future capital expenditures. Appropriated State capital funds are comprised of:

- Released encumbered funds not yet expended - $3,000,000
- Released unencumbered funds - $16,300,000
- Unreleased and re-appropriated funds - $17,400,000

Available State capital appropriations will be used for the following projects/initiatives:

- Barrett Cancer Center/Vontz 330 Lab Renovation
- Medical Science Building Rehabilitation
- Raymond Walters College Expansion
- Rieveschl 500 Level Teaching Labs
- Basic Renovations
  - Uptown Campus, Clermont College and Raymond Walters College
- Instructional Equipment
  - Uptown Campus, Clermont College and Raymond Walters College

- A-30 -
Beginning in Fiscal Year 1998, State universities in Ohio received a capital component allocation determined by a formula that considers the volume of educational activities (credit enrollment, research and noncredit job training) on each campus and the age of the institution and facilities. The University (Uptown Campus, Clermont College and Raymond Walters College) received the following capital allocation for the 2009-2010 biennium:

- Capital Component - $30,200,000
- Basic Renovations - $11,500,000
- Instructional Equipment - $1,900,000

There can be no assurance that future State appropriations for operating or capital improvement purposes will be made available in the amounts requested, required or budgeted by the University. The General Assembly currently determines such appropriations biennially.

TEMPORARY INVESTMENT POOL

The Temporary Investment Pool for the University is the investment vehicle for pooling and investing funds which are temporarily available. Operating and other funds for all areas of the University participate in the Pool. The pooling allows the investment plan to take a longer-term perspective than would otherwise be appropriate, since declines in some funds will be offset by increases in others. This has provided a growing “permanent” base for investing. All securities are carried at market value.

Since the portfolio is structured to meet known needs, other than changes that result from cash flow, few changes in the portfolio are anticipated. The quality of the portfolio is monitored so that appropriate action can be taken should the quality of an issuer begin to deteriorate sufficiently to warrant action. Otherwise, the current portfolio holdings are expected to remain essentially as they are for the foreseeable future.

As of June 30, 2010, the book value of the portfolio was $286,539,274 and the market value was $288,367,334. The average life of the investments was 1.1 years. The Administrative Investments Committee believes this is a high quality portfolio that is appropriately invested for the University’s needs. The maturity schedule is set with cash needs in focus.

UNIVERSITY POLICIES AND PROCESSES

As part of the University’s strategic plan, a number of policies and processes have been developed and implemented, designed to improve efficiency and reduce expenditures. Policies that focus on improving cash balances and reducing the accumulated negative fund balances, enacting a realistic performance based budgeting process, as well as the ongoing review of academic programs, collegiate restructuring and administrative streamlining will allow the University to respond to economic challenges with significant strength.

Operating Cash Policy

The University’s Board of Trustees approved the University Operating Cash Policy in November 2006. This policy was developed to build the University’s operating cash balance over a period of time, to an average daily balance of no less than 25% of annual operating budget expenditures and transfers, and a minimum daily balance of no less than 17% of annual operating budget expenditures and transfers.
Policy levels are based on the University’s operating budget, annual financial statements and typical monthly cash disbursements. The policy will be achieved over time by such actions as implementing an all-funds balanced operating budget process, disciplined payoff of existing funds that are in a deficit position, closely evaluating all capital projects, concentration on receivables management and expense/deficit control at the Vice President for Finance level (in consultation with the appropriate Senior Vice President). As required by the policy, cash position is monitored by a committee on a periodic basis to assure the cash policy levels are achieved and cash status is reported to the board on an annual basis. The policy also requires a reassessment every three years.

By improving the operating budget process, retiring certain funds that were in a deficit position, reducing receivables and improving overall financial performance in Fiscal Years 2007 through Fiscal Year 2010, the University was able to increase its operating cash balance by $153,800,000 from Fiscal Year 2006. In addition to these efforts, the University adjusted its financial management approach in the spring of 2008. A Liquidity Reserve Fund was established by the Board of Trustees in February 2008, which would retain the cash conserved by the restructuring of the University’s near term principal payments on its fixed rate, general receipts debt. The liquidity reserve was funded in Fiscal Years 2008 and 2009; the balance in the reserve as of June 30, 2010 is $54,898,000.

The cash balances of the University for the five most recent Fiscal Years are shown below.

<table>
<thead>
<tr>
<th>Operating Cash Balances (Excludes Endowment Assets)</th>
<th>Fiscal Year Ended June 30</th>
<th>(Dollars In Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>2007</td>
<td>2008</td>
</tr>
<tr>
<td>Operating Cash</td>
<td>$37,000</td>
<td>$67,000</td>
</tr>
</tbody>
</table>

Accumulated Negative Fund Balance Initiative

The University’s Board of Trustees approved a University policy in November 2008, relating to the elimination of accumulated negative fund balances. Over many years, the University has permitted a mixture of academic, auxiliary and institutional departments to accumulate negative balances for a variety of reasons. These accumulated budget overruns have resulted in negative fund balances. This policy was developed to address how the University will systematically fully discharge the current negative fund balances.

The accumulated negative fund balance is reflected on the University’s Balance Sheet as a deficit in Unrestricted Net Assets. As of June 30, 2007, the deficit in Unrestricted Net Assets was $186,786,000; the deficit as of June 30, 2008 was $124,565,000; the deficit as of June 30, 2009 was $60,827,000; and the deficit as of June 30, 2010 was $6,554,000. The deficit in unrestricted net assets decreased by approximately $62,000,000 in 2008 due to disciplined financial activities, integrated budget planning, a transfer of funds from College of Medicine expendable and quasi-endowments and the restructuring of the 2008 bond maturities. The $63,700,000 reduction in the unrestricted net asset deficit for Fiscal Year 2009 was due to continued focus on disciplined financial activities and the restructuring of the 2009 bond maturities. Fiscal Year 2010’s reduction in the unrestricted new asset deficit is due to improved operations and a continued focus on fiscal responsibility. The University will continue to allocate permanent budget dollars within the budget process to focus on future reductions.
Performance-Based Budgeting

The University’s Board of Trustees institutionalized the University’s adoption of a Performance-Based Budgeting model in March 2009. The University implemented the performance-based budgeting model University-wide in Fiscal Year 2010. This model replaces the historical allocation of resources that was dependant on the previous year’s budget. The model incentivizes growth and efficiencies and is based on a set of guiding principles that guarantees transparency and accountability. The performance-based budgeting model is resource and enrollment driven, and is tied to the University’s mission. Each college is assigned a budget threshold that it has to obtain; it can meet that threshold by either increasing enrollment and/or decreasing costs. Progress on plans to meet thresholds is monitored quarterly and budget adjustments are made as necessary. The model allows for the college units to share in the savings that are a result of exceeding their established thresholds. The budgeting process is broadly representative and co-managed by the Provost and by the Senior Vice President for Administration and Finance, working with the college deans and vice presidents.

Investment Policy of the University

The administration of the University’s invested funds is governed by policies established by the Board of Trustees. These policies, which encompass the University’s endowment fund “A” (pooled endowment), gifted real estate, and temporary investment pool, are briefly described below:

Endowment Fund A

The University endowment investment policy’s goal shall be to produce real growth in assets, net of administrative and investment fees, by generating a total endowment rate of return which is greater than, or equal to, the spending rate established by the university’s endowment spending policy plus the rate of inflation. The university also elects to partially fund its development program via a fee to be taken annually from “A” pool assets.

Uniform prudent management of institutional funds act of Ohio (UPMIFA): The state of Ohio enacted UPMIFA by passing Amended House Bill 522, effective June 2009, providing standards for endowment investment management and spending. The university acknowledges its obligations under UPMIFA under the terms of paragraphs (3) and (4) of this rule.

Investments in endowment fund “A” shall be made in accordance with the following guidelines: The asset mix of the general investment fund “A” pool may range from eighty-five per cent variable investments and fifteen per cent fixed income investments to fifteen per cent variable investments and eighty-five per cent fixed income investments, at any one time, at the discretion of the administrative investments committee. Qualified equity and fixed income investments shall consist of the following:

Variable investments; Common stocks (publicly traded, domestic or international); Preferred stocks (publicly traded, domestic or international; Private equity; venture capital; funds engaged in hedged strategies; and energy or natural resources. Such investments shall not be subject to the conditions in paragraphs (A)(2)(b), (A)(2)(c), and (A)(2)(d) of this rule.

Public and private equity real estate, including real estate investment trusts and limited partnerships; and direct real estate holdings where a market rate of return can be expected.
Securities lending as an enhancement of current investment strategies may be utilized for endowment fund “A” investments, if conducted in a manner consistent with prudent collateralization, counterparty risk, and other industry risk protection practices. U.S. dollar denominated fixed income investments, U.S. and foreign government and agency obligations, U.S. and foreign corporate debt obligations, U.S. and foreign convertible bonds, Collateralized mortgage-backed obligations, Loans with reasonably structured repayment terms, bearing a market rate of return, and having strategic value to the university campus. Such investments shall be supported by a written statement of justification and shall be approved by the chair of the finance and administration committee and the president of the university, after notification to the full board of trustees. The total of such investments shall not exceed the greater of sixty per cent of the fixed income allocation of the general investment fund “A” pool, or seventy-five million dollars, at the time of investment. Such investments shall not be subject to the conditions in paragraphs (A)(2)(b), (A)(2)(c), and (A)(2)(d) of this rule.

Bonds purchased must be limited to those in the first four grades of any rating system; convertible bonds purchased must be limited to those in the first five grades. Investment managers specifically authorized to invest in high yield bonds shall not be subject to these rating grade limitations. The weighted average of the maturities in the portfolio should not exceed twenty years and an attempt should be made to diversify the maturities.

At the time of purchase no more than five per cent of each manager’s allocated portion of fund “A” may be invested in any one issuer or investment, except U.S. federal government securities or its agencies or government sponsored enterprises or government sponsored private corporations and with the exception of indirect real estate and participating mortgages.

Investments shall be diversified consistent with prudent investment management practices. Such diversification shall be in accordance with an asset allocation policy developed and administered by the administrative investments committee and reviewed, at least annually, with the board of finance and administration committee.

Spending Policy

The income distribution for endowment spending in a fiscal year shall be five per cent times the previous twelve-quarter moving average of market value. This formula shall be applied to the twelve quarters ending on December thirty-first prior to the fiscal year in question, so that final budget guidance on available income can be issued. For fiscal years 2007, 2008, and 2009, the spending policy will be temporarily increased to six per cent times the previous twelve-quarter moving average of unit market value.

Strategic Community Investments

Additional endowment funds may be invested in loans, direct real estate or other investments not yielding a market rate of return, that are judged to be of a long term strategic importance to the university. Such investments shall be held separately from the endowment fund “A” and must be approved by the chair of the finance and administration committee and the president of the university, after notification to the full board of trustees. The total of such investments shall not exceed twenty-five million dollars at any time.
Temporary Investment Pool

The investment administrators, consisting of the vice president for finance, the associate vice president for financial services, the treasurer, and the associate treasurer, who shall constitute an investment committee in accordance with the provisions of section 3345.05 of the Ohio Revised Code, or an outside investment manager hired and actively supervised by such committee, shall each be authorized to select, buy, and sell money market securities needed to invest temporarily idle funds. The investment committee and any outside investment manager shall discharge their duties with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. Such securities should be limited to those issued by the U.S. government and federal agencies, government sponsored enterprises and government sponsored private corporations, plus prime commercial paper, certificates of deposit and other money market securities as outlined in the temporary investment policy that follows:

The investment administrators are authorized to invest the university’s accumulated cash balances in the following investment vehicles: U.S. treasury notes, bills and bonds, any federal agency notes, bills, and bonds, World bank bonds, Inter American development bank notes, Asian development bank notes, private export funding corporation notes, bank certificates of deposit, Bank repurchase agreements, banker’s acceptances, bank and corporate commercial paper, corporate notes and bonds, money market funds, collateralized mortgage obligations, any government sponsored enterprise notes, bills, and bonds any government sponsored private corporation notes, bills and bonds, investment pools created by the state of Ohio for the purpose of holding assets of political subdivisions; investment agreements, including guaranteed investment contracts, securities lending as an enhancement of current investment strategies, if conducted in a manner consistent with prudent collateralization, counterparty risk, and other industry risk protection practices.

The temporary investment funds should be invested for diversification of risk and yield, with the following recommended limits for each type of investment. Commercial paper, corporate notes and bonds. Investments may be made in the commercial paper issued by banks or bank holding companies headquartered or branched in Ohio and in those national companies rated “PI” by “Moody’s Investor Service” or “A-1” by “Standard and Poor’s”. Investments may be made in corporate notes and/or bonds issued by national companies rated “A” or better by “Moody’s Investor Service” or “A” or better by “Standard and Poor’s”. Total investments in corporate commercial paper, notes and bonds should be limited to no more than fifty per cent of the total investments in the temporary investment pool, and to no more than five per cent of the total investments in the corporate obligations of any one company at any time, with the exception that significant inflows or outflows of cash may temporarily cause sweep accounts to be invested such that ten per cent of the total fund is in one company’s obligations.

Bankers acceptances: Investments may be made in readily tradable bankers acceptances up to a maximum of fifteen percent of the temporary investment pool investments at any one time. These bankers acceptances are to be limited to those issued through banks headquartered or branched in Ohio and to those issued by the top one hundred banking companies in the United States.

Bank certificates of deposit: Limited to banks headquartered or branched in Ohio, and to those issued by the top one hundred banking companies in the United States. There is no dollar limit, and certificates of deposit are to be collateralized for all amounts beyond government insurance.

Repurchase agreements: There is no dollar limit and the agreements shall be collateralized by U.S. government obligations.
Government securities: The portion of funds to be invested in U.S. government, U.S. government agency, U.S. government sponsored enterprises, or U.S. government sponsored private corporations are not limited as to amount or type. It is expected that these monies will be diversified among the approved investments available.

Collateralized mortgage obligations: Investments may be made in collateralized mortgage obligations rated “AAA” by “Standard and Poor’s” and secured by mortgage-backed certificates issued by governmental national mortgage association, federal home loan mortgage corporation or federal national mortgage association. Total investment in collateralized mortgage obligations is limited to no more than ten per cent of the total investments in the temporary investment pool.

Money market funds: Investments may be made in money market funds organized in accordance with the requirements of the Securities and Exchange Commission and managed by a registered investment advisor.

State of Ohio investment pools: Investments may be made in investment pools created by the state of Ohio for the purpose of holding assets of political subdivisions.

Maturities: The weighted average life of the pool shall be no longer than five years and may be spread to take care of cash flow needs.

Investment agreements, including guaranteed investment contracts: It is preferred that such investments should be fully collateralized with the collateral held by a third party and marked to market at least quarterly. The underlying collateral should be rated in one of the two highest rating categories assigned by a nationally recognized rating agency for that category of financial instrument. If the contract is not collateralized, it should be with an entity that is rated by a nationally recognized rating agency whose rating is in one of the two highest rating categories assigned by such rating agency.

At least twenty-five percent of the invested funds shall at all times be maintained in securities of the United States government or of its agencies or instrumentalities, the treasurer of the state’s pooled investment program, obligations of this state or any political subdivision of this state, certificates of deposit of any national bank located in this state, written repurchase agreements with any eligible Ohio financial institution that is a member of the federal reserve system or federal home loan bank, money market funds, or bankers acceptances maturing in two hundred seventy days or less which are eligible for purchase by the federal reserve system as a reserve.

The temporary investment pool investment administrators shall meet at least quarterly. They shall review and recommend revisions to the board’s investment policy for the temporary investment pool and shall advise the board on its investments in the pool. The committee shall be authorized to retain the services of an investment advisor who meets both of the following qualifications: The advisor shall be either licensed by the division of securities under section 1707.141 of the Ohio Revised Code or registered with the Securities and Exchange Commission. The advisor either has experience in the management of investments of public funds, especially in the investment of state government investment portfolios or is an eligible institution referenced in section 135.03 of the Ohio Revised Code.
**Donor Directed Investments**

On occasion the university accepts an endowed gift where the donor places restrictions as to the investment held, yield target or type of investment. If the donor’s directions are not unduly onerous, then the administrative investments committee shall accept the gift but shall attempt to influence the donor to permit pooling of the assets, either immediately or at some future date.

**Separately Invested Endowment Funds**

Additional endowment funds may be invested in loans, direct real estate, or other investments not yielding a market rate of return, that are judged to be of long term strategic importance to the University. Such investments shall be held separately from the endowment fund “A” and must be approved by the chair of the finance committee and the President of the University, after notification to the entire Board of Trustees. The total of such investments shall not exceed $25,000,000 at any time.

The University has already made $16,208,000 of loans from Separately Invested Endowment Funds, and it is currently considering making additional Strategic Loans and/or investments of Separately Invested Endowment Funds for real estate development projects located on the periphery of the University’s campus.

**Gifted Real Estate**

An annual review of all real estate holdings is performed to determine if the property should be sold or if the net rate of return from rental income can be increased. Proposed real estate gifts to the University are reviewed, prior to acceptance, in order to assure that an asset will be received, that clear title will be conveyed and to ascertain whether any environmental hazards or similar liabilities exist.
APPENDIX B

SUMMARY OF RESTATED TRUST AGREEMENT

The following is a summary of certain provisions of the Restated Trust Agreement dated as of May 1, 2001, between the University of Cincinnati and Fifth Third Bank (now, by sale of its corporate trust services, The Bank of New York Trust Company, N.A.), as Trustee, which agreement amends and restates the Trust Agreement between the University of Cincinnati and The Fifth Third Bank, dated as of May 1, 1974 (the “Original Trust Agreement”). Although the Series 2001 Bonds were issued pursuant to the Original Trust Agreement, the Restated Trust Agreement will take effect immediately after their issuance and control the Series 2001 Bonds in all aspects other than their issuance. This summary is not to be regarded as a complete statement of the Restated Trust Agreement to which reference is made for a complete statement of the actual terms thereof. Copies of the Original Trust Agreement and the Restated Trust Agreement are on file with the Trustee.

DEFINITION OF CERTAIN TERMS

The terms defined below are among those used in the Official Statement and in the summary of the Restated Trust Agreement which follow:

“Balloon Indebtedness” means (a) a series of Bonds, twenty-five percent (25%) or more of the principal of which matures on the same date, which portion of the principal is not required by the applicable Supplemental Trust Agreement to be amortized prior to such date, or (b) a series of Bonds with a maturity of seven years or less, issued in anticipation of Bonds with a longer maturity.

“Board” means the Board of Trustees of the University, or if there shall be no such Board of Trustees, such Person or body which pursuant to law or the organizational documents of the University is vested with the power to direct the management and policies of the University, and shall include any committee empowered to act on behalf of such board or body.

“Bond” or “Bonds” means any bond, or all of the bonds, or an issue or series of bonds, as the case may be, as so identified in the certificate of the Fiscal Officer, of the University issued pursuant to the 2001 General Bond Resolution, a Series Resolution and the Restated Trust Agreement, as well as any bond or bonds outstanding and issued under the terms of the Original Trust Agreement. The definition of Bond and Bonds does not include “Note” or “Notes”.

“Bond Redemption and Purchase Account” means the Bond Redemption and Purchase Account authorized and created pursuant to Section 4.05 of the Restated Trust Agreement.

“Bond Service Reserve Account” means the Bond Service Reserve Account authorized and created pursuant to Section 4.03 of the Restated Trust Agreement.

“Capital Appreciation Bonds” means those Bonds payable at par value at maturity, the payment of which includes compound accreted amounts as specified in a Series Resolution or Supplemental Trust Agreement.
“Certificate of Award” means, with respect to any series of Obligations, the Certificate of Award for such series, if any, authorized in the applicable Series Resolution or the contract of purchase for such series of Obligations.

“Costs of University Facilities” means the costs of or related to University Facilities, and the financing thereof, for the payment of which Obligations may be issued under the Act.

“Credit Enhancer” means the issuer of a Credit Support Instrument.

“Credit Support Instrument” means an irrevocable letter of credit, line of credit, insurance policy, guaranty or surety bond or similar instrument providing for the payment of or guaranteeing the payment of principal or purchase price of and interest on Obligations when due, either to which the University is a party or which is provided at the request of the University.

“Crossover Amount” means the amount of money and Government Bonds which are on deposit in a Crossover Escrow Account and which, together with investment income thereon, are held as provided in the definition of “Crossover Refunded Bond”.

“Crossover Date” means, when used with respect to any particular Crossover Refunding Bonds and Crossover Refunded Bonds, the date on which the Crossover Amount on deposit in a Crossover Escrow Account shall be used to retire all such Outstanding Crossover Refunded Bonds for which such Crossover Escrow Account was established.

“Crossover Escrow Account” means an escrow account in which a Crossover Amount is deposited.

“Crossover Refunded Bond” means any Obligation if:

(i) The Trustee shall have received and shall hold in trust for and irrevocably committed thereto, moneys sufficient, or

(ii) The Trustee shall have received and shall hold in trust for and irrevocably committed thereto, Government Bonds which are certified by an independent certified public accountant to be of such maturities, irrevocably established redemption dates or irrevocably established repurchase dates (if such Government Bonds are subject to a repurchase agreement) and interest payment dates, and to be of such principal amounts or irrevocably established redemption prices and to bear such interest, which together with any moneys to which reference is made in paragraph (i) above, without the need for further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (which earnings are to be held likewise in trust, except as provided herein), will be sufficient:

(A) for the payment of all principal of and premium, if any, on such Obligation as the same becomes due, whether at its maturity or redemption date or otherwise, as the case may be, or if a default in payment shall have occurred on any maturity or redemption date, then for the payment of all principal of and premium on such Obligation to the date of the tender of payment; provided, that if any such Obligation is to be redeemed prior to the maturity thereof, notice of that redemption shall have been given or irrevocable provision shall have been made for the giving of that notice and
(B) for the payment of interest (in whole or in part) on any Crossover Refunding Bonds, the proceeds of which were, in whole or in part, deposited in such Crossover Escrow Account, or both. Prior to the Crossover Date, the Crossover Amount may be pledged as security for the Crossover Refunding Bonds, the Crossover Refunded Bonds, or both. The moneys and proceeds of such Government Bonds shall, to the extent needed, be used for the foregoing purposes or used to reimburse a provider of a Credit Support Instrument for amounts advanced by it for the foregoing purposes.

“Crossover Refunding” means an advance refunding in which Crossover Refunding Bonds are issued to refund Crossover Refunded Bonds and in which a Crossover Amount is deposited in a Crossover Escrow Account.

“Crossover Refunding Bond” means any Obligation, to the extent that any proceeds from the sale thereof shall, upon deposit in a Crossover Escrow Account, constitute a Crossover Amount.

“Debt Service Account” means the Debt Service Account within the Debt Service Fund authorized and created pursuant to Section 4.01 of the Restated Trust Agreement.

“Debt Service Charges” means, generally, for any applicable time period, the principal (including any Mandatory Sinking Fund Requirements), interest and redemption premium, if any, required to be paid by the University on the Obligations pursuant to any Series Resolution, less any capitalized interest for such time period and accrued interest on deposit in the Debt Service Account. The methods for determining Debt Service Charges for the Obligations with Mandatory Sinking Fund Requirements, Obligations which are insured or secured by a Credit Support Instrument, or Obligations which are Variable Rate Bonds, Balloon Indebtedness, Capital Appreciation Bonds, Crossover Refunded Bonds or Crossover Refunding Bonds are set forth in Section 2.02 of the Restated Trust Agreement.

“Debt Service Fund” means the Debt Service Fund authorized and created in Section 4.01 of the Restated Trust Agreement.

“Event of Default” means an Event of Default as defined in Section 6.01 of the Restated Trust Agreement.

“Fiscal Officer” means either the Vice President for Finance or the Treasurer of the University or such other person designated by the Vice President for Finance or the Treasurer to act as Fiscal Officer for purposes of the Restated Trust Agreement.

“Fiscal Year” means a period of twelve consecutive months constituting the fiscal year of University commencing on the first day of July of any year and ending on the last day of June of the next succeeding calendar year, both inclusive, or such other consecutive twelve month period as hereafter may be established from time to time for budgeting and accounting purposes of the University by the Board to be evidenced, for purposes hereof, by a certificate of the Fiscal Officer filed with the Trustee.

“General Receipts” means all moneys received by the University, except: (i) moneys raised by taxation and state appropriations; (ii) any grants, gifts, donations and pledges and receipts therefrom which under restrictions imposed in the grant or promise thereof or as a condition of the receipt thereof are not available for payment of Debt Service Charges; and (iii) any special fee charged pursuant to Section 154.21(D) of the Ohio Revised Code and receipts therefrom.
“Government Bonds” means (a) direct obligations of the United States of America for the payment of which the full faith and credit of the United States of America is pledged, (b) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the United States of America, the payment of the principal of, premium, if any, and interest on which is fully guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (a) or (b) issued or held in book-entry form on the books of the Department of Treasury of the United States of America or Federal Reserve Bank), and (c) securities which represent an interest in the obligations described in (a) and (b) above.

“Mandatory Sinking Fund Requirements” means amounts required by any Series Resolution or the Certificate of Award to be deposited to the Debt Service Account in any fiscal year for the purpose of retiring principal maturities of Obligations which by the terms of such Obligations are due and payable, if not called for prior redemption, in any subsequent fiscal year.

“Notes” or “Note” means any note or all of the notes, or an issue of notes, as the case may be, as so identified in the certificate of the Fiscal Officer, including Commercial Paper, issued by the University in anticipation of the issuance of Bonds or receipt of appropriations from the Ohio Board of Regents to pay Costs of University Facilities pursuant to the Act, or to pay costs of refunding or retirement of Notes previously issued pursuant to the Act, the 2001 General Bond Resolution, a Series Resolution and the Restated Trust Agreement, but excludes any note or notes issued prior to the execution and delivery of the Restated Trust Agreement. The definition of Note and Notes does not include “Bond” or “Bonds”.

“Obligations” means Bonds or Notes.

“Original Bond Service Reserve Account” means the Bond Service Reserve Account established under Section 6 of the Original Trust Agreement.

“Original Trust Agreement” means the Trust Agreement dated as of May 1, 1974 between the University and the Trustee, as the same has been amended and supplemented up to the date of the Restated Trust Agreement.

“Post-Amendment Bonds” means any Bonds issued under the Restated Trust Agreement.

“Pre-Amendment Bonds” means any Bonds issued pursuant to the Original Trust Agreement prior to the amendment of the Trust Agreement by the Restated Trust Agreement, other than the Series 2001 Bonds.

“Project Fund” means the Project Fund created in Section 4.06 of the Restated Trust Agreement.

“Rebate Fund” means the Rebate Fund created by Section 4.17 of the Restated Trust Agreement.

“Replacement and Repair Account” means the Replacement and Repair Account created pursuant to the Original Trust Agreement.

“Required Reserve” means, with respect to each series of Pre-Amendment Bonds, the amount deposited into the bond service reserve account created under the Original Trust Agreement on the date of issuance of such series of Pre-Amendment Bonds; provided, that if the moneys in a subaccount of the Bond Service Reserve Account are sufficient to pay the Debt Service Charges on the Bonds for
which such subaccount was created for not only the final maturity of such Bonds, but also a portion of the penultimate maturity (or Bonds due pursuant to mandatory sinking fund redemption), the University may use moneys in such subaccount to pay Debt Service Charges on such Bonds in their final year as well as to pay Debt Service Charges on such Bonds in their penultimate year.

“Reserve Account Ratio” means, with respect to each series of Pre-Amendment Bonds, the quotient produced by dividing the Required Reserve for such series of Pre-Amendment Bonds by an amount equal to the sum of the Required Reserves for all outstanding series of Pre-Amendment Bonds.

“Restated Trust Agreement” means the Restated Trust Agreement, dated as of May 1, 2001, between the University and the Trustee, as the same may be duly amended, modified or supplemented in accordance with its terms.

“Series Resolution” means a Resolution of the Board authorizing one or more series of Obligations and the execution and delivery of a Supplemental Trust Agreement, all in accordance with the 2001 General Bond Resolution and the Restated Trust Agreement.

“Series 2001 Bonds” means the University’s General Receipts Bonds, Series 2001 or whatever series of General Receipts Bonds is the last such series issued pursuant to the Original Trust Agreement.

“Special Funds” means the Debt Service Fund and accounts therein, and any other funds or accounts permitted by, established under, or identified in the Restated Trust Agreement or a Series Resolution and designated as Special Funds. The Rebate Fund shall not be a Special Fund.

“State” shall mean the State of Ohio.

“Subordinated Indebtedness” shall mean obligations (other than Bonds or Notes) which, with respect to any issue thereof, are secured by a pledge of the General Receipts which is subordinate to that of the holders of Obligations and which are evidenced by instruments, or issued under an indenture or other document, containing provisions for the subordination of such obligations.

“Supplemental Trust Agreement” means any one or more of Supplemental Trust Agreements entered into by the parties pursuant to the Restated Trust Agreement and a Series Resolution.

“Trustee” means the Trustee at the time serving under the Restated Trust Agreement, originally Fifth Third Bank and any successor Trustee as determined or designated under or pursuant to the Restated Trust Agreement.

“2001 General Bond Resolution” means the resolution of the Board adopted on March 27, 2001, authorizing the execution and delivery of the Restated Trust Agreement.

“University” means the University of Cincinnati, established and existing under Chapter 3361 of the Ohio Revised Code, and every part and component thereof as from time to time existing, and when the context admits, includes the Board.

“Variable Rate Bond” means a Bond the interest rate on which is an adjustable rate which varies from time to time as provided therein and in the Series Resolution pursuant to which such Bond is issued.
SUMMARY OF CERTAIN PROVISIONS
OF THE AMENDED AND RESTATED TRUST AGREEMENT

Flow of Funds

The University covenants to maintain, so long as any Post-Amendment Bonds or Pre-Amendment Bonds are outstanding, a special fund, designated the “Debt Service Fund”, as a trust fund held by the Trustee separate and apart from other funds of the University. The Debt Service Fund, with the accounts therein, and the General Receipts are pledged to the payment of Debt Service Charges in priority to all other expenses, claims and payments.

Pledge. So long as any Series 2001 Bonds are outstanding under the Restated Trust Agreement, the University covenants and agrees to fix, make, adjust and collect such fees, rates, rentals, charges and other items of General Receipts so that there shall inure to the University General Receipts, in view of other revenues and resources available to the University, sufficient (i) to pay Debt Service Charges then due or to become due in the current Fiscal Year; (ii) to pay any other costs and expenses payable hereunder and (iii) to pay all other costs and expenses necessary for the proper maintenance and successful and continuous operation of the University.

Debt Service Fund. The Trustee shall hold and administer the Debt Service Fund and any other Special Fund created under the Original Trust Agreement and the Restated Trust Agreement, together with the accounts contained therein, upon the terms and conditions, including, without limitation, the terms and conditions set forth in the Original Trust Agreement, the Restated Trust Agreement and the applicable Series Resolution and/or the Supplemental Trust Agreement for the investment of moneys deposited in such Funds. The following accounts are created by the University in the Debt Service Fund: the Debt Service Account, the Bond Service Reserve Account and the Bond Redemption and Purchase Account.

Debt Service Account. The Debt Service Account is hereby pledged to and shall be used solely for the payment of Debt Service Charges as they fall due at maturity or by operation of redemption requirements pursuant to mandatory sinking fund requirements, or for the payment of any amounts due to a Credit Enhancer to the extent as set forth in a Credit Support Instrument. Payments sufficient in time and amount to pay the Debt Service Charges on the Series 2001 Bonds as they become due shall be paid by the University directly to the Trustee and deposited in the Debt Service Account to the extent moneys in the Debt Service Account are not otherwise available therefor. Upon the occurrence and during the continuation of an Event of Default constituting a failure to pay interest, principal or premium on any Obligation when and as the same become due and payable, whether at stated maturity thereof or by redemption or acceleration or pursuant to Mandatory Sinking Fund Requirements with respect to the Series 2001 Bonds, if a subaccount in the Bond Service Reserve Account has been created to secure the Series 2001 Bonds, moneys in the applicable subaccount of the Bond Service Reserve Account may be transferred by the Trustee to the Debt Service Account to be used to pay Debt Service Charges on such series of Bonds pursuant to the provisions relating to the Bond Service Reserve Account of the Restated Trust Agreement. Upon the occurrence and during the continuation of an Event of Default described above, moneys in the Project Fund (if held by the Trustee) may also be transferred by the Trustee to the Debt Service Fund. Except for the “Disposition of Special Funds” as provided for in Section 4.10 of the Restated Trust Agreement, moneys in the Debt Service Account shall be used solely for the payment of Debt Service Charges on the Series 2001 Bonds and for the redemption of Series 2001 Bonds prior to maturity and as otherwise provided in the Restated Trust Agreement and the 2001 General Bond Resolution.
While the Series 2001 Bonds are outstanding, the University covenants that it will include in its budget for each Fiscal Year the amount required to be paid to the Debt Service Fund during such Fiscal Year. The University shall from time to time determine and reflect in such budgets, the amounts from respective sources of General Receipts to be applied to meet such payments, in such manner that the amounts and times of collection meet all payments required to be made into the Debt Service Fund.

**Bond Service Reserve Account. No Supplemental Bond Service Reserve Account has been established for the Series 2001 Bonds.** However, the Bond Service Reserve Account created pursuant to the Original Trust Agreement shall remain in full force and effect and it shall be known as the “Original Bond Service Reserve Account” and such subaccount is pledged to and shall be used, as provided for in the Restated Trust Agreement, solely for the payment of Debt Service Charges on the Pre-Amendment Bonds, except as excess amounts may be transferred pursuant to Section 4.03 of the Restated Trust Agreement. Subsequent series of Obligations may have a Bond Service Reserve Account established, known as the Supplemental Bond Service Reserve Account.

The Trustee shall maintain separate subaccounts within the Original Bond Service Reserve Account for each series of Pre-Amendment Bonds which is outstanding and shall distribute the funds in the Original Bond Service Reserve Account into each such subaccount in an amount equal to the product of Reserve Account Ratio times the amount in the Original Bond Service Reserve Account on the date of such distribution. The various subaccounts within the Original Bond Service Reserve Account shall comprise the Original Bond Service Reserve Account which is pledged as security for all outstanding Pre-Amendment Bonds. If the Trustee is required to transfer money from the Original Bond Service Reserve Account pursuant to the provisions of Section 4.03 of the Restated Trust Agreement, the Trustee shall transfer a pro-rata amount from each subaccount within the Original Bond Service Reserve Account.

A Supplemental Bond Service Reserve Subaccount may be pledged for the payment of Debt Service Charges on any series of Post-Amendment Bonds for which a reserve fund has been mandated pursuant to the Series Resolution which authorized the issuance of such series of Obligations. The Trustee shall create a separate subaccount in the Supplemental Bond Service Reserve Account for each series of Obligations for which a reserve fund has been mandated by the Series Resolution which authorized such series of Obligations and each separate subaccount shall secure only the particular series of Obligations to which it is related.

If on the date upon which Debt Service Charges on any Bonds which are secured by a bond service reserve account or subaccount held by the Trustee fall due, the subaccount within the Debt Service Account related to such Bonds is insufficient to meet such Debt Service Charges to be paid therefrom on such date, the Trustee, without necessity for any order by the University, shall immediately transfer from the appropriate subaccount of the Bond Service Reserve Account an amount sufficient to make up such deficiency in the subaccount of the Debt Service Account. Except as may be provided in the applicable Series Resolution or Supplemental Trust Agreement, if on the day upon which amounts are due to a Credit Enhancer in reimbursement for amounts provided under a Credit Support Instrument, the amount in the subaccount within the Debt Service Account related to such Bonds (other than from any amounts provided under a Credit Support Instrument) is insufficient to pay such amounts to such Credit Enhancer on that date, the Trustee, without necessity for any further order of the University or officer thereof, shall make available for such reimbursement any amounts in the related subaccount of the Bond Service Reserve Account for the series of Obligations to which the Credit Support Instrument applies necessary to make up that insufficiency. The amount so transferred shall be applied only to the payment of Debt Service Charges on the Obligations to which that Bond Service Reserve Account pertains or for
the payment of any amounts due as reimbursement of draws under a Credit Support Instrument to a Credit Enhancer providing a Credit Support Instrument in connection with the Obligations to which that Bond Service Reserve Account pertains.

 Any amount in a subaccount of the Bond Service Reserve Account in excess of the amount required to be contained therein pursuant to the Series Resolution which created such subaccount or the Certificate of Award (the “Required Amount”) shall be transferred to the Bond Service Account or to the Bond Redemption and Purchase Account for the purposes thereof, if and to the extent ordered by the Fiscal Officer. Such excess shall be determined by calculating the Required Amount with reference to outstanding Bonds of the particular series only, excluding any Bonds for the redemption or purchase of which such excess is being transferred to the Bond Redemption and Purchase Account.

Within one hundred fifty (150) days after the end of each Fiscal Year, the University shall, from General Receipts, restore to the various subaccounts within the Bond Service Reserve Account any amounts transferred therefrom or any decrease in value determined pursuant to Section 4.15 of the Restated Trust Agreement in such Fiscal Year so that the amounts in such subaccounts in the aggregate are at least equal to the various Required Reserves and/or Required Amounts, as appropriate.

**Replacement and Repair Account.** The Replacement and Repair Account created pursuant to the Original Trust Agreement is no longer necessary as security for the holders of the Pre-Amendment Bonds and the Account shall be closed and any money or investments contained therein shall be transferred to the Debt Service Account.

**Bond Redemption and Purchase Account.** Any amounts in the Bond Redemption and Purchase Account may be committed, by Series Resolution or other action by the Board, for the retirement of and for Debt Service Charges on specified Obligations and, so long as so committed, shall be used solely for such purposes whether directly or through transfer to the Debt Service Fund. The Fiscal Officer may cause moneys in the Bond Redemption and Purchase Account to be used to purchase any Obligations for cancellation and to redeem any Obligations in accordance with the redemption provisions of the applicable Series Resolution. From moneys in the Bond Redemption and Purchase Account, the Trustee shall transmit or otherwise disburse such amounts at such times as required for the redemption or purchase for cancellation of Obligations, and Debt Service Charges, in accordance with the applicable Series Resolution, or other action by the Board or order of the Fiscal Officer not inconsistent therewith. Any amounts in the Bond Redemption and Purchase Account not required for the purposes thereof pursuant to a commitment theretofore made, may be transferred to the Bond Service Account or the Bond Service Reserve Account upon order of the Fiscal Officer.

**Project Fund.** The Project Account created for the Series 2001 Bonds is a subaccount of the University’s Project Fund. The University, as necessary, shall disburse funds from the Project Fund and the various accounts therein upon the written direction of the Fiscal Officer. If so provided in any Series Resolution or a Supplemental Trust Agreement, any account within the Project Fund may be held and disbursed by the Trustee.

**Denomination; Registration and Replacement**

The Series 2001 Bonds are issuable as fully registered bonds without coupons in the denominations of $5,000 or any integral multiple thereof.

In all cases in which Series 2001 Bonds shall be exchanged or transferred hereunder, the University shall execute and the Registrar or any Authenticating Agent, as the case may be, shall authenticate and deliver Series 2001 Bonds in accordance with the provisions of the Restated Trust Agreement.
Agreement. The exchange or transfer shall be made without charge; provided that the University and the Registrar or the Authenticating Agent, as the case may be, may make a charge for every exchange or transfer of Series 2001 Bonds, sufficient to reimburse them for any tax or excise required to be paid with respect to the exchange or transfer. The charge shall be paid before a new Series 2001 Bond is delivered.

All Series 2001 Bonds issued upon any transfer or exchange of Series 2001 Bonds shall be the valid obligations of the University, evidencing the same debt and entitled to the same benefits under the Restated Trust Agreement as the Series 2001 Bonds surrendered upon transfer or exchange. Neither the University, the Trustee, the Registrar nor any Authenticating Agent, as the case may be, shall be required to make any exchange or transfer of any Series 2001 Bond of any series during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of such Series 2001 Bonds of that series and ending at the close of business on the day of such mailing or to transfer or exchange any such Series 2001 Bonds of that series selected for redemption, in whole or in part, within 90 days following such mailing.

Valuation

For the purpose of determining the amount on deposit to the credit of the Debt Service Account or the Original Bond Service Reserve Account, the value of obligations in which money in such accounts shall have been invested shall be computed at market value or the amortized cost thereof, whichever is lower as an aggregate of such amounts in the Debt Service Account and the Original Bond Reserve Account. For the purposes of determining the amount on deposit to the credit of the subaccounts within the Supplemental Bond Service Reserve Account, the value of the obligations in which moneys in such account have been invested shall be computed in the manner set forth in the Supplemental Trust Agreement which creates such subaccount. The Trustee shall value the Eligible Investments in the Special Funds as of the last day of each Fiscal Year.

Investment of Funds in the Debt Service Fund, Project Fund and Rebate Fund

Moneys in the Debt Service Fund, the Project Fund and the Rebate Fund shall be invested and reinvested by the Trustee (or the Fiscal Officer, as applicable) in Eligible Investments at the oral or written direction of the University, but if oral, confirmed promptly in writing. Investment of moneys in the Debt Service Fund shall mature or be redeemable at the times and in the amounts necessary to provide moneys to pay Debt Service Charges as they become due at stated maturity, by redemption or pursuant to any mandatory sinking fund requirements. Each investment of moneys in the Debt Service Fund, the Project Fund and the Rebate Fund shall mature or be redeemable without penalty at such time as may be necessary to make payments when necessary from such fund. In the absence of any written direction from the Fiscal Officer, the Trustee shall invest all funds in sweep accounts, money-market funds and similar short-term investments, provided that all such investments shall constitute Eligible Investments. The Trustee may trade with itself or its affiliates in the purchase and sale of securities for such investments.

Subject to any directions from the University with respect thereto, and any restrictions contained in the Restated Trust Agreement relating to the Rebate Fund, from time to time, the Trustee may sell at the best price reasonably obtainable Project Fund investments and reinvest the proceeds therefrom in Eligible Investments maturing or redeemable as aforesaid. Any of those investments may be purchased from or sold to the Trustee, the Registrar, an Authenticating Agent, a Paying Agent, or any bank, trust company or savings and loan association affiliated with any of the foregoing. The Trustee shall sell or redeem investments credited to the Debt Service Fund to produce sufficient moneys applicable hereunder to and at the times required for the purposes of paying Debt Service Charges when
due as aforesaid, and shall do so without necessity for any order on behalf of the University and without restriction by reason of any order. An investment made from moneys credited to the Debt Service Fund, the Project Fund, or the Rebate Fund shall constitute part of that respective fund, and each respective fund shall be credited with all proceeds of sale and income from investment of moneys credited thereto.

Eligible Investments consist of:

(a) Direct obligations of the United States (including obligations issued or held in book-entry form on the books of the Department of the Treasury); or obligations the principal and interest of which are unconditionally guaranteed by the United States of America;

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America:

1. U.S. Export-Import Bank (Eximbank)
   Direct obligations or fully guaranteed certificates of beneficial ownership.

2. Farmers Home Administration (FmHA)
   Certificates of beneficial ownership.

3. Federal Financing Bank

4. Federal Housing Administration Debentures (FHA)

5. General Services Administration
   Participation certificates.

6. Government National Mortgage Association (GNMA or “Ginnie Mae”)

7. U.S. Maritime Administration
   Guaranteed Title XI financing.

8. U.S. Department of Housing and Urban Development (HUD)
   Project Notes.
   Local Authority Bonds.
   New Communities Debentures.
   U.S. government guaranteed debentures.
   U.S. Public Housing Notes and Bonds.
   U.S. government guaranteed public housing notes and bonds.

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

1. Federal Home Loan Bank System
   Senior debt obligations.

2. Federal Home Loan Mortgage Corporation (FHLMC or “Freddie Mac”)
   Participation Certificates.
   Senior debt obligations.
3. Federal National Mortgage Association (FNMA or “Fannie Mae”) 
Mortgage-backed securities and senior debt obligations.

4. Student Loan Marketing Association (SLMA or “Sallie Mae”) 
Senior debt obligations.

5. Resolution Fund Corp. (REFCORP) obligations

6. Farm Credit System 
Consolidated systemwide bonds and notes.

(d) Money market funds registered under the Federal Investment Company Act of 
1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P 
of AAAM-G; AAAM; or AAm.

(e) Certificates of deposit secured at all times by collateral described in (a) and/or (b) 
above. Such certificates must be issued by commercial banks, savings and loan associations or mutual 
savings banks. The collateral must be held by a third party and the bondholders must have a perfected 
first security interest in the collateral.

(f) Certificates of deposit, savings accounts, deposit accounts or money market 
deposits which are fully insured by FDIC, including BIF and SAIF.

(g) Investment Agreements, including GIC’S, acceptable to the Credit Enhancer 
whose Credit Support Instrument secures the applicable series of Obligations, if any.

(h) Commercial paper rated, at the time of purchase, “Prime - 1” by Moody’s and 
“A-l” or better by S&P.

(i) Bonds or notes issued by any state or municipality which are rated by Moody’s 
and S&P in one of the two highest rating categories assigned by such agencies.

(j) Federal funds or bankers acceptances with a maximum term of one year of any 
bank which has an unsecured, uninsured and unguaranteed obligation rating of “Prime - 1” or “A3” or 
better by Moody’s and “A-1” or “A” or better by S&P.

(k) Repurchase agreements which provide for the transfer of securities from a dealer 
bank or securities firm (seller/borrower) to a buyer/lender, and the transfer of cash from a buyer/lender to 
the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the 
cash plus a yield to the buyer/lender in exchange for the securities at a specified date.

Repurchase Agreements must satisfy the following criteria or be approved by the Credit 
Enhancer whose Credit Support Instrument secured the applicable series of Obligations, if any.

1. Repos must be between the buyer/lender and a dealer bank or securities firm.

   a. Primary dealers on the Federal Reserve reporting dealer list which are 
      rated A or better by S&P and Moody’s, or

   b. Banks rated “A” or above by S&P and Moody’s.
2. The written repo contract must include the following:
   a. Securities which are acceptable for transfer are:
      (i) Direct U.S. governments, or
      (ii) Federal agencies backed by the full faith and credit of the U.S.
           government (and FNHA & FHLMC),
   b. The term of the repo may be up to 30 days.
   c. The collateral must be delivered to the buyer/lender, trustee (if trustee is
      not supplying the collateral) or third party acting as agent for the trustee
      (if the trustee is supplying the collateral) before/simultaneous with
      payment (perfection by possession of certificated securities).
   d. Valuation of Collateral:
      (i) The securities must be valued weekly, marked-to-market at
          current market price plus accrued interest. The value of
          collateral must be equal to 104% of the amount of cash
          transferred by the buyer/lender to the dealer bank or security
          firm under the repo plus accrued interest. If the value of
          securities held as collateral slips below 104% of the value of
          the cash transferred by municipality, then additional cash and/or
          acceptable securities must be transferred. If, however, the
          securities used as collateral are FNMA or FHLMC, then the
          value of collateral must equal 105%.

3. Legal opinion which must be delivered to the buyer/lender:
   a. Repo meets guidelines under state law for legal investment of public
      funds.
      (l) Any state administered pool investment fund in which the University is
          statutorily permitted or required to invest.
      (m) University administered pooled investment funds or other investments in
          conformance with University investment policies.

**Conditions for Issuing Obligations**

No Obligations shall be initially issued unless at the time of authentication of those Obligations:

(i) no Event of Default exists with respect to any covenants or obligations of the
    University contained in the Restated Trust Agreement or in the Obligations, and the
    authentication and delivery of those Obligations will not result in any such Event of Default; and
(ii) the General Receipts of the University for the most recently completed Fiscal Year are at least one and one half times the Maximum Annual Debt Service on all Obligations outstanding and to be outstanding after the issuance of the Obligations then under consideration.

The University may issue Obligations hereunder without the necessity for compliance with the provisions of (i) and (ii) in the preceding paragraph when necessary or appropriate, in the opinion of the Trustee (whose opinion shall be supported by a legal opinion of Bond Counsel or counsel to the University), to avoid an Event of Default under the Restated Trust Agreement.

Nothing contained in the Restated Trust Agreement shall prohibit the University from (a) issuing other indebtedness secured by and payable from the General Receipts, provided that such other indebtedness constitutes Subordinated Indebtedness, and (b) issuing other indebtedness payable from, but not secured by the General Receipts.

**Other Covenants**

The University covenants, among other things, as follows:

1. **Payment.** The University will, from the sources provided in the Restated Trust Agreement, pay or cause to be paid, Debt Service Charges on each and all Obligations on the dates, at the places and in the manner provided in the Restated Trust Agreement, in the applicable Series Resolution and in the Obligations, according to the true intent and meaning thereof.

2. **Maintenance of Pledge.** The University will not make any pledge or assignment of or create or suffer any lien or encumbrance upon the Debt Service Fund or General Receipts prior to or on a parity with the pledge thereof under the Restated Trust Agreement, except as authorized or permitted under the Restated Trust Agreement.

3. **Annual Reports.** Within one hundred and fifty days after the end of each Fiscal Year, the University shall submit to the Trustee, to the Original Purchaser, and to Moody’s and S&P, or their respective successors, an annual report by the University showing the financial operations of the University during the preceding Fiscal Year, which may be in the form submitted to the Ohio Board of Regents or other State officials, and also showing the status of all Special Funds at the end of such Fiscal Year and the receipts thereto and payments therefrom during such Fiscal Year, and such other data as the Trustee may reasonably deem to be relevant under the Trust Agreement and request in writing. Upon request of the Trustee, the University will make available a copy of any report concerning the University prepared by the official auditing agency of the State.

4. **Inspection and Audit of Records.** The Trustee, each Original Purchaser, or the holders of twenty-five percent or more of the principal amount of all outstanding Obligations shall have the right at all reasonable times to inspect any records, books, documents, Special Funds and accounts of the University relating to the Debt Service Fund at its own cost and expense. Such inspection may be conducted by a public accounting firm or other authorized representative selected by the party entitled to make the inspection.
Limitation of Liability

The University of Cincinnati is a State university which is a body politic and corporate and an instrumentality of the State of Ohio. The Series 2001 Bonds shall not be general obligations of the State of Ohio and the faith and credit of the State shall not be pledged to the payment thereof, and the holders and owners of the Series 2001 Bonds shall have no right to have excises or taxes levied by the General Assembly for the payment of principal, interest or any premium.

Default

Events of Default under the Restated Trust Agreement include:

(a) Failure to pay any interest on any Obligation when and as the same shall have become due and payable;

(b) Failure to pay the principal of or any premium on any Obligation when and as the same shall become due and payable, whether at the stated maturity thereof or by redemption or acceleration or pursuant to any Mandatory Sinking Fund Requirements;

(c) Failure by the University to perform or observe any other covenant, agreement or condition on the part of the University contained in the Restated Trust Agreement or in the Series 2001 Bonds, which failure or Event of Default shall have continued for a period of 30 days after written notice, by registered or certified mail, given to the University by the Trustee, specifying the failure or Event of Default and requiring the same to be remedied, which notice shall be given by the Trustee upon the written request of the Holders of not less than twenty-five percent in aggregate principal amount of the Obligations then outstanding; and

(d) Certain events of insolvency.

Defeasance of Series 2001 Bonds

The University may retire the obligations of the outstanding Series 2001 Bonds by depositing with the Trustee moneys or direct or guaranteed United States government obligations sufficient to pay at maturity or upon redemption the principal, interest, redemption premiums and all other sums required to be paid under the Restated Trust Agreement. In such event, the Supplemental Trust Agreement with respect to the defeased Series 2001 Bonds shall cease to be in effect and the defeased Series 2001 Bonds shall no longer be deemed outstanding. Supplemental Trust Agreements may be separately discharged.

Modification of the Restated Trust Agreement Securing Bonds

The Restated Trust Agreement provides that holders of not less than a majority in aggregate principal amount of the Obligations then outstanding shall have the right to consent to and approve the execution by the Trustee and the University of a modification, alteration, amendment or addition to the Restated Trust Agreement or any supplemental agreement in any particular, provided always that no such modification, alteration, amendment or addition shall: (a)(i) reduce the percentage of Obligations the consent of the Holders of which are required to consent to such Supplemental Trust Agreement or (ii) cause a preference or priority of any Obligation or Obligations over any other Obligation or Obligations, without the consent of the Holders of all Obligations then Outstanding, (b) effect a change in the times, amount or currency of payment of the principal of, premium, if any, on or
interest on any Obligation or a reduction in the principal amount or redemption price of any Obligation or
the rate of interest thereon, without the consent of the Holder of each such Obligation so affected or (c)
modify the right of the Holders of not less than twenty-five percent in aggregate principal amount of the
Obligations then outstanding and in default as to payment of principal, premium or interest to compel the
Trustee to declare the principal of all Obligations to be due and payable, without the consent of the
Holders of a majority in aggregate principal amount of the Obligations then Outstanding. If the Trustee
shall receive the consent and approval of holders of not less than a majority in aggregate principal amount
of the Bonds then outstanding, the Trustee shall execute such Supplemental Trust Agreement, without
liability or responsibility to any holder of any Bond. The University and the Trustee may enter into
supplemental trust agreements for certain purposes without notice to the Bondholders.

Requirements of Bond Insurers

Each Bond Insurer has a specific standard set of provisions that applies to each issue it
insures. The various supplemental trust agreements prepared in connection with the respective series of
bonds contain the standard provisions of each Bond Insurer which insures such respective series of bonds.
APPENDIX C

LEGAL APPROVING OPINION OF BOND COUNSEL

The form of the legal approving opinion of Peck, Shaffer & Williams LLP, bond counsel, is set forth below. The actual opinion will be delivered on the date of delivery of the bonds referred to therein and may vary from the form set forth to reflect circumstances both factual and legal at the time of such delivery. Recirculation of the final Official Statement shall create no implication that Peck, Shaffer & Williams LLP has reviewed any of the matters set forth in such opinion subsequent to the date of such opinion.

February 1, 2011

RBC Capital Markets, LLC
Cincinnati, Ohio

Ladies and Gentlemen:

We have examined the transcript submitted relating to the $17,000,000 University of Cincinnati General Receipts Bonds, Series 2011A, dated February 1, 2011 of the Board of Trustees (herein the “Board”) of the University of Cincinnati (herein the “University”), in fully registered form of the denomination of $5,000 and multiples thereof, as provided in the Trust Agreement hereinafter identified.

$17,000,000 University of Cincinnati General Receipts Bonds, Series 2011A (the “Series 2011A Bonds”), are issued by the Board of Trustees of the University, pursuant to the Amended and Restated Trust Agreement, dated as of May 1, 2001, as supplemented, by and between the University and The Bank of New York Mellon Trust Company, N.A., as Trustee, and herein together called the “Trust Agreement”.

The Series 2011A Bonds are issued under the general laws of the State of Ohio, particularly Chapter 3345 of the Ohio Revised Code, and the Trust Agreement, and are entitled to the benefit and security of the Trust Agreement. The Series 2011A Bonds are on a parity in all respects with all Obligations (as defined in the Trust Agreement) issued under the Trust Agreement the conditions to their issuance as Obligations under the Trust Agreement having been met.

We are of the opinion that the laws under which these Series 2011A Bonds are issued are constitutional and the proceedings regular and in due form.

We have examined completely executed Bond No. 2011A-1 of this series and approve its form and execution. The Series 2011A Bonds, in our opinion, are legal and valid obligations of the University, issued by the Board, payable as to both principal and interest from and secured by a lien on and pledge of the General Receipts of the University, as defined in the Trust Agreement.

As provided in the Trust Agreement, additional Obligations may hereafter be authorized and issued on a basis of parity with the currently outstanding obligations, including the Series 2011A Bonds.
Under the laws, regulations, rulings and judicial decisions in effect as of the date hereof, interest on the Series 2011A Bonds is excludible from gross income for Federal income tax purposes, pursuant to the Internal Revenue Code of 1986, as amended (the “Code”). Furthermore, interest on the Series 2011A Bonds will not be treated as a specific item of tax preference, under Section 57(a)(5) of the Code, in computing the alternative minimum tax for individuals and corporations. In rendering the opinions in this paragraph, we have assumed continuing compliance with certain covenants designed to meet the requirements of Section 103 of the Code. We express no other opinion as to the federal tax consequences of purchasing, holding or disposing of the Series 2011A Bonds.

We are further of the opinion that the interest on the Series 2011A Bonds, so long as excludible from adjusted gross income under the Code is excludible from the Ohio personal income tax and so long as excludible from “taxable income” under the Code, is excludible from the net income base used in calculating the Ohio corporate franchise tax.

This opinion is based upon laws, rulings and decisions in effect on the date hereof. In giving this opinion, we have relied upon covenants and certifications of facts, estimates and expectations made by the University and others which we have not independently verified. It is to be understood that the enforceability of the Series 2011A Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other laws in effect from time to time affecting creditors’ rights, and to the exercise of judicial discretion in accordance with general principles of equity.

PECK, SHAFFER & WILLIAMS LLP