

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

In Open Session

Members of the University of Louisville Foundation, Inc. Board of Directors met on December 6, 2012, in the Jefferson Room, of Grawemeyer Hall on Belknap Campus, with members present and absent as follows:

Present: Mr. Burt Deutsch, Vice Chair, Presiding
Mr. Jonathan Blue
Mr. Charles Denny
Dr. Salem George
Ms. Joyce Hagen
Ms. Margaret Handmaker
Mr. Frank Minnifield
Dr. William Selvidge
Dr. James R. Ramsey
Ms. Debbie Scoppechio
Mr. Frank Weisberg

Absent: Mr. J. Chester Porter
Mr. Eddy Roberts

Guest: Dr. Robert Curtis Hughes, UofL Board of Trustees

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

From the
Foundation: Dr. Shirley Willihnganz, Vice President
Mr. Michael Curtin, Assistant Treasurer

From the
University: Dr. William Pierce, Executive Vice President for Research and Innovation
Mr. Keith Inman, Vice President for University Advancement
Mr. Jason Tomlinson, Assistant Vice President for Finance
Ms. Anne Rademaker, CPA, Dir. of General Reporting, University Accounting
Ms. Becky Simpson, Associate VP for Communications and Marketing
Mr. Mark Hebert, Director of Media Relations
Ms. Susan Howarth, Director, Vice President for Finance
Mrs. Debbie Dougherty, Board Liaison

I. Call to Order

Having determined a quorum present, Chair Porter called the meeting to order at 12:15 p.m.

II. Consent Agenda

Vice Chair Deutsch read the consent agenda.

- Approval of Minutes of Regular Meeting, 6/12 /2012

From the Finance Committee

- Information Item: Investment Performance Report
- Action Item: Approve Investment in Westwood
- Action Item: Approval of Changes to Mary B. Craik Scholarship Fund
- Action Item: Approval of Investments in Wellington, RS Global and AEW
- Action Item: Approval of Establishment of Quasi Endowment for the Brandeis School of Law

From the Audit Committee

- Action Item: Approval of Audited Financial Statements FY 2012

Hearing no objection, Mr. Weisberg made a motion, which Dr. Selvidge seconded, to approve the consent agenda. The motion passed.

III. Report of Nominating Committee

President Ramsey reported the Nominating Committee, comprised of Ms. Joyce Hagen, Mr. Frank Weisberg, Mr. Burt Deutsch and President Ramsey, met. The Nominating Committee recommends the following slate of officers and appointments for 2012-13. President Ramsey made a motion, which Dr. Selvidge seconded, to approve the following:

CHAIR	William Selvidge
PRESIDENT	James R. Ramsey
VICE CHAIR	Burt Deutsch
TREASURER	Joyce Hagen
SECRETARY	Eddy Roberts
COUNSEL	Stites & Harbison
ASSISTANT SECRETARY	Kathleen Smith
ASSISTANT TREASURER	Michael Curtin

Executive Committee

Chairman	William Selvidge
Ex. Officio	James R. Ramsey
	Burt Deutsch
	Joyce Hagen
	Eddy Roberts

NEW MEMBERS/REAPPOINTMENTS:

The reappointment of Joyce Hagen and Margaret Handmaker for a three-year term as a community at-large directors with a term ending June 30, 2015.

The appointment of Ulysses L. Bridgeman, Jr. for a three-year appointment as a community at-large director to fill the expired term of Sam Rechter (through June 30, 2015).

The appointment of J. Chester Porter for a three-year appointment as a community at-large director to fill the expired term of Lalit Sarin (through June 30, 2015).

The appointment of Mark Lynn for a three-year appointment as a community at-large director to fill the expired term of William Wilcox (through June 30, 2015).

President Ramsey made a motion, which Mr. Weisberg seconded, to approve the above slate of officers and new members/reappointments. The motion passed. Vice Chair Deutsch welcomed Dr. Mark Lynn

and noted Mr. Bridgeman could not attend. Vice Chair Deutsch relinquished the chair position to Dr. William Selvidge. Chair Selvidge recognized Vice Chair Deutsch for his many years of dedicated service to the UL Foundation.

IV. Action Item: Approval of Changes to Spafford Ackerly Endowed Chair

The President explained that this endowed chair has been set aside to be their chair for the Director of the Autism Center, a position which currently is being recruited. The search committee has not had candidates who both are qualified to lead the Autism Center and also have a Child Psychiatry certification. Many of the qualified candidates in the field of autism do not hold the specific certification of child psychiatry, but do hold other MD or PhD degrees. The Dean of the School of Medicine wishes to broaden the purpose of the chair to enable the search committee to consider candidates who hold an MD and/or PhD degree with specialization in childhood mental health. Dr. Dunn concurred with the President's assessment, thanking him for his support. Dr. Dunn noted this partnership is a model for others on a national level, with clinical trials launched across the state and the U.S. Ms. Hagen made a motion, which Mr. Denny seconded, to approve the

President's recommendation that the Board of Directors approve the purpose change of the following quasi-endowment:

QFE – Spafford Ackerly Endowed Chair (E0771)

The motion passed.

V. Action Item: Approval of Loan Guaranty to Delta Zeta

President Ramsey reported this action authorizes the guarantee arrangements for commercial loans for Delta Zeta. Most board members will recall similar guarantees for the Community Park development, where we offered this guarantee opportunity to the seven fraternity and sorority houses. Chi Omega, Phi Kappa Tau, Delta Pi accepted the invitation, and several others opted to do so, as well. Mr. Deutsch made a motion, which Mr. Weisberg seconded, to approve the following resolution:

WHEREAS, the Delta Zeta Sorority (the "Sorority") has occupied a house (the "DZ House") located at 2014 Unity Place on the University of Louisville's campus since 1971.

WHEREAS, the DZ House is owned by the University of Louisville or one of its affiliates and was renovated by the Sorority in 1986 and 2005.

WHEREAS, the Sorority desires to renovate the house (the "Renovation") again as more particularly described in that certain Expansion Project Proposal (the "Proposal");

WHEREAS, the Renovation will be financed by a (i) loan (the "Loan"), in an amount not to exceed Four Hundred Fifty Thousand and No/100 Dollars (\$450,000.00), from a bank or other financial institution ("Lender") to Beta Gamma of Delta Zeta Building Corporation ("DZBC") and (ii) private contributions;

WHEREAS, the Sorority and DZBC have requested that University of Louisville Foundation, Inc., a Kentucky non-profit corporation (the "Foundation"), issue its guarantee (the "Guarantee") to the Lender in connection with the Loan;

WHEREAS, the Foundation has agreed to issue the Guarantee provided DZBC agrees to pay to the Foundation any amounts paid by the Foundation to the Lender pursuant to the Guarantee (the "Reimbursement Obligation");

WHEREAS, the Board of Directors of the Foundation, deems it to be in the best interest of the Foundation to issue the Guarantee in connection with the Loan.

NOW, THEREFORE, BE IT RESOLVED, that the actions of the Foundation, acting through its officers (individually an “Authorized Officer” and collectively, the “Authorized Officers”), in reviewing the Proposal be, and they hereby are, in all respects ratified, confirmed and approved by the Board of Directors of the Foundation;

FURTHER RESOLVED, that Board of Directors of the Foundation, hereby authorizes the Authorized Officers, acting together or individually, to execute and deliver any and all documents required to issue the Guarantee (the “Guarantee Transaction”), including, without limitation, guarantee agreements, certificates and all other documents, instruments and certificates as any such Authorized Officer shall, in their sole discretion, deem necessary, convenient or desirable to evidence the Guarantee Transaction (collectively, the “Guarantee Documents”), in such form and with such changes, additions, deletions and/or amendments to the Documents as may be approved by any such Authorized Officer, such approval to be conclusively evidenced by the execution thereof by such Authorized Officer, and when so executed, such Documents, as modified or amended, shall be binding and enforceable against the Foundation;

FURTHER RESOLVED, that the Board of Directors of the Foundation, hereby authorizes the Authorized Officers, acting together or individually, to execute and deliver any and all documents required to document the Reimbursement Obligation (the “Reimbursement Transaction”; and with the Guarantee Transaction collectively, the “Transactions”), including, without limitation, reimbursement and other agreements, certificates and all other documents, instruments and certificates as any such Authorized Officer shall, in their sole discretion, deem necessary, convenient or desirable to evidence the Reimbursement Transaction (collectively, the “Reimbursement Documents”; and with the Guarantee Documents collectively, the “Documents”), in such form and with such changes, additions, deletions and/or amendments to the Reimbursement Documents as may be approved by any such Authorized Officer, such approval to be conclusively evidenced by the execution thereof by such Authorized Officer, and when so executed, such Reimbursement Documents, as modified or amended, shall be binding and enforceable against the Foundation;

FURTHER, RESOLVED, that any and all Documents previously or hereafter executed and delivered on behalf of the Foundation in connection with the Transactions and pursuant to the foregoing resolutions shall be deemed to be the act and deed of the Foundation and shall be binding and enforceable against the Foundation in all respects; and

FURTHER RESOLVED, that all actions taken previously or hereafter by the officers of the Foundation, with respect to the preparation, execution and delivery of the Documents, and all other actions taken in connection with the Transactions referred to by the foregoing resolutions be, and they hereby are, in all respects, approved, ratified and confirmed.

The motion passed.

VI. Report of the President

President Ramsey presented a Powerpoint on successes of 2012. Highlights included:

Academic Success

- Freshman class – most qualified ever

- 25 – average ACT score
 - 56 valedictorians
- Graduation rate continues to rise
 - 52% from 33% in 2002
- Bachelor’s Degrees – 2,700 (up 900 from 2002)
- 8 Fulbright Scholars – 36 in 3 years
- Athletes’ GPA – 3.11 in Spring 2011 – highest ever

Research Prominence

- Dr. Roberto Bolli received another grant (\$3.5M) for stem cell research
- Dr. Suzi Harkema received another grant (\$6.3M) for paralysis and spinal cord research
- Fort Knox agreement – PTSD and other war time injuries

Economic Development

- Broke ground on new student recreation center
- TIF approved for Belknap Research and Innovation Park
- TIF payments coming in for downtown research park
- Nucleus opens iHub

Other Achievements

- Hospital joint operating agreement
- The Thinker was refurbished
- \$3.3M grant to expand Upward Bound program to prepare high school students for college

The President discussed the Fall outreach, Fort Knox partnership, as well as follow up discussions with the Board of Trustees from its Summer 2012 Retreat. He shared some of the special events which happened during 2012:

- 3 Governor’s Scholars/National Merit Recipient Luncheons
- 6 Rotaries/Chambers of Commerce presentations
- 5 Alumni/Student Outreach events
- 6 other events
- 1 press conference to recognize the \$3.3M grant
- 17 high school visits across the state

President Ramsey showed a video about the partnership linking UofL athletic teams with Fort Knox unit personnel.

The President acknowledged the great progress made since 1997, but recognized the need to revisit the strategies and tactics for the future. He reviewed the progress of various degrees awarded, graduation rates, philanthropy, as well as total grants and contract expenditures. He recognized the University faced a much different fiscal environment, changed external views of higher education, increased demand on the academy, and questions of the delivery model. During the Board of Trustees Summer 2012 Retreat, he asked board members to consider the question, “Do our strategies need to change?” To answer this question, the University is instituting a three-phase approach. Those three phases are: 1) determine where we are today; 2) Assess where we are, where can we expect to be in 2020?; and 3) present information to the Board of Trustees at its Summer Retreat in 2013. He noted this initiative will engage the campus community in Steps 1 and 2 in order to determine Step 3. President Ramsey encouraged and welcomed board members’ input in this important survey process. Provost Willihnganz echoed the sentiment of the President, and explained the internal responses received so far. The process is open and transparent. She noted the establishment of several committees, and their charge, and will contact various members of all groups to participate at some level. Becky Simpson will send a note with the survey link encouraging participation.

President Ramsey recognized Messrs. Rechter, Sarin and Wilcox for the service on the board. Resolutions of appreciation were available for review on board members' ipads. Dr. Ramsey made a motion, which Mr. Deutsch seconded, to approve the resolutions of appreciation.

VII. Report of the Chairman

The President departed the meeting. Chair Selvidge reported the Board of Trustees conducted its annual evaluation and judged his performance as outstanding. Trustee Chair Minnifield distributed the evaluation to various boards after the June board meeting, and a copy provided to board members. The Board of Trustees acknowledged the President and his team for their outstanding performance in 2011-12 and recommends to the UofL Foundation that the President receive 25% of his total salary as a retirement contribution. Mr. Minnifield commended Dr. Ramsey for the incredible, great work in moving the University into the ACC. Dr. Hughes recognized the excellent job performance of Dr. Ramsey, noting a lot of people were involved in the hospital joint operating agreement. Dr. Ramsey's expertise made it a pleasure to work with him on that venture. Chair Selvidge recognized many other universities are slashing positions across-the-board; Dr. Ramsey's expertise forges the University forward with very innovative ideas about funding. Mr. Denny made a motion, which Dr. Geroge seconded, to approve the

University of Louisville Board of Trustees' recommendation to the UofL Foundation that the President receive 25% of his total salary as a retirement contribution.

The motion passed.

VIII. Adjournment

The meeting adjourned at 1:10 p.m.

Approved by:



Asst. Secretary