

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
UNIVERSITY OF LOUISVILLE FOUNDATION, INC.

March 20, 2012

In Open Session

Members of the University of Louisville Foundation, Inc., Board of Directors met on Tuesday, March 20, 2012, at 12 Noon in the Jefferson Room, Grawemeyer Hall, with members present and absent as follows:

Present Mr. Chester Porter, Chair
 Mr. Chuck Denny
 Dr. Salem George
 Ms. Joyce Hagen
 Dr. James Ramsey
 Mr. Sam Rechter
 Mr. Eddy Roberts
 Mr. Frank Weisberg

Absent: Mr. Burt Deutsch
 Mr. Owsley Frazier
 Ms. Margaret Handmaker
 Mr. Lalit Sarin
 Dr. William Selvidge
 Ms. Debbie Scoppechio
 Mr. William Wilcox

From Legal
Counsel: Mr. David Saffer, Stites & Harbison

Guests: Mr. Brian Lavin, NTS
 Mr. Lewis Borders, NTS
 Mr. Matt Ricketts, NTS
 Mr. Ed Glasscock

From the
ULF: Dr. Shirley Willihnganz
 Mr. Mike Curtin
 Mrs. Kathleen Smith

From the
University: Dr. William Pierce
 Mr. Keith Inman
 Ms. Becky Simpson
 Ms. Cindy Hess

Mr. Michael Kramer
Mrs. Debbie Dougherty

I. Convene Meeting

Having determined a quorum present, Chair Porter called the meeting to order at 12 Noon.

II. Consent Agenda

Char Porter read the consent agenda.

Approval of Minutes

- December 19, 2011

From the Finance Committee:

- Information Item: Quarterly Investment Performance Report
- Information Item: Interim Financial Statements through December 31, 2011

Mr. Denny made a motion, which Mr. Rechter seconded, to approve the consent agenda. Chair Porter noted the Quarterly Investment Performance Report and Interim Financial Statements were for information purposes. He thanked Chair Burt Deutsch and the finance committee members for an excellent job with the investments.

III. Update on 600 North at ShelbyHurst

President Ramsey introduced representatives from NTS Brian Lavin, Lewis Borders and Matt Ricketts.

Mr. Lavin showed a Powerpoint presentation of the 600 North building on ShelbyHurst. He shared several unique qualities of the building, which made it LEED certified. One significant quality was the glass which Louisville Plate Glass supplied. Its design allows for lower utility bills while the glass remains cool regardless of the temperature.

Mr. Lavin reported on current preparation to build two additional buildings at this location.

President Ramsey thanked Mr. Lavin and his team. Revenues generated from this venture will allow the University to maintain its academic mission. Mr. Lavin concurred, noting 80% occupancy of the 600 North building located on ShelbyHurst, receiving the first rent payment on March 1, 2012, with additional rent revenue slated for later this year.

Mr. Lavin reported his company has agreed to contribute 50% of the total costs, including landscaping, to enhance the exterior architectural components of the existing buildings on Shelby Campus.

Despite the twelve budget cuts experienced by the University in a down economy, the President recognized the exceptional undertaking of the entrepreneurial group, consisting of Kathleen Smith, Mike Curtin, Ed Glasscock and Burt Deutsch. The group reviews investment opportunities and makes recommendations to the President. The President determines if the recommendation should move forward to the Foundation's Finance Committee. This process has transformed underperforming assets into performing assets.

Mr. Weisberg congratulated the team on a fabulous accomplishment during a very rough economic time.

Mr. Glasscock complimented the President on a vision to continue moving the University forward. He further commended Kathleen Smith for her outstanding leadership of this committee.

Chair Porter thanked Mr. Lavin and his team for an excellent presentation.

IV. Action Item: Authorization of President to Sign Documents Related to Development Projects

President Ramsey noted this action allows him to sign documents relating to the projects the Foundation has authorized. Mr. Rechter made a motion, which Mr. Denny seconded, to approve the

Authorization of the President to sign all agreements and any other documents with the Republic Bank relating to the Foundation's development projects, e.g., Nucleus, KYT, Cardinal Station, ShelbyHurst, etc.

The motion passed.

V. Report of the President

The President showed a Powerpoint, which he presented at a recent meeting of the Kentucky General Assembly. The Powerpoint included a video highlighting many accomplishments of the University. Highlights of the President's report included: statistics on Kentucky's non-agricultural employment and manufacturing employment; along with some observations on the new and global economies and the effect on higher education. Dr. Ramsey revisited the Seven Strategies for Success enacted by University administration. Despite the state budget cuts, the President showed many solid results achieved by the University, including increases in freshmen ACT scores, 6-year graduation rates, and degrees (undergraduate and doctoral) awarded. He noted research

expenditures rose from \$39.1 Million in 1998 to \$195.5 Million in 2011. Patents increased from 55 in 1998 to 190 in 2011. He noted start-up companies grew from 1 in 1998 to 36 (cumulative) in 2011. He recognized the exceptional growth of the UL Foundation's endowment, from \$317 Million in 198 to its current amount of \$773.3 Million.

The President recognized the University's impact on economic growth between 2003 and 2011:

- UofL activities increased Kentucky's economic output by \$1.5 Billion
 - This is 3.75% of state's net growth
- 12,400 jobs created direct and indirect (estimated)
- Construction projects resulted in an average increase of 2800 jobs
- For every state dollar in funding, UofL was able to attract \$6.15 in external funding

He reported the economic impact of the University's Bucks for Brains program, between fiscal years 2003 and 2011 generated:

- \$390.5 Million in external funding
- \$19 Million increase in tax revenue for Kentucky
- \$3.6 Million increase in tax revenue for Louisville
- 1500 new jobs in FY 2011

He observed what additional budget cuts could mean for the University:

- Tuition increases
- Cannot grow- provide more education opportunities for students
- Cut scholarship for students (Cardinal Covenant)
- Lose top faculty and medical expertise, including Bucks 4 Brains
- Possible program closures
- Layoffs and/or no salary increases
- Loss of morale among faculty/staff

The President expressed his deep appreciation to the UL Foundation board of directors for their continued support. The Foundation's endowment continues to outperform the market. The Foundation's investment in the University's future with projects such as Kentucky Trailer, ShelbyHurst, Nucleus and the Haymarket building demonstrates the strong commitment to the University's future.

VI. Report of the Chair

The Chair had no report.

VII. Adjournment

Ms. Hagen made a motion, which Mr. Weisberg seconded, to adjourn the meeting at 1:00 p.m. The motion passed.