



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

In Open Session

Members of the Board of Directors of the University of Louisville Real Estate Foundation, Inc. met at 9:05 a.m. on April 29, 2021. As a result of the state of emergency in Kentucky the regular meeting was a hybrid in-person/virtual meeting. The in-person location was the Swain Student Activities Center Ballrooms on the University of Louisville Belknap Campus. Members of the public and media were able to attend in-person or access a livestream of the meeting. Members were present and absent as follows:

Present: Mr. Ken Payne, Chair
Dr. Neeli Bendapudi
Mr. Paul Carrico
Ms. Jill Force
Ms. Mariah Gratz
Mr. Craig Hawley
Mr. Derrick Littlejohn
Mr. Earl Reed
Mr. Keith Sherman
Mr. Powell Spears

Absent: Mr. Steve Gault
Ms. Sandy Metts Snowden

From the
Foundation: Ms. Julie Kroger, Executive Assistant
Ms. Gina Lankswert, Director of Administration
Ms. Susan Magness, Director of Budget
Mr. Justin Ruhl, Controller

From Legal
Counsel: Mr. Franklin Jelsma, Wyatt, Tarrant & Combs

From the
University: Mr. Dan Durbin, Executive Vice President for Finance and Administration

I. **Call to Order**

Having determined a quorum present, Mr. Payne called the regular meeting to order at 9:07 a.m. No conflicts of interest or appearances of conflicts were identified.

II. **Consent Agenda**

Mr. Reed made a motion, which Ms. Force seconded, to approve the **attached** Consent Agenda as listed: approval of Minutes, January 28, 201 and resolution regarding Community Park. The motion passed.

III. **Action Item: Approval of Administrative Services Agreement Schedule A**

In June 2017, the Board first approved the Administrative Services Agreement between the UofL Real Estate Foundation and the UofL Foundation. Mr. Sherman provided a high-level overview of the agreement and fee schedule. The UofL Foundation does not profit from the fees. Ms. Force made a motion to approve the FY22 services and fees as listed in the **attached** resolution. Mr. Reed seconded the motion. The motion passed.

IV. **Action Item: Approval of 2021-2022 Operating Budget**

Mr. Sherman provided a high-level overview of the budget that was reviewed at the information session on April 15, 2021. Mr. Reed moved the **attached** resolution and budget summary be approved. Mr. Littlejohn seconded the motion. The motion passed.

V. **Audit, Compliance and Risk Management Committee Report**

Mr. Hawley reported the Committee recommends the Board authorize Mr. Sherman, subject to approval of legal counsel, to sign and file the UofL Real Estate Foundation's 990 and 990T tax forms as well as the Louisville Medical Center Development Corporation's 990 tax form. The Board approved the recommendation.

VI. **Information Item: Fiscal Year 2021 Third Quarter Financial Update**

Mr. Ruhl reviewed the **attached** third quarter financial presentation highlighting the consolidated income statements and statements of position.

VII. **Property Committee Report**

Mr. Sherman reported the Property Committee met on April 6, 2021. The Committee approved two recommendations for the Board's consideration:

Engage PRG Commercial Property Advisors to list for sale and market 601 President's Boulevard, the property commonly referred to as Humana Gym, for disposition.

Engage Linebach Funkhouser, Inc. to complete a Phase I Environmental Site Assessment and a Brownfield Redevelopment Program Application for 2601 South Third Street, the property commonly referred to as KYT (the Kentucky Trailer Property).

The Board approved the two recommendations.

- VIII. Report of the Chair
Mr. Payne reported the Foundation made its final payment on the promissory note to the University in March. It is making progress on paying down its debt to the University of Louisville Foundation.

He expressed his appreciation to staff for their continued hard work.

- IX. Report of the Executive Director
Mr. Sherman expressed his appreciation to Ms. Magness for her work on preparing the operating budget.

He reported discussions have been taking place with Dr. Bendapudi and members of her team related to some business proposals for potential developments around campus.

- X. Executive Session to Discuss Potential Acquisition or Sale of Real Property, Specific Business Proposals and Proposed or Pending Litigation
Ms. Gratz made a motion at 9:30 a.m., which Mr. Spears seconded, to go into executive session to discuss the potential acquisition or sale of real property, specific business proposals, and proposed or pending litigation pursuant to KRS 61.810(1)(b) (g) and (c). The motion passed.

- XI. Reconvene Open Session
Open session reconvened at 10:07 a.m., Mr. Payne reported that specific business proposals and the potential acquisition or sale of real property were discussed during the executive session.

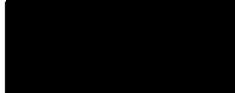
The Board approved two resolutions:

Mr. Hawley made a motion, which Mr. Littlejohn seconded, to authorize Mr. Sherman, in consultation with legal counsel, to obtain and finalize the refinancing of 2601 South Third Street.

Mr. Carrico made a motion, which Mr. Spears seconded, to approve the Rowan Street resolution.

The resolutions are **attached**.

- XII. Adjournment
Having no other business, Mr. Reed made a motion to adjourn, which Ms. Force seconded. The meeting adjourned at 10:11 a.m.



Craig Hawley, Secretary
University of Louisville Real Estate Foundation, Inc.

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
UNIVERSITY OF LOUISVILLE REAL ESTATE FOUNDATION, INC.**

April 29, 2021

At a duly convened meeting of the Board of Directors (the “**Board**”) of the University of Louisville Real Estate Foundation, Inc., a Kentucky non-profit corporation (“**ULREF**”), held on April 29, 2021, the Board adopted the following resolutions:

Community Park Flood Damage

WHEREAS, ULREF is the sole member and sole manager of Community Park, LLC, a manager-managed Kentucky limited liability company (“**CP LLC**”) which owns a building used for student housing known as “**Community Park**” located at 2033 S. Fourth Street on the campus of the University of Louisville (the “**University**”);

WHEREAS, on behalf of ULREF and CP LLC, the University manages Community Park student housing and is responsible for collecting rent payments and paying all expenses incurred in the operation and management Community Park, including remediation and repair of damage;

WHEREAS, as reported and discussed during ULREF’s January 28, 2021 board meeting, (i) Community Park suffered significant flood damage on December 26, 2020 when a sprinkler pipe froze in the attic dispersing over 35,000 gallons of water and (ii) ULREF and CP LLC have an insurance policy covering Community Park;

WHEREAS, due to the severity of the damage and complexity of the claim, and upon advice from ULREF’s insurance broker, ULREF and CP LLC retained a public insurance adjuster (“**Adjuster**”) to interface with their insurance company and manage the claim process;

WHEREAS, the University, in its role as manager of Community Park, selected a contractor (the “**Contractor**”) to perform the remediation and repair work at Community Park for a total cost estimated to be in excess of \$1.7M and on January 29, 2021, ULREF entered into a written “memorialization” listing the business terms of this arrangement with the Contractor (the “**Contractor Term Sheet**”);

WHEREAS, officers of ULREF executing contracts for an amount in excess of \$400,000 are to obtain prior written approval of the Board, and although the Board was briefed on the situation at the January 28, 2021 Board meeting and although the Contractor is being paid only with proceeds of an insurance policy (and not with funds of ULREF), the Board, acting out of an abundance of caution, desires to confirm, ratify and approve the Contractor Term Sheet;

RESOLVED, the Board hereby confirms, ratifies and approves (i) the Contractor Term Sheet and the actions of its officers in executing same on behalf of ULREF, and (ii) the ongoing payment of Contractor by ULREF utilizing insurance proceeds, subject to prior review and approval by the Adjuster; and

RESOLVED, that the officers of ULREF and CP LLC be and hereby are each authorized, empowered and directed, for and on behalf of ULREF and CP LLC, to execute, deliver, file and record such agreements, instruments, documents and certificates and to take or cause to be taken

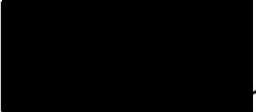
such other and further action as they shall, in their reasonable discretion, deem necessary or appropriate in order to effectuate the purposes of, and implement, the foregoing resolutions and all actions heretofore taken by them in connection with the foregoing, are hereby ratified, confirmed, adopted and approved.

BOARD ACTION:

Passed X

Did Not Pass _____

Other _____



Craig Hawley, Secretary
University of Louisville Real Estate Foundation, Inc.

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE UNIVERSITY OF LOUISVILLE REAL ESTATE FOUNDATION, INC.**

April 29, 2021

At a duly convened meeting of the Board of Directors (the “**Board**”) of the University of Louisville Real Estate Foundation, Inc., a Kentucky non-profit corporation (“**ULREF**”), held on April 29, 2021, the Board adopted the following resolution:

Administrative Services Agreement

WHEREAS, on June 9, 2017 the Board approved the Administrative Services Agreement between the University of Louisville Foundation, Inc. and the University of Louisville Real Estate Foundation, Inc. attached hereto as Exhibit A.

RESOLVED, the Board approves the services and initial fees for fiscal year 2022, conditioned upon approval of the same by the University of Louisville Foundation, as stated in Schedule A attached hereto as Exhibit B.

BOARD ACTION:

Passed X

Did Not Pass _____

Other _____

Craig Hawley, Secretary
University of Louisville Real Estate Foundation, Inc.

EXHIBIT A

ADMINISTRATIVE SERVICES AGREEMENT

THIS ADMINISTRATIVE SERVICES AGREEMENT (the "Agreement"), is made and entered into as of May 1, 2017 (the "Effective Date"), by and between the **UNIVERSITY OF LOUISVILLE REAL ESTATE FOUNDATION, INC.** ("ULREF"), and **UNIVERSITY OF LOUISVILLE FOUNDATION, INC.** ("Service Provider"; and with ULREF each a "Party" and collectively, the "Parties").

A. ULREF is organized and operated to receive, hold, invest, and administer property and to make expenditures to and for the benefit of the University of Louisville.

B. The Service Provider is organized and operated to receive, hold, invest, and administer property and to make expenditures to and for the benefit of the University of Louisville.

C. ULREF needs certain services which the Service Provider is able to provide.

D. ULREF and the Service Provider desire to enter into this Agreement in order to formalize and document their agreement concerning the Services (as that term is defined below).

NOW, THEREFORE, in consideration of the foregoing, and the mutual covenants and agreements contained in this Agreement, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, ULREF and the Service Provider, intending to be legally bound, agree as follows:

1. Services. During the Term (as that term is defined in Section 4 below), the Service Provider will provide the services listed on Schedule A to ULREF (the "Services").

2. Monthly Service Fees. In exchange for each of the Services, each month during the Term, ULREF will pay to the Service Provider the Monthly Service Fee indicated next to each of the applicable Services on Schedule A. At the end of each month during the Term, the Service Provider will submit an invoice to ULREF in the amount of the total Monthly Service Fees incurred during such month. Such invoices will be due and payable within thirty (30) business days of receipt. Any invoice not paid within such 30 day period may be assessed finance charges equal to the lower of one and one-half percent (1.50%) per month or the maximum amount permitted by applicable law.

3. Increase of Monthly Service Fees during the Term. If, during the Term, the cost of providing any of the Services increases, the Service Provider may notify ULREF of such increase in cost and request an increase in the Monthly Service Fee applicable to such Service. Upon receipt of documentation establishing that the actual cost of providing the Service has increased directly proportionate to the amount of the requested increase in the Monthly Service Fee, ULREF shall have a period of sixty (60) days from ULREF's receipt of such document to either (i) reject the proposed Monthly Service Fee increase in which case the Service will be

deleted from this Agreement and the Service Provider will no longer be obligated to provide such Service to ULREF or (ii) accept the increase in Monthly Service Fee; in either case this shall be accomplished by an amendment to this Agreement.

4. Term. The term of this Agreement (the “Term”) shall begin on the Effective Date and continue through April 30, 2022. Either Party can terminate this Agreement upon thirty (30) days prior written notice to the other Party.

5. Financial Information and Reporting. ULREF shall provide to Service Provider during the Term of this Agreement the following financial information: (i) as soon as it is available after the end of each fiscal year of ULREF beginning with its fiscal year ending June 30, 2016, ULREF’s audited financial statements; and (ii) as soon as it is available after the end of the fiscal year of ULREF beginning with its fiscal year ending June 30, 2016, ULREF’s Form 990, Return of Organization Exempt from Income Tax; and (iii) as soon as it is available beginning with its fiscal year ending June 30, 2016, an operating budget for ULREF for the immediately succeeding fiscal year. ULREF shall also provide to Service Provider’s Board of Directors, a quarterly report, presented by the chairperson of ULREF or his or her designee, on the financial performance of ULREF during the immediately preceding quarter, such quarterly report to include an update on the financial performance of ULREF, any development projects underway or study, and the amount of Tax Increment Financing revenue received year-to-date and during the immediately preceding quarter. ULREF shall also provide to Service Provider, with reasonable promptness, such other financial data and information with respect to ULREF as from time to time may reasonably be requested, including without limitation, any such data or information which may be requested by any governmental or public body or agency having jurisdiction over Service Provider.

6. Performance. The failure of either Party to insist upon strict performance of any provision of this Agreement shall not constitute a waiver of the right to insist upon strict performance of any other provision or the obligation to perform such provision strictly thereafter.

7. Indemnification. The Service Provider agrees, to the extent permitted by law, to indemnify, defend, and hold harmless ULREF, its members, affiliates, officers, managers, employees, agents and clients from and against any and all damages, claims, suits, losses, penalties, judgments, costs, fines, liabilities or expenses of whatever nature that ULREF may incur or suffer relating in any way to (i) to any breach or failure of the Service Provider to perform any of its representations and warranties contained in this Agreement; or (ii) any actual or alleged personal injury, death, economic loss or property damage, whatsoever related to this Agreement caused by the negligence or willful misconduct of Service Provider. The Parties agree to the allocation of liability risk set forth in this Section.

8. Representations and Warranties. The Service Provider represents as follows: (i) it shall use established, sound and professional knowledge, skill, judgment, principles and practices in accordance with the highest professional and industry standards in its provision of the Services under this Agreement; (ii) all work product shall conform to its specifications, requirements and descriptions in Schedule A; (iii) the Service Provider shall comply with all applicable laws, ordinances, codes and regulations in performing the Services under this Agreement; and (iv) it has the right to enter into and provide the Services required by this Agreement. ULREF is

entitled to inspect and review all Services provided pursuant to this Agreement for conformity with the Service Provider's obligations under this Agreement.

9. Relationship of Parties. ULREF and the Service Provider understand and agree that, with respect to and for the purposes of this Agreement, ULREF and the Service Provider are not partners or joint venturers and nothing in this Agreement shall be construed so as to make them partners or joint venturers or impose any liability as such on either of them. The relationship between ULREF and the Service Provider with respect to and for the purposes of this Agreement shall be that of independent contractors. All employees furnished by the Service Provider are and shall be considered employees of the Service Provider. The Service Provider is solely responsible for the compensation of such employees, including without limitation salary, benefits, and insurance coverage, including but not limited to workers' compensation insurance and other liability insurance. No employee of the Service Provider shall receive any salary or other compensation or benefits from ULREF. The Service Provider shall pay all personnel, administrative, facilities and other costs and expenses necessary or required to provide the Services required to be rendered by it under this Agreement.

10. Notices. All notices and other communications under this Agreement shall be in writing and shall be delivered by hand or mailed by registered or certified mail (return receipt requested) or transmitted by facsimile to the Parties at the following addresses (or at such other addresses for a Party as shall be specified by like notice) and shall be deemed given on the date on which such notice is received:

If to ULREF:

University of Louisville Real Estate Foundation, Inc.
215 Central Avenue, Suite 212
Louisville, Kentucky 40208
Attention: Justin Ruhl
Email: Justin.ruhl@louisville.edu

If to the Service Provider:

University of Louisville Foundation, Inc.
215 Central Avenue, Suite 212
Louisville, Kentucky 40208
Attention: Keith Sherman
Email: keith.sherman@louisville.edu

11. Amendments. No amendments, waivers or modifications of this Agreement shall be made or deemed to have been made unless in writing executed by the Party to be bound thereby.

12. Confidentiality. As a condition to the provision of the Services, each Party agrees to treat any confidential information (i.e., information identified as such and if provided in writing marked as confidential) relating to the other in accordance with the provisions of this Section. Each Party agrees that the confidential information relating to the other will be used solely for the purpose of providing the Services and not for any other business purpose, and that such

confidential information will be kept strictly confidential during and after the Term for a period of two (2) years. Each Party agrees to give access to the confidential information of the other Party only to those of its representatives who need to have access to such confidential information in order to provide the Services. Notwithstanding the foregoing, nothing in this Agreement shall prevent either Party from making a disclosure to the extent that such disclosure has been consented to in writing by the other Party or is required by law, regulation, supervisory authority or other applicable judicial or governmental order. The term "confidential information", when used with respect to a Party, refers to any information concerning that Party, its affiliates and/or subsidiaries, including without limitation their businesses and future prospects, whether prepared by them or their representatives or otherwise, that is furnished or disclosed or learned in connection with this Agreement, whether furnished or disclosed or learned before or after the date of this Agreement, together with any analyses, compilations, studies or other documents prepared by the other Party or any of its representatives that contain or otherwise reflect such information; *provided that*, the term "confidential information" does not include information (i) about a Party that was or becomes generally available to the public other than as a result of a disclosure by the other Party or its representatives or (ii) that was or becomes available on a non-confidential basis from a source other than one of the Parties or its representatives, provided that such source was not known to be bound by any agreement to keep such information confidential, and was not otherwise prohibited from transmitting the information by a contractual, legal or fiduciary obligation.

13. Force Majeure. Neither Party shall be in default of this Agreement or liable to the other Party for any delay or default in performance where occasioned by any cause of any kind or extent beyond its control, including but not limited to, armed conflict or economic dislocation resulting therefrom; embargoes; shortages of labor, raw materials, production facilities or transportation; labor difficulties; civil disorders of any kind; action of any civil or military authorities (including priorities and allocations); fires; floods; and accidents. The dates on which the obligations of a Party are to be fulfilled shall be extended for a period equal to the time lost by reason of any delay arising directly or indirectly from:

A. Any of the foregoing causes, or

B. Inability of that Party, as a result of causes beyond its reasonable control, to obtain instruction or information from the other Party in time to perform its obligations by such dates.

14. Severability. If any provision in this Agreement or the application of such provision to any person or circumstance shall be invalid, illegal or unenforceable, the remainder of this Agreement or the application of such provision to persons or circumstances other than those to which it is held invalid, illegal or unenforceable shall not be affected thereby.

15. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute this Agreement.

16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky, without giving effect to its conflict of law rules.

17. Specific Performance. Each Party acknowledges that the rights and obligations granted under this Agreement are of a special character which gives them a peculiar and unique value, the loss of which cannot be reasonably or adequately compensated in damages in an action at law. Without limiting either Party's right to pursue all other legal and equitable remedies available to it, each of the Parties agrees that the other Party shall be entitled to injunctive and other equitable relief (including specific performance) to prevent any violation or continuing violation of this Agreement without the need to introduce evidence of the inadequacy of money damages to remedy such violation.

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EXHIBIT B**SCHEDULE A**
Services and Initial Fees**Effective July 1, 2021**

The following Services are covered by this Agreement and the following fees will apply subject to adjustments in accordance with this Agreement. The Service Provider will charge ULREF for actual costs incurred. The initial fees represent the per unit cost of the Services. These amounts may not be exceeded without the mutual consent of the Parties.

Services	Initial Fees / Unit	Description
Executive/Supervisory Services	\$14,955.90/month	All executive and supervisory services necessary for the operation and administration of ULREF.
Accounting, Tax and Audit Services	\$20,225.52/month	Accounting and tax services contributed by internal accounting staff to record, pay, track, and report financial activity of ULREF. Services provided by internal accounting staff to negotiate audit services and provide client assistance.
Operations/Development Services	\$4,318.15/month	Operational and real estate development services. Includes but not limited to I/T, legal, grant administration, program management, payroll and benefits, budget, and purchasing services
Property Management Services	\$10,658.17/month	Maintenance and administration of real estate, buildings and structures.
Public Relations/Janitorial/ General & Administrative	\$3,500/month	Costs of public relations, janitorial service of Cardinal Station suite, and miscellaneous general & administrative such as copying services, postage, and office supplies.
Investment/Treasury/Cash Management Services	Actual Out of Pocket	Money management, investment and treasury services.
Copying / Postage / Office Supplies	Actual Out of Pocket	Actual cost of copying services, postage, and office supplies.
Travel Expenses	Actual Out of Pocket	Actual cost of travel and related expenses.
Miscellaneous	Actual Out of Pocket	All services and related expenses provided by Service Provider not otherwise described above.
Total Fees	\$53,657.73/month	

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE UNIVERSITY OF LOUISVILLE REAL ESTATE FOUNDATION, INC.**

April 29, 2021

At a duly convened meeting of the Board of Directors (the “**Board**”) of the University of Louisville Real Estate Foundation, Inc., a Kentucky non-profit corporation (“**ULREF**”), held on April 29, 2021, the Board adopted the following resolution:

Operating Budget for 2021-2022

RESOLVED, the Board approves the operating budget for the fiscal year 2021-2022 for the University of Louisville Real Estate Foundation, Inc. as presented. (Summary attached)

BOARD ACTION:

Passed X

Did Not Pass

Other A

Craig Hawley, Secretary
University of Louisville Real Estate Foundation, Inc.

UNIVERSITY OF LOUISVILLE REAL ESTATE FOUNDATION, INC.
FY2022
Consolidated Operating Budget
(in thousands)

	ULREF Operating	Real Estate	Subtotal	Campus Housing	Total 2022 Consolidated Operating Budget	FY2021 Forecast (Excluding Campus Housing)	FY2021 Budget (Excluding Campus Housing)	FY2021 Forecast Campus Housing	FY2021 Budget Campus Housing	Total 2021 Consolidated Forecast	Total 2021 Consolidated Operating Budget	
Source of Funds												
Rental Income	-	4,501	4,501	-	4,501	4,535	4,817	-	-	4,535	4,817	
Rental Income - Campus Housing	-	-	-	8,186	8,186	-	-	7,994	8,348	7,994	8,348	
Net Investment Return	2	300	302	-	302	266	193	-	-	266	193	
Tax Incremental Financing Revenues	-	6,916	6,916	-	6,916	7,553	7,800	-	-	7,553	7,800	
Other Income:												
Parking	-	760	760	-	760	756	787	-	-	756	787	
Tenant Bill Backs	-	60	60	-	60	68	68	-	-	68	68	
Training/Conference	-	1	1	-	1	1	1	-	-	1	1	
Discounts	-	16	16	-	16	22	22	-	-	22	22	
Insurance Recovery	-	-	-	-	-	46	-	-	-	46	-	
Application & Termination Fees, Vending	-	-	-	347	347	-	-	871	304	871	304	
Total Source of Funds		\$ 12,554	\$ 12,556	\$ 8,533	\$ 21,089	\$ 13,247	\$ 13,688	\$ 8,865	\$ 8,652	\$ 22,112	\$ 22,340	
Distributions												
Imputed Rent Support to UofL	-	669	669	-	669	669	837	-	-	669	837	
Total Distributions		- 669	669		669	669	837			669	837	
Administrative Expenses												
Personnel	-	170	170	1,114	1,284	165	174	1,098	1,097	1,263	1,271	
Utilities	-	568	568	874	1,442	560	479	786	1,040	1,346	1,519	
General and administrative	-	823	823	1,043	1,866	800	801	1,055	1,006	1,855	1,807	
Professional services:												
Legal Fees	100	-	100	-	100	35	100	-	19	35	119	
Audit Fees	194	9	203	-	203	190	146	-	-	190	146	
Other Professional Services	-	-	-	192	192	-	-	157	185	157	185	
NTS-Property Management	-	154	154	-	154	154	154	-	-	154	154	
Service Agreement-Property Management	-	128	128	-	128	133	133	-	-	133	133	
Service Agreement-Accounting Services	380	94	474	-	474	508	508	-	-	508	508	
Service Agreement-Operating Expenses	42	-	42	-	42	38	38	-	-	38	38	
Repairs and maintenance	-	706	706	1,121	1,827	540	753	1,153	1,048	1,693	1,801	
Interest expense	-	605	605	1,807	2,412	620	633	1,889	1,875	2,509	2,508	
Total Administrative Expenses		\$ 3,256	\$ 3,972	\$ 6,151	\$ 10,123	\$ 3,743	\$ 3,919	\$ 6,138	\$ 6,270	\$ 9,881	\$ 10,189	
Other Expenses												
Bad Debts	-	222	222	-	222	(80)	899	-	-	(80)	899	
Depreciation and Amortization	4,487	1,667	6,154	2,829	8,983	6,257	6,254	2,806	2,830	9,063	9,084	
Total Other Expenses		\$ 4,487	\$ 1,889	\$ 6,376	\$ 2,829	\$ 9,205	\$ 6,177	\$ 7,153	\$ 2,806	\$ 2,830	\$ 8,983	\$ 9,983
Total Uses of Funds		\$ 5,203	\$ 5,814	\$ 11,017	\$ 8,980	\$ 19,997	\$ 10,589	\$ 11,909	\$ 8,944	\$ 9,100	\$ 19,533	\$ 21,009
Change in Net Assets		\$ (5,201)	\$ 6,740	\$ 1,539	\$ (447)	\$ 1,092	\$ 2,658	\$ 1,779	\$ (79)	\$ (448)	\$ 2,579	\$ 1,331

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
UNIVERSITY OF LOUISVILLE REAL ESTATE FOUNDATION, INC.**

April 29, 2021

At a duly convened meeting of the Board of Directors (the “**Board**”) of the University of Louisville Real Estate Foundation, Inc., a Kentucky non-profit corporation (“**ULREF**”), held on April 29, 2021, the Board adopted the following resolution:

Filing of Tax Forms

WHEREAS, Foundation staff worked with DMLO on the preparation of the Form 990s and Form 990Ts.

WHEREAS, the tax forms were shared with each Board member in advance of the informational session on April 15, 2021 for the Board to review and ask questions about the drafts of the same.

RESOLVED, upon the recommendation of the Audit, Compliance, and Risk Management Committee, the Board hereby authorizes Keith Sherman, subject to approval of legal counsel, to sign and file the following:

1. University of Louisville Real Estate Foundation (Form 990, 990-T)
2. Louisville Medical Center Development Corporation (Form 990)

BOARD ACTION:

Passed X

Did Not Pass

Other

Mr. Craig Hawley, Secretary
University of Louisville Real Estate Foundation, Inc.



UNIVERSITY OF LOUISVILLE
REAL ESTATE

FOUNDATION

Fiscal Year 2021 – Third Quarter
Financial Update

Executive Summary

In February, LMCDC received a \$7.2 million check from the state for the 2018 Downtown TIF increment.

In March, ULREF paid off its \$7.8 million promissory note to the University with a final \$1 million payment. ULREF also made a \$2.5 million payment to ULF in March. The outstanding principal on the ULF payable is currently \$17.5 million.

Ernst & Young performed Agreed Upon Procedures (AUPs) related to the Downtown and Belknap TIFs, confirming compliance with local participation agreements. Reports were submitted to Louisville Metro on March 31.

Multiple proposals to refinance the outstanding debt on the KYT property are under consideration.

ULREF

Consolidated Statements of Position

Days Cash on Hand: 1,095 days

- A. Increase in cash due to \$7.2 million TIF payment received in February.
- B. Increase in AR due to a receivable for insurance recoveries related to flood repairs at Community Park.

	March 2021	March 2020
in thousands		
Assets		
Cash and cash equivalents (A)	\$ 8,842	\$ 3,410
Accounts receivable, net (B)	596	385
Prepays and other assets	413	299
Total current assets	9,851	4,094
Investments in joint ventures	4,540	5,532
TIF intangibles, net	92,270	96,634
Lease intangibles, net	2,227	2,417
Capital assets, net	87,288	89,162
Total long-term assets	186,325	193,745
Total assets	196,176	197,839
Total Dorm, LLC assets	61,067	62,375
Total ULREF consolidated assets	\$ 257,243	\$ 260,214

See Appendix A for financial statements

ULREF Consolidated Statements of Position (cont'd)

- A. Increase in payables due to outstanding invoices related to Community Park flood.
- B. ULREF made its final payment on the \$7.8 million promissory note to UofL in March.
- C. ULREF made a \$2.5 million payment to ULF in March and should make another \$2.5 million payment before the end of the fiscal year.

	March 2021	March 2020		
	in thousands			
Liabilities and net assets				
Liabilities:				
Accounts payable (A)	\$ 561	\$ 325		
Other liabilities	363	348		
Debt	20,497	20,947		
Due to the University of Louisville (B)	-	2,757		
Due to ULF (C)	<u>17,477</u>	<u>19,898</u>		
Total ULREF liabilities	38,898	44,275		
Dorm, LLC liabilities	<u>40,231</u>	<u>41,639</u>		
Total Liabilities	79,129	85,914		
Net assets:				
ULREF net assets	157,278	153,563		
Dorm, LLC net assets	20,836	20,737		
Total net assets	<u>178,114</u>	<u>174,300</u>		
Total consolidated liabilities and net assets	\$ 257,243	\$ 260,214		

See Appendix A for financial statements

ULREF Consolidated Income Statements

**EBITDA (Excluding Housing):
\$8,993**

- A. Rental revenues are underbudget due to vacancies at Humana Gym and the Ice Breakers property.
- B. Bad debt expense is significantly under budget. COVID-19 has not negatively impacted rental revenue as anticipated.

	Fiscal Year to Date March 31,			2021	2021
	2021	2020	Variance (in thousands)	Budget	Variance
Revenues and gains					
Rental revenues (A)	\$ 3,319	\$ 3,579	\$ (260)	\$ 3,571	\$ (252)
Other revenues	7,885	936	6,949	8,047	(162)
Total revenues and gains	11,204	4,515	6,689	11,618	(414)
Salaries					
General and administrative (B)	127	122	5	130	(3)
Professional services	484	606	(122)	1,265	(781)
Utilities	766	717	49	762	4
Repairs and maintenance	397	415	(18)	362	35
Depreciation and amortization	437	522	(85)	593	(156)
Interest expense	4,679	4,783	(104)	4,696	(17)
Total expenses (excluding dorms)	442	650	(208)	476	(34)
Total expenses (excluding dorms)	7,332	7,815	(483)	8,284	(952)
Other income (expenses)					
Student housing-related revenues	6,968	7,461	(493)	6,197	771
Student housing-related expenses	(6,300)	(6,328)	28	(6,904)	604
Total other income (expenses)	668	1,133	(465)	(707)	1,375
Change in net assets	\$ 4,540	\$ (2,167)	\$ 6,707	\$ 2,627	\$ 1,913

See Appendix A for financial statements

ULREF Debt

Loan	Terms	Fiscal Year of Maturity	Outstanding Principal at March 31, 2021 (in thousands)
220 S. Preston - Permanent Financing \$9.3 million	<ul style="list-style-type: none"> Fixed 3.65% rate 5-year maturity and 20-year amortization, balloon payment at maturity Quarterly principal and interest payments 	2024	\$8,523
KYT, LLC - Note Payable \$19.5 million	<ul style="list-style-type: none"> Variable rate - LIBOR plus 1.95% Monthly interest-only payments Principal due in full at maturity 	2022	\$12,000
Dorm, LLCs - Northwestern Mutual Loan \$42.0 million	<ul style="list-style-type: none"> Fixed 4.77% rate 20-year amortization Monthly principal and interest payments 	2038	\$38,899

Schedule of Cumulative Remaining Payments (in thousands)	
Year ending June 30,	
2021	\$352
2022	13,917
2023	1,987
2024	9,067
2025	1,672
Thereafter	32,427
	<hr/>
	\$59,422

Debt without Payment Schedule	
Outstanding Principal at March 31, 2021 (in thousands)	
Due to ULF	\$17,477

Real Estate Performance

- Top 10 properties by total cash investment
- Campus Two and Campus Three are non-consolidated joint ventures. PP&E values are not included on ULREF's balance sheet.

	Annualized Cash Flows (Deficit)	Total Cash Investment	Annualized Return (Loss) on Investment
	(in thousands)		
Cardinal Station	721	12,752	5.66%
JD Nichols Garage	148	8,658	1.71%
One Innovation Center	144	7,579	1.90%
KYT Research Park	(310)	7,500	(4.13%)
Bed Bath and Beyond	452	7,000	6.45%
Solae	162	3,600	4.51%
Dulworth	76	3,566	2.13%
K-I Lumber	166	3,441	4.81%
South Preston Lot	55	2,885	1.90%
301 Lot Surface Parking	21	2,826	0.73%
<u>Joint Ventures</u>			
Campus Two	471	3,575	13.17%
Campus Three	241	5,226	4.61%

Appendix

University of Louisville Real Estate Foundation, Inc.

Consolidated Statements of Financial Position

(in thousands)

	March		Variance
	2021	2020	
Assets			
Cash and cash equivalents	\$ 13,661	\$ 7,352	\$ 6,309
Accounts receivable, net	1,370	751	619
Prepays and other assets	1,062	922	140
Total current assets	<u>16,093</u>	<u>9,025</u>	<u>7,068</u>
Investments in joint ventures	4,540	5,532	(992)
Tax incremental financing intangibles, net	92,270	96,634	(4,364)
Lease intangibles, net	2,226	2,418	(192)
Capital assets, net	142,114	146,605	(4,491)
Total long-term assets	<u>241,150</u>	<u>251,189</u>	<u>(10,039)</u>
Total assets	<u><u>\$ 257,243</u></u>	<u><u>\$ 260,214</u></u>	<u><u>\$ (2,971)</u></u>
Liabilities and net assets			
Liabilities:			
Accounts payable	\$ 641	\$ 362	\$ 279
Unearned grant revenue	26	81	(55)
Other liabilities	2,030	2,087	(57)
Debt - current	1,860	1,860	-
Due to the University of Louisville - current	-	1,560	(1,560)
Total current liabilities	<u>4,557</u>	<u>5,950</u>	<u>(1,393)</u>
Debt - non-current	57,093	58,869	(1,776)
Due to the University of Louisville - non-current	-	1,197	(1,197)
Due to ULF - non-current	17,477	19,898	(2,421)
Total long-term liabilities	<u>74,570</u>	<u>79,964</u>	<u>(5,394)</u>
Total liabilities	<u><u>79,127</u></u>	<u><u>85,914</u></u>	<u><u>(6,787)</u></u>
Net assets:			
Net assets	178,116	174,300	3,816
Total liabilities and net assets	<u><u>\$ 257,243</u></u>	<u><u>\$ 260,214</u></u>	<u><u>\$ (2,971)</u></u>

University of Louisville Real Estate Foundation, Inc.
Consolidated Statements of Activities
(in thousands)

For the Month Ended March 31,				
2021	2020	Variance	Budget	Variance
\$ 329	\$ 337	\$ (8)	\$ 332	\$ (3)
63	65	(2)	65	(2)
392	402	(10)	397	(5)
-	-	-	-	-
95	(4)	99	7	88
4	51	(47)	8	(4)
-	-	-	-	-
491	449	42	412	79
 16	15	1	15	1
59	94	(35)	141	(82)
93	77	16	77	16
41	41	-	40	1
63	105	(42)	93	(30)
515	537	(22)	518	(3)
53	50	3	52	1
840	919	(79)	936	(96)
 723	899	(176)	689	34
(1,237)	(719)	(518)	(762)	(475)
(514)	180	(694)	(73)	(441)
\$ (863)	\$ (290)	\$ (573)	\$ (597)	\$ (266)

For the Nine Months Ended March 31,				
2021	2020	Variance	Budget	Variance
Revenues, gains, and other support				
Net rental revenue	\$ 2,752	\$ 2,997	\$ (245)	\$ 2,989
Parking revenue	567	582	(15)	582
Total rental revenues	3,319	3,579	(260)	3,571
Tax incremental financing revenues	7,553	-	7,553	7,800
Net investment return	290	132	158	179
Other revenues	42	154	(112)	68
Gain on disposal	-	650	(650)	-
Total revenues, gains, and other support	11,204	4,515	6,689	11,618
 Salaries	127	122	5	130
General and administrative	484	606	(122)	1,265
Professional services	766	717	49	762
Utilities	397	415	(18)	362
Repairs and maintenance	437	522	(85)	593
Depreciation and amortization	4,679	4,783	(104)	4,696
Interest expense	442	650	(208)	476
Total expenses, ex. dorms	7,332	7,815	(483)	8,284
 Other income (expenses)				
Student housing-related revenues	6,968	7,461	(493)	6,197
Student housing-related expenses	(6,300)	(6,328)	28	(6,904)
Total student-housing-related income (expenses)	668	1,133	(465)	(707)
 Change in net assets	\$ 4,540	\$ (2,167)	\$ 6,707	\$ 2,627

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
UNIVERSITY OF LOUISVILLE REAL ESTATE FOUNDATION, INC.**

April 29, 2021

At a duly convened meeting of the Board of Directors (the “**Board**”) of the University of Louisville Real Estate Foundation, Inc., a Kentucky non-profit corporation (“**ULREF**”), held on April 29, 2021, the Board adopted the following resolutions:

601 President’s Boulevard

RESOLVED, upon the recommendation of the Property Committee, the Board approves engaging PRG Commercial Property Advisors to list for sale and market 601 President’s Boulevard, the property commonly referred to as Humana Gym.

BOARD ACTION:

Passed X

Did Not Pass _____

Other _____

Craig Hawley, Secretary
University of Louisville Real Estate Foundation, Inc.

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
UNIVERSITY OF LOUISVILLE REAL ESTATE FOUNDATION, INC.**

April 29, 2021

At a duly convened meeting of the Board of Directors (the “**Board**”) of the University of Louisville Real Estate Foundation, Inc., a Kentucky non-profit corporation (“**ULREF**”), held on April 29, 2021, the Board adopted the following resolutions:

2601 South Third Street

RESOLVED, upon the recommendation of the Property Committee, the Board approves engaging Linebach Funkhouser, Inc. to complete a Phase I Environmental Site Assessment and a Brownfield Redevelopment Program Application for 2601 South Third Street, the property commonly referred to as KYT (the Kentucky Trailer Property).

BOARD ACTION:

Passed X

Did Not Pass _____

Other _____

Craig Hawley, Secretary
University of Louisville Real Estate Foundation, Inc.

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
UNIVERSITY OF LOUISVILLE REAL ESTATE FOUNDATION, INC.**

April 29, 2021

At a duly convened meeting of the Board of Directors (the “**Board**”) of the University of Louisville Real Estate Foundation, Inc., a Kentucky non-profit corporation (“**ULREF**”), held on April 29, 2021, the Board adopted the following resolutions:

Refinancing Loan - 2601 South Third Street

RESOLVED, the Board authorizes Keith Sherman, in consultation with legal counsel, to obtain and finalize refinancing of 2601 South Third Street, the property commonly referred to as KYT (the Kentucky Trailer Property), at the best available rate. Mr. Sherman, in consultation with legal counsel, is authorized, empowered and directed, for and on behalf of ULREF, and in its name to execute and deliver the loan application, documents, exhibits and schedules in furtherance of the refinancing.

BOARD ACTION:

Passed X

Did Not Pass

Other

Craig Hawley, Secretary
University of Louisville Real Estate Foundation, Inc.

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
UNIVERSITY OF LOUISVILLE REAL ESTATE FOUNDATION, INC.**

April 29, 2021

At a duly convened meeting of the Board of Directors (the “**Board**”) of the University of Louisville Real Estate Foundation, Inc., a Kentucky non-profit corporation (“**ULREF**”), held on April 29, 2021, the Board adopted the following resolutions:

Rowan Street

WHEREAS, effective May 20, 2016 the ULREF entered into a 10 year lease for the building located at 1606 Rowan Street, Louisville, KY 40202 for Unit 101 consisting of 28,960 square feet;

WHEREAS, the lease provided for a rental rate of \$240,000 for the first three years, \$264,000 years four and five, \$300,000 for years six through ten as well as for optional years eleven through 20. For all rental years, the ULREF is responsible for operating expenses also;

WHEREAS, the University of Louisville (“University”) entered into an MOU with the ULREF to sublease the same 28,960 square feet for Unit 101, to be used by the Hite Art Institute, and be responsible for all rental and operating expenses;

WHEREAS, effective October 25, 2016 the ULREF entered into a second lease at 1606 Rowan Street for Unit 102, consisting of 16,300 square feet;

WHEREAS, the lease provided for an additional rental rate of \$163,000 for the first three years, \$179,300 for years four and five, \$195,000 for years six through ten as well as for optional years eleven through 20. For all rental years, the ULREF is responsible for operating expenses also;

WHEREAS, the University entered into an MOU with the ULREF to sublease the same 16,300 square feet, to be used by the department of Anthropology, and be responsible for all rental and operating expenses;

WHEREAS, the University has asked the ULREF to consider purchasing the entire building at 1606 Rowan Street which includes the above square footage plus an additional almost 10,000 square feet of unfinished space;

WHEREAS, the University has agreed to enter into a long-term lease with the ULREF and assume responsibility for all mortgage and operating expenses;

WHEREAS, the ULREF has negotiated a tentative purchase price of \$4,957,000 for the property;

WHEREAS, the University is still finalizing its decision of whether to formally request the ULREF purchase this property as a strategic asset,;

WHEREAS, the University has agreed to assume all operating expenses related to the property for as long as the ULREF shall own it;

BE IT RESOLVED, that subject to the recitals above, and conditioned upon the University determining it desires the ULREF to purchase the property at 1606 Rowan Street for a price not to exceed \$4.957 million, the Executive Director is authorized to work with Legal Counsel to execute, deliver, file and record such agreements, instruments, documents and certificates and to take or cause to be taken such other and further action as they shall, in their reasonable discretion, deem necessary or appropriate in order to effectuate the purposes of, and implement, the foregoing resolutions and all actions heretofore taken by them in connection with the foregoing, are hereby ratified, confirmed, adopted and approved.

BOARD ACTION:

Passed X

Did Not Pass _____

Other _____

[Redacted]

Craig Hawley, Secretary
University of Louisville Real Estate Foundation, Inc.