

MINUTES OF THE SPECIAL MEETING OF THE UHI BOARD OF DIRECTORS
June 12, 2012

In Open Session

Members of the UHI Board of Directors met at 11:00 a.m. on June 12, 2012, in the Jefferson Room, Grawemeyer Hall, Belknap Campus, with members present and absent as follows:

Present: Mr. J. Chester Porter, Chair
Ms. Joyce Hagen
Dr. James Ramsey
Mr. Eddy Roberts

Absent: Mr. Burt Deutsch

From Legal
Counsel: Mr. Kennedy Helm, III, Stites & Harbison

From the
UHI: Mr. Mike Curtin
Mr. Jason Tomlinson
Ms. Cindy Hess
Mrs. Kathleen Smith

Guests: Mr. Steve Gailar, CEO of Metacyte
Ms. Vickie Yates Brown, CEO of Nucleus

From the
University: Mr. Mark Hebert, Director of Media Relations
Ms. Becky Simpson, Director, Communications and Marketing
Mrs. Debbie Dougherty, Board Liaison

I. Call to Order

Having determined a quorum present, Chair Porter called the meeting to order at 11:00 a.m.

II. Approval of Minutes

Mr. Roberts made a motion, which Ms. Hagen seconded, to approve the minutes of November 2, 2011. The motion passed.

III. Information Item: UHI Financial Statements

Mr. Montgomery reviewed the financial statements for each entity. Vice President Curtin noted the refinancing status on various property acquisitions.

IV. Updates from : MetaCyte and Nucleus

MetaCyte

Mr. Gailar reported on the results of the Foundation's investments:

- 2 New companies
- 17 portfolio companies
- Since July 1, 2011:
 - \$3,583,605 financings and grants for portfolio companies
 - \$2,228,585 portfolio companies revenue
- Current value of the portfolio: \$32 Million
 - 20% decrease

Mr. Gailar noted an evolving mix of portfolio companies:

- 4 therapeutic
- 6 medical device/diagnostic
- 4 (+ 1 pending) software/IT
- 2 service
- 1 (+ 1 pending) engineering/other

He noted expected liquidity of over \$1 Million by fourth quarter, 2013. He gave highlights on all portfolio companies and noted specific new opportunities. Metacyte's activities include:

- New programs
 - Coulter Program
 - Collaborative research program to address unmet clinical needs and improvements in health care
 - Program must result in technology commercialization
 - Metacyte activities: Due diligence, Evaluation, Assessment

Metacyte has conducted due diligence in the following companies:

Intrepid	Edumedics	Louisville Bioscience
PGXL	RhinoCyte	NcPharmagen
ApoVax	TNG Pharmaceuticals	

Chair Ramsey thanked Mr. Gailar for an excellent update. He further noted the work of the ULF Entrepreneurial Group with conducting due diligence on these companies. This group, comprised of Ed Glasscock, Burt Deutsch, Mike Curtin and Kathleen Smith conducts its review then presents its recommendation to the President. The President then makes a recommendation to the ULF Finance Committee whether to invest. In addition to providing funding, Ms. Smith noted the entrepreneurial group encourages some of these companies to pursue other funding sources. Chair Porter thanked Mr. Gailar for an excellent update.

Nucleus

Ms. Brown noted the Nucleus board met earlier today. At that meeting, winners of the Kauffmann FASTTRAC elevator pitch gave a demonstration.

Ms. Brown discussed Nucleus building a relationship with Poland researchers. They are building a premier research park and have chosen Nucleus to be their partner. Nucleus has entered into a shadowing agreement, as well.

Ms. Brown reported progress on building the downtown building is going well. The topping off ceremony is scheduled on July 31. President Ramsey noted UofL is the only university committed to the minority contracting that was utilized in building the downtown arena. Minority contracting for this building exceed the goals.

Ms. Brown reported the Action Loan building renovation is going well. It will supply a co-meeting and co-building working space. Grand opening is set for August.

Chair Porter thanked Ms. Brown for an excellent update.

V. Action Item: Approval of Resolutions Regarding a Grant Between

Kentucky Cabinet for Economic Development Office of Commercialization and Innovation and Nucleus, LLC

Chair Ramsey reported this \$100,000 grant required board approval. Mr. Roberts made a motion, which Ms. Hagen seconded, to approve the

WHEREAS, Vickie Yates Brown and Bruce Traugher each a representative (each an “Authorized Representative” and collectively, the “Authorized Representatives”) of University Holdings, Inc., a Kentucky non-profit corporation (“UHI”), on behalf of UHI in its capacity as the sole Manager of Nucleus: Kentucky’s Life Sciences and Innovation Center, LLC, a Kentucky limited liability company (“Nucleus”), have negotiated the terms and conditions under which Nucleus would receive a \$100,000.00 grant (the “Grant”);

WHEREAS, the Authorized Representatives have obtained a Grant Agreement, a copy of which has been reviewed by the members of the Board of Directors of UHI (the “Grant Agreement”), from the Kentucky Cabinet for Economic Development Office of Commercialization and Innovation, an agency of the Commonwealth of Kentucky (“OCI”), setting out the terms and conditions under which OCI would make the Grant available to Nucleus;

WHEREAS, after consultation with the Authorized Representatives and a review of the Grant Agreement, the Board of Directors of UHI, in its capacity as the Manager of Nucleus, deems it to be in the best interest of Nucleus to obtain the Grant.

NOW, THEREFORE, BE IT RESOLVED, that the actions of the Authorized Representatives, in negotiating the Grant Agreement be, and they hereby are, in all respects ratified, confirmed and approved by the Board of Directors of UHI, in its capacity as the Manager of Nucleus;

FURTHER RESOLVED, that the Board of Directors of UHI, in its capacity as the Manager of Nucleus, hereby authorizes the Authorized Representatives, acting together or individually, to execute and deliver any and all documents required to obtain the Grant (the "Grant Transaction"), including, without limitation, the Grant Agreement, other agreements, certifications, representation letters and all other documents, instruments and certificates as the Authorized Representatives shall, in their sole discretion, deem necessary, convenient or desirable to evidence the Grant Transaction (collectively, the "Grant Documents"), in such form and with such changes, additions, deletions and/or amendments to the Grant Documents as may be approved by any such Authorized Representative, such approval to be conclusively evidenced by the execution thereof by such Authorized Representative, and when so executed, such Grant Documents, as modified or amended, shall be binding and enforceable against, as applicable, Nucleus and UHI;

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

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

The motion passed.

Kentucky Economic Development Finance Authority and Nucleus, LLC

Chair Ramsey reported this \$3Million grant between Kentucky Economic Development Finance Authority and Nucleus required board approval. Ms. Hagen made a motion, which Mr. Roberts seconded, to approve the

WHEREAS, Vickie Yates Brown and Bruce Traughber each a representative (each an "Authorized Representative" and collectively, the "Authorized Representatives") of University Holdings, Inc., a Kentucky non-profit corporation ("UHI"), on behalf of UHI in its capacity as the sole Manager of Nucleus: Kentucky's Life Sciences and Innovation Center, LLC, a Kentucky limited liability company ("Nucleus"), have negotiated the terms and conditions under which Nucleus would receive grants totaling \$3,000,000.00 (the "Grants");

WHEREAS, the Authorized Representatives have obtained a Grant Agreement, dated February 1, 2012, a copy of which has been reviewed by the members of the Board of Directors of UHI (the "Grant Agreement"), from the Kentucky Economic Development Finance Authority, a public body corporate and politic of the Commonwealth of Kentucky ("KEDFA"), setting out the terms and conditions under which KEDFA would make the Grants available to Nucleus;

WHEREAS, after consultation with the Authorized Representatives and a review of the Grant Agreement, the Board of Directors of UHI, in its capacity as the Manager of Nucleus, deems it to be in the best interest of Nucleus to obtain the Grants.

NOW, THEREFORE, BE IT RESOLVED, that the actions of the Authorized Representatives, in negotiating the Grant Agreement be, and they hereby are, in all respects ratified, confirmed and approved by the Board of Directors of UHI, in its capacity as the Manager of Nucleus;

FURTHER RESOLVED, that the Board of Directors of UHI, in its capacity as the Manager of Nucleus, hereby authorizes the Authorized Representatives, acting together or individually, to execute and deliver any and all documents required to obtain the Grants (the "Grant Transaction"), including, without limitation, the Grant Agreement, other agreements, certifications, representation letters and all other documents, instruments and certificates as the Authorized Representatives shall, in their sole discretion, deem necessary, convenient or desirable to evidence the Grant Transaction (collectively, the "Grant Documents"), in such form and with such changes, additions, deletions and/or amendments to the Grant Documents as may be approved by any such Authorized Representative, such approval to be conclusively evidenced by the execution thereof by such Authorized Representative, and when so executed, such Grant Documents, as modified or amended, shall be binding and enforceable against, as applicable, Nucleus and UHI;

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

FURTHER RESOLVED, that all actions taken previously or hereafter by the officers of UHI and the Authorized Representatives, with respect to the preparation, execution and delivery of the Grant Documents, and all other actions taken in connection with the Grants 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 had no report.

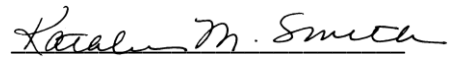
VII. Report of the Chair

The Chair had not report.

VIII. Adjournment

The meeting adjourned at 12:10 p.m.

Approved by:



Asst. Secretary