

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 17, 2013, in the Jefferson Room, of Grawemeyer Hall on Belknap Campus, with members present and absent as follows:

Present: Ms. Joyce Hagen, Vice Chair, Presiding
Dr. Salem George
Mr. Ed Glasscock
Ms. Margaret Handmaker
Mr. Frank Minnifield
Dr. Jody Prather
Dr. James R. Ramsey
Dr. William Selvidge
Mr. Frank Weisberg

Absent: Dr. Larry Benz
Mr. Jonathan Blue
Mr. Junior Bridgeman
Mr. Chuck Denny
Dr. Mark Lynn
Ms. Debbie Scoppechio

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

From the
Foundation: Dr. Shirley Willihnganz, Vice President
Mr. Jason Tomlinson, Assistant Treasurer
Mrs. Kathleen Smith, Assistant Secretary

From the
University: Dr. David Dunn, Executive Vice President for Health Affairs
Dr. William Pierce, Executive Vice President for Research and Innovation
Mr. Keith Inman, Vice President for University Advancement
Mr. Mike Kramer, Director of Investment and Financial Management
Ms. Anne Rademaker, Dir. Of General Reporting and University Accounting
Ms. Susan Magness, Assistant Controller
Mr. Justin Ruhl, Foundation Accounting Supervisor
Mr. Mark Hebert, Director of Media Relations
Ms. Susan Howarth, Assoc. Vice President for Finance and Budget Affairs
Mr. Jake Beamer, Boards Liaison

Guests: Ms. Missy DeArk, Dean Dorton Allen Ford
Ms. Jennifer Williams, BKD
Ms. Melanie Franklin, BKD

I. Call to Order

Having determined a quorum present, Vice Chair Hagen called the meeting to order at 12:00 p.m.

Consent Agenda

Vice Chair Hagen read the consent agenda.

Approval of Minutes of Regular Meeting, 9/20/2013

From the Audit Committee

- Action Item: Approval of Audited Financial Statements FY 2013

From the Finance Committee

- Action Item: Recommendation Concerning Investment in Undesignated Donor Funds
- Action Item: Recommendation Concerning Investment Policy

- Action Item: Recommendation Concerning Knoefel Trust
- Action Item: Recommendation Establishing Real Estate Investment Trust
- Action Item: Recommendation Concerning Spending Policy Allocation

- Action Item: Recommendation Concerning Investments in Commercialization

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

The motion passed.

II. Report of the Nominating Committee

President Ramsey briefed the board on the appointment of Judge Rebecca Jackson as an at-large member of the board, filling the vacated position of Jean Frazier, with term ending June 30, 2016.

President Ramsey moved the approval of the

Nominating Committee's recommendation on the appointment of Judge Rebecca Jackson as an at-large member with term ending June 30, 2016.

Mr. Weisberg seconded.

The motion passed.

III. Action Item: Approval of the Establishment of the Duthie Building Maintenance and Renovation Endowment Fund

President Ramsey advised the board that the Foundation had received gifts from various donors to renovate the Duthie Building. The building renovations had been completed, but there was \$343,190.01 in remaining funds. The Dean wanted to place these funds into an endowment to maintain the building renovations, classrooms, offices, and student common area. These funds would be utilized for items relating to the upgrade and maintenance for this building in the future.

Mr. Minnifield made a motion, which Dr. Prather seconded, to approve the

President's recommendation that the Board of Directors approve the establishment of the Duthie Building Maintenance and Renovation Endowment Fund

The motion passed.

IV. Action Item: Approval of the Establishment of the Moyer MBA Scholarship Quasi-Endowment

President Ramsey reported that the College of Business wanted to take \$150,000 from their unrestricted "Fund for UofL" gift fund to create a quasi-endowment scholarship fund to support students enrolled in the full-time MBA program. A total of \$500,000 was currently in the gift fund. President Ramsey noted this would be a great way to recognize Dr. Charlie Moyer for his service as Dean.

Mr. Weisberg made a motion, which Dr. Selvidge seconded, to approve the

President's recommendation that the Board of Directors approve the establishment of the Moyer MBA Scholarship Quasi-Endowment Fund

The motion passed.

V. Restatement of Guarantees for:

- KYT 2601 S. 3rd Street, aka, Belknap Engineering and Applied Sciences Research Park
- AAF 215 Central Avenue, aka, Cardinal Station

President Ramsey explained the resolutions would extend the loan maturity for KYT to November 20, 2016 and the loan maturity date for AAF to May 20, 2014; recognize changes in interest rates, and; ratify the obligation under the guaranty agreements.

Dr. Prather made a motion, which Mr. Minnifield seconded, to approve the following resolution:

**RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE
UNIVERSITY OF LOUISVILLE FOUNDATION, INC. REGARDING
GUARANTEE OF LOANS TO KYT-LOUISVILLE, LLC**

December 17, 2013

WHEREAS, Republic Bank & Trust Company (“Republic Bank”) made loans (the “Loans”) to KYT-Louisville, LLC a Kentucky limited liability company (“KYT-Louisville”), and wholly-owned subsidiary of the University of Louisville Foundation, Inc., a Kentucky non-profit corporation (the “Foundation”), on November 20, 2008, in the original principal amount of \$12,500,000.00 and \$7,000,000.00;

WHEREAS, the Loans were made to KYT-Louisville in connection with its acquisition of certain real property located at 2601 South Third Street, Louisville, Kentucky and known as “Kentucky Trailer Property” (the “Property”);

WHEREAS, the Loans are presently guaranteed by the Foundation;

WHEREAS, KYT-Louisville desires to (i) extend the maturity date (the “Maturity Date”) of the Loans to November 20, 2016, and (ii) change the interest rates on the notes evidencing the Loans (collectively, the “Modifications”);

WHEREAS, the Modifications are conditioned upon the Foundation (i) consenting to the Modifications and (ii) ratifying its obligations under the existing Guaranty Agreement;

WHEREAS, the Foundation has agreed to the foregoing conditions;

WHEREAS, the Board of Directors of the Foundation deems it to be in the best interest of the Foundation to consent to the Modifications and ratify the Foundation’s obligations under the existing Guaranty Agreement;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Foundation hereby authorizes the officers (each an “Authorized Officer” and collectively, the “Authorized Officers”) of the Foundation, acting together or individually, to execute and deliver any and all documents required to consent to the Modifications and ratify the Foundation’s obligations under the existing Guaranty Agreement (the “Extension Transaction”), including, without limitation, Modification and Extension Agreements, Consents of Guarantor, guarantee agreements, environmental indemnity 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 Extension Transaction (collectively, the “Extension Documents”), in such form and with such changes, additions, deletions and/or amendments to the Extension 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 Extension Documents, as modified or amended, shall be binding and enforceable against the Foundation;

FURTHER, RESOLVED, that any and all Extension Documents previously or hereafter executed and delivered on behalf of the Foundation in connection with the Extension Transaction 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;

FURTHER RESOLVED, that the Board of Directors of the Foundation hereby authorizes the Authorized Officers, acting together or individually, to execute and deliver in favor of Republic Bank any further amendments, modifications, renewals or supplements of or to any of the foregoing agreements, documents or instruments 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, shall be binding and enforceable against the Foundation; 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 Extension Transaction referred to by the foregoing resolutions be, and they hereby are, in all respects, approved, ratified and confirmed.

The motion passed.

Mr. Minnifield made a motion, which Dr. Prather Seconded, to approve the following resolution:

**RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE
UNIVERSITY OF LOUISVILLE FOUNDATION, INC. REGARDING
GUARANTEE OF LOAN TO AAF-LOUISVILLE, LLC**

December 17, 2013

WHEREAS, Republic Bank & Trust Company (“Republic Bank”) made a loan (the “Loan”) to AAF-Louisville, LLC a Kentucky limited liability company (“AAF-Louisville”), and wholly-owned subsidiary of the University of Louisville Foundation, Inc., a Kentucky non-profit corporation (the “Foundation”), on February 24, 2012, in the original principal amount of \$8,192,000.00;

WHEREAS, the Loan was made to AAF-Louisville in connection with its acquisition of certain real property located at 215 Central Avenue, Louisville, Kentucky and known as “Cardinal Station” (the “Property”);

WHEREAS, the Loan is presently guaranteed by the Foundation;

WHEREAS, AAF-Louisville desires to extend the maturity date (the “Maturity Date”) of the Loan to May 20, 2014, in order to allow

representatives of AAF-Louisville and the Foundation time to obtain permanent financing for the Property;

WHEREAS, the Maturity Date is the only term being modified;

WHEREAS, the extension of the Maturity Date is conditioned upon the Foundation (i) consenting to the extension of the Maturity Date and (ii) ratifying its obligations under the existing Guaranty Agreement;

WHEREAS, the Foundation has agreed to the foregoing conditions;

WHEREAS, the Board of Directors of the Foundation deems it to be in the best interest of the Foundation to consent to the extension of the Maturity Date and ratify the Foundation's obligations under the existing Guaranty Agreement;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Foundation hereby authorizes the officers (each an "Authorized Officer" and collectively, the "Authorized Officers") of the Foundation, acting together or individually, to execute and deliver any and all documents required to consent to the extension of the Maturity Date and ratify the Foundation's obligations under the existing Guaranty Agreement (the "Extension Transaction"), including, without limitation, Modification and Extension Agreements, Consents of Guarantor, guarantee agreements, environmental indemnity 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 Extension Transaction (collectively, the "Extension Documents"), in such form and with such changes, additions, deletions and/or amendments to the Extension 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 Extension Documents, as modified or amended, shall be binding and enforceable against the Foundation;

FURTHER, RESOLVED, that any and all Extension Documents previously or hereafter executed and delivered on behalf of the Foundation in connection with the Extension Transaction 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;

FURTHER RESOLVED, that the Board of Directors of the Foundation hereby authorizes the Authorized Officers, acting together or individually, to execute and deliver in favor of Republic Bank any further amendments, modifications, renewals or supplements of or to any of the foregoing agreements, documents or instruments 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, shall be binding and enforceable against the Foundation; 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 Extension Transaction referred to by the foregoing

resolutions be, and they hereby are, in all respects, approved, ratified and confirmed.

The motion passed.

VI. Resolution to Acquire Real Estate and Lend Funds to KYT

President Ramsey explained the resolution authorized the Foundation to acquire the Solae property on South Floyd Street, as well as lend funds to KYT for the purchase.

Dr. Lynn made a motion, which Ms. Handmaker seconded, to approve the following resolution:

**RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE
UNIVERSITY OF LOUISVILLE FOUNDATION, INC. REGARDING
THE ACQUISITION OF PROPERTY AND A LOAN TO KYT-
LOUISVILLE, LLC**

December 17, 2013

WHEREAS, the officers (each a “UHI Officer” and collectively, the “UHI Officers”) of University Holdings, Inc., a Kentucky non-profit corporation (“UHI”), and officers (each an “Authorized Officer” and collectively, the “Authorized Officers”) of the University of Louisville Foundation, Inc., a Kentucky non-profit corporation (the “Foundation”) and the sole Member of KYT-Louisville, LLC, a Kentucky limited liability company (“KYT-Louisville”), are presently negotiating the terms and conditions under which the Foundation or KYT-Louisville would enter into an agreement to purchase certain real property and other assets known as the “Solae Property” located at 2439-2441 and 2417 S. Floyd Street, Louisville, Kentucky (the “Property”) from Solae, LLC (the “Seller”), by executing and delivering an Agreement of Sale, by and between KYT-Louisville or the Foundation and the Seller (the “Purchase Agreement”);

WHEREAS, the Foundation is willing to spend up to Three Million Three Hundred Thousand and No/100 Dollars (\$3,300,000.00) for the Foundation or KYT-Louisville to acquire the Property from the Seller (the “Purchase”);

WHEREAS, if the Foundation determines to acquire the Property in the name of KYT-Louisville, the UHI Officers have requested that the Foundation make a loan (the “Loan”) to KYT-Louisville in an amount not to exceed the Purchase Price, which Loan will be used by KYT-Louisville to pay the Purchase Price;

WHEREAS, after consultation with the Authorized Officers and the UHI Officers, the Board of Directors of the Foundation deems it to be in the

best interest of the Foundation to enter into the Purchase Agreement, consummate the Purchase or make the Loan to KYT-Louisville.

NOW, THEREFORE, BE IT 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 carry out the Purchase (the "Purchase Transaction"), including, without limitation, the Purchase Agreement, deeds, assignment and assumption agreements, affidavits, 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 Purchase Transaction (collectively, the "Purchase 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 Purchase Documents, as modified or amended, shall be binding and enforceable against the Foundation;

FURTHER RESOLVED, that should the Authorized Officers and the UHI Officers deem it in the best interest of the Foundation and KYT-Louisville for KYT-Louisville to acquire the Property, 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 make the Loan to KYT-Louisville (the "Loan Transaction" and with the Purchase Transaction collectively, the "Transactions"), including, without limitation, loan agreements, promissory notes, 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 Loan Transaction (collectively, the "Loan Documents" and with the Purchase Documents collectively, the "Documents"), in such form and with such changes, additions, deletions and/or amendments to the Loan 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 Loan 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;

FURTHER RESOLVED, that the Board of Directors of the Foundation hereby authorizes the Authorized Officers, acting together or individually, to execute and deliver any further amendments, modifications, renewals or supplements of or to any of the foregoing agreements, documents or instruments 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, shall be binding and enforceable against the Foundation; and

FURTHER RESOLVED, that all actions taken previously or hereafter by the officers of the Foundation, with respect to the formation of KYT-Louisville and 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.

VII. Resolution to Negotiate the Purchase of Real Estate

President Ramsey briefed the board on a resolution to authorize the Foundation to negotiate the purchase of property at 204 East Market Street, as well as lend the funds to Nucleus for purchase.

Mr. Weisberg made a motion, which Ms. Handmaker seconded, to approve the following resolution:

**UNIVERSITY OF LOUISVILLE FOUNDATION, INC.
RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE
UNIVERSITY OF LOUISVILLE FOUNDATION, INC. REGARDING
THE ACQUISITION OF PROPERTY AND A LOAN TO NUCLEUS:
KENTUCKY'S LIFE SCIENCES AND INNOVATION CENTER, LLC**

December 17, 2013

WHEREAS, the officers (each a "**UHI Officer**" and collectively, the "**UHI Officers**") of University Holdings, Inc., a Kentucky non-profit corporation ("**UHI**"), and officers (each an "**Authorized Officer**" and collectively, the "**Authorized Officers**") of the University of Louisville Foundation, Inc., a Kentucky non-profit corporation (the "**Foundation**") and the sole Member of Nucleus: Kentucky's Life Sciences and Innovation Center, LLC, a Kentucky limited liability company ("**Nucleus**"), are presently negotiating the terms and conditions under which the Foundation or Nucleus would enter into an agreement to purchase certain real property and other assets known as the "**Dulworth Property**" located at 204 East Market Street, Louisville, Kentucky (the "**Property**") from The Dulworth Family Limited Partnership (the "**Seller**"), by executing and delivering a purchase agreement, by and between Nucleus or the Foundation and the Seller (the "**Purchase Agreement**");

WHEREAS, the Foundation is willing to spend up to Three Million and No/100 Dollars (\$3,000,000.00) for the Foundation or Nucleus to acquire the Property from the Seller (the "**Purchase**");

WHEREAS, if the Foundation determines to acquire the Property in the name of Nucleus, the UHI Officers have requested that the Foundation make a loan (the "Loan") to Nucleus in an amount not to exceed the Purchase Price, which Loan will be used by Nucleus to pay the Purchase Price;

WHEREAS, after consultation with the Authorized Officers and the UHI Officers, the Board of Directors of the Foundation deems it to be in the best interest of the Foundation to enter into the Purchase Agreement, consummate the Purchase or make the Loan to Nucleus.

NOW, THEREFORE, BE IT 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 carry out the Purchase (the "Purchase Transaction"), including, without limitation, the Purchase Agreement, deeds, assignment and assumption agreements, affidavits, 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 Purchase Transaction (collectively, the "Purchase 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 Purchase Documents, as modified or amended, shall be binding and enforceable against the Foundation;

FURTHER RESOLVED, that should the Authorized Officers and the UHI Officers deem it in the best interest of the Foundation and Nucleus for Nucleus to acquire the Property, 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 make the Loan to Nucleus (the "Loan Transaction" and with the Purchase Transaction collectively, the "Transactions"), including, without limitation, loan agreements, promissory notes, 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 Loan Transaction (collectively, the "Loan Documents" and with the Purchase Documents collectively, the "Documents"), in such form and with such changes, additions, deletions and/or amendments to the Loan 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 Loan 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;

FURTHER RESOLVED, that the Board of Directors of the Foundation hereby authorizes the Authorized Officers, acting together or individually, to execute and deliver any further amendments, modifications, renewals or supplements of or to any of the foregoing agreements, documents or instruments 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, shall be binding and enforceable against the Foundation; and

FURTHER RESOLVED, that all actions taken previously or hereafter by the officers of the Foundation, with respect to the formation of Nucleus and 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.

VIII. Report of the President

President Ramsey showed a video made and produced by UofL to celebrate the Holiday Season, titled, "I Can't Wait to be a Louisville Cardinal."

The President then gave a presentation updating the board on the University and the Foundation. He noted private philanthropic support through the Foundation was the fourth highest income to the University, surpassing state appropriations. The President briefed the board on 2013 University highlights, including: the Cardinal Singers, ranked #2 in the world; ShelbyHurst Research Park and the groundbreaking of 700 North; the highest average ACT scores of all entering freshman; the record-breaking fundraising year totaling \$162,116,498.13; the awarding of \$11.25M to the Diabetes and Obesity Center; the awarding of Presidential Medals to Jean Frazier, Kennedy Helm (posthumously), and John Codey (on behalf of Helmsley Charitable Trust); a new addition to the Ekstrom Library with the Ann and Jim Bowling Study Area; the announcement of a Judaic Studies Chair; the grand opening of The Nucleus at 300 East Market Street; and the announcement of the Novartis – Regenerex Partnership by Dr. Suzanne Ildstad, the largest equity partnership in the history of the University.

President Ramsey then briefed the board on campus developments. Two new student housing projects, The Grove and The Village, were scheduled to open in Fall 2014 and 2015, respectively. The Crittenden Drive student housing project would also open in Fall 2015, one year after the grand opening of the Dr. Mark and Cyndi Lynn Soccer Complex in August of 2014. The fundraising for a new Student Athlete Academic Center was in progress, and the threshold of \$200M capital investment for the Belknap TIF would be achieved by the end of 2014. President Ramsey then showed a flyover video of the recent and future campus projects.

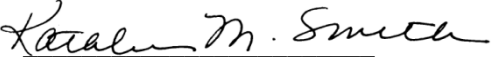
Vice Chair Hagen thanked the President for the extraordinary results of the campus transformations, and congratulated him and his excellent executive team for their capacity of work.

IX. Report of the Chair

The Vice Chair had no report.

X. Adjournment

Ms. Hagen made a motion, which Mr. Weisberg seconded, to adjourn the meeting at 12:30 p.m. The motion passed.


Assistant Secretary

**RECOMMENDATION TO THE FINANCE COMMITTEE
UNIVERSITY OF LOUISVILLE FOUNDATION, INC.
CONCERNING INVESTMENTS IN EDUMEDICS, TNG AND APOVAX**

December 17, 2013

RECOMMENDATION:

The President recommends that the Finance Committee:

authorize the President or his designee to negotiate with Edumedics, LLC the terms of a \$120,000 convertible note;

authorize the President or his designee to invest up to \$500,000 in TNG Pharmaceuticals, Inc.;

authorize the President or his designee to negotiate the terms of a \$25,000 demand note for ApoVax, Inc.

BACKGROUND:

Edumedics, LLC, a Louisville, KY based company, is focused on combining education and medicine to deliver high-touch care management solutions, customized to the needs of employers and employees. Their innovative programs optimize employee health while controlling healthcare costs. Edumedics capitalization target is \$300,000 with \$180,000 secured from the Commonwealth Seed Capital and Kentucky Science & Technology Corporation.

TNG Pharmaceuticals, a Louisville, KY based company, is focused on the research and development of a patented vaccine for cattle to prevent infection by the horn fly, FlyVax. TNG Pharmaceuticals began at the University of Louisville in the Entrepreneurship MBA program. TNG competed in global business plan competitions, including the world's largest, richest, and most prestigious competitions at Rice University: placing first in four of the five competitions. This competitive circuit allowed the business plan to be examined by over 250 judges, mostly investors and scientists. Their success culminated with being named 2011 Global Business Plan Champions

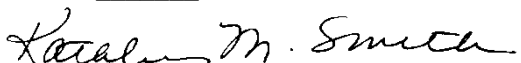
ApoVax, Inc., a Louisville, KY based company, is a biotechnology company developing new immunotherapies and therapeutic vaccines to treat or prevent chronic and acute life-threatening diseases. Currently, ApoVax is evaluating several partnership opportunities including potential acquisition in-whole or in-part/joint venture by a small NASDAQ-traded biotech firm. The \$25,000 demand note will be supplemented by \$20,000 from the Kentucky Seed Capital Fund to complete due diligence for the partnership

ACTION:

Passed: X

Did not pass:

Other:



Assistant Secretary

**RECOMMENDATION TO THE BOARD OF DIRECTORS
UNIVERSITY OF LOUISVILLE FOUNDATION, INC.
CONCERNING UNSPENT BALANCE OF THE
SPENDING POLICY ALLOCATION**

December 17, 2013

RECOMMENDATION:

The Finance Committee recommends the Board of Directors approve the following policy change:

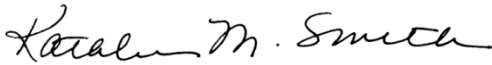
any unexpended amount of the budgeted annual spending policy will be reinvested in the endowment principal account. A two-percent servicing charge will be applied to all funds reinvested. Justified exceptions to the policy must be approved by the President or his designee.

BACKGROUND:

The current Charitable Gift Agreement revised in 2005 allows any distributions received from the endowment, but not expended in any given year to “be returned to the Foundation and added to principal.” Currently, if allocated spending policy funds are unspent, those funds have remained in distributed endowment accounts rather than reinvested in principal. As reported in July, unspent carryover in the endowment pool as of 12/31/12 was \$67.5 million.

ACTION:

Passed X
Did not pass
Other



Assistant Secretary

**RECOMMENDATION TO THE BOARD OF DIRECTORS
UNIVERSITY OF LOUISVILLE FOUNDATION, INC.
ESTABLISHING THE FOUNDATION REAL ESTATE INVESTMENT TRUST**

December 17, 2013

RECOMMENDATION:

The Finance Committee recommends the Board of Directors approve the:

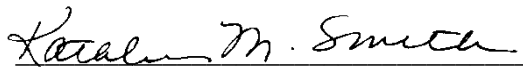
creation of a Real Estate Investment Trust (REIT) to receive revenue from various Foundation real estate holdings and to expend as approved for revenue generation. Revenue invested in the REIT will be used as a funding source for future Foundation real estate projects.

BACKGROUND:

The Foundation owns several properties that are currently producing positive cash flow, including Cardinal Station and the Kidney Disease Program Building. Currently, these cash balances remain in the program associated with the operation of the respective property. Combining these funds in a REIT will result in dedicated receipts to fund future realty projects, to reduce the UHI line of credit, and to distribute as authorized to support university programs.

ACTION:

Passed: X
Did not pass:
Other:



Assistant Secretary

**RECOMMENDATION TO THE BOARD OF DIRECTORS
UNIVERSITY OF LOUISVILLE FOUNDATION, INC.
CONCERNING DISTRIBUTION OF P.K. KNOEFEL TRUST**

December 17, 2013

RECOMMENDATION:

The President recommends the Board of Directors approve the distribution of \$80,256.87 from P. K. Knoefel University of Louisville CRUT (#R73660004) liquidation.

BACKGROUND:

The income beneficiary of the above-referenced trust, Francesca Knoefel, passed away and upon her death the trust terminates and remaining funds distribute to The University of Louisville Foundation, Inc. as the remaining beneficiary.

Article 3 of the Peter K. Knoefel Trust Agreement, dated December 31, 1971, states:

“upon death of the survivor of Settlor and Mrs. Knoefel, this Trust Agreement shall terminate and the then remaining principal of the Trust Property, together with any undistributed income, shall be retained by the Foundation, (or transferred to the Foundation if it is not then acting as the trustee hereunder), absolutely, in free and free of trust, and used and expended by it for such purposes as its Board of Directors may direct.”

ACTION:

Passed: X
Did not pass:
Other:

Kathleen M. Smith
Assistant Secretary

**RECOMMENDATION TO THE BOARD OF DIRECTORS
UNIVERSITY OF LOUISVILLE FOUNDATION, INC.
CONCERNING A REVISION TO THE INVESTMENT POLICY**

December 17, 2013

RECOMMENDATION:

The Finance Committee recommends the Board of Directors:

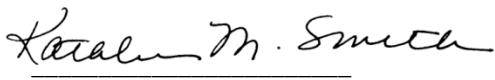
authorize the Finance Committee Chair or his designee, in consultation with Cambridge Associates, LLC, and according to the guidelines established in the asset allocation plan (as amended from time to time), to identify and select investments in all asset classes, to execute the investment documents accordingly and to reallocate funds from existing managers, as required, to fund new investments.

BACKGROUND:

The current investment policy permits the Foundation staff to identify and select suitable Non-Marketable Alternative Asset investments, execute the appropriate investment documents and reallocate funds from existing managers, as required, to fund the new investments. This policy change would apply to all asset classes in the endowment pool, allowing flexibility when investment decisions are needed between Foundation Board meetings; and has been successfully used for Non-Marketable Alternative Asset investments since 2009.

ACTION:

Passed X
Did not pass
Other



Assistant Secretary

**RECOMMENDATION TO THE BOARD OF DIRECTORS
UNIVERSITY OF LOUISVILLE FOUNDATION, INC.
CONCERNING THE INVESTMENT OF UNDESIGNATED DONOR FUNDS**

December 17, 2013

RECOMMENDATION:

The Finance Committee recommends the Board of Directors:

authorize the Finance Committee Chair or his designee to invest and manage undesignated donor funds outside the endowment pool where short term liquidity is crucial.

BACKGROUND:

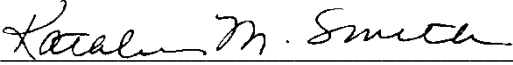
The Foundation received in 2011 from a generous donor a sizable amount of shares in a single company. Foundation staff liquidated the investment in the open market to fulfill several urgent university commitments. The remaining unallocated proceeds have created an unrestricted balance for the President to use for other urgent programmatic needs of the University. In order to provide adequate liquidity and flexibility, the Foundation staff has the expertise to invest these unallocated proceeds outside of the endowment pool.

ACTION:

Passed: X

Did not pass:

Other:



Assistant Secretary

RECOMMENDATION TO THE BOARD OF DIRECTORS
UNIVERSITY OF LOUISVILLE FOUNDATION, INC. CONCERNING THE
AUDITED FINANCIAL STATEMENTS FOR YEAR ENDING JUNE 30, 2013
AND INDEPENDENT AUDITOR'S REPORT

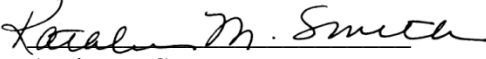
Board of Directors – December 17, 2013

RECOMMENDATION:

The Audit Committee recommends that the Board of Directors approve the attached audited financial statements for the period ending June 30, 2013 and Independent Auditor's Report as presented by BKD.

ACTION:

Passed X
Did not pass
Other


Assistant Secretary