



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 9:01 a.m. on July 29, 2021 in the Swain Student Activities Center Ballrooms on the University of Louisville Belknap Campus. Members were present and absent as follows:

Present: Mr. Ken Payne, Chair
Dr. Neeli Bendapudi (*via videoconference*)
Ms. Jill Force
Mr. Steve Gault
Ms. Mariah Gratz (*arrived at 9:05 a.m.*)
Mr. Craig Hawley (*via videoconference*)
Mr. Derrick Littlejohn (*via videoconference*)
Mr. Earl Reed
Mr. Keith Sherman
Mr. Powell Spears
Ms. Sandy Metts Snowden

Absent: Mr. Paul Carrico

From the
Foundation: Ms. Julie Kroger, Executive Assistant
Mr. Jake Robertson, Senior Accountant
Mr. Justin Ruhl, Controller

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

Guest: Mr. Kevin Grout, RunSwitch

I. Call to Order

Having determined a quorum present, Mr. Payne called the regular meeting to order at 9:01 a.m. No conflicts of interest or appearances of conflicts were identified.

II. Consent Agenda

Mr. Reed made a motion, which Ms. Snowden seconded, to approve the Consent Agenda as listed:

- Approval of Minutes, April 29, 2021
- Election of Manager and Appointment of Officers of Nucleus: KY’s Life Sciences and Innovation Center, LLC
- Election of Manager and Appointment of Officers of 220 South Preston, LLC
- Election of Manager and Appointment of Officers of Cardinal Station, LLC
- Election of Manager and Appointment of Officers of KYT-Louisville, LLC
- Election of Manager and Appointment of Officers of Kurz Hall, LLC
- Election of Manager and Appointment of Officers of Johnson Hall, LLC
- Election of Manager and Appointment of Officers of Community Park, LLC

The motion passed.

III. Governance and Nominating Committee Report

Mr. Payne reported the Governance and Nominating Committee met on July 13, 2021. During the meeting the Committee approved the following recommendations:

- Re-elect **Steve Gault** and **Derrick Littlejohn** as At-Large Directors with terms ending on June 30, 2024.
- Elect the following officers to two-year terms:

<u>Name</u>	<u>Office</u>
Ken Payne	Chair
Steve Gault	Vice Chair
Craig Hawley	Secretary and Treasurer
- Approve the Committee Assignments as listed.

The Board approved the Committee’s recommendations.

Mr. Payne reported the Committee also recommends the Board approve an amended and restated Memorandum of Understanding (MOU) with the University of Louisville. The proposed MOU closely resembles the one the University of Louisville Foundation has with the University. The University has not approved it yet, but once they do the Foundation will need to amend its Bylaws and Committee Charters to comport with the amended MOU.

Upon the Governance and Nominating Committee's recommendation, the Board approved the **attached** MOU and conditionally approved the **attached** amended Bylaws and Committee Charters, subject to the University Trustees approving the MOU.

Mr. Sherman provided a high-level overview of the governance documents. University Counsel has not reviewed the MOU, however no issues are anticipated. While the current MOU allows the Chair of the University's Board of Trustees to appoint members of the Board of Trustees to serve as voting members of the Foundation's Board of Directors there has never been a Trustee member on the Foundation's Board. The new MOU eliminates this, however the University President remains a voting member of the Foundation Board and the University's Chief Financial Officer remains a voting member of the Property Committee.

The amended Bylaws and Committee Charters comport with the MOU as well as add citations of certain Kentucky Revised Statutes within the Bylaws to be more specific and to explicitly state our compliance. The governance documents also add flexibility to the number of individuals on the Committees, they also allow individuals who are not Directors to serve as voting members of Committees, but as required by Kentucky Revised Statutes such individuals may not vote on any matter which binds the Board.

IV. Property Committee Report

Mr. Gault reported the Property Committee met on July 13, 2021. The properties are performing well. The Ice Breakers building has been leased to the University and One Innovation Center is 80% full. The application to the state for the Brownfield Redevelopment Program for the KYT property at 2601 South Third Street has been accepted.

V. Information Item: Fiscal Year 2021 Fourth Quarter Financial Update

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

VI. Report of the Chair

Mr. Payne expressed his appreciation to Mr. Gault and Mr. Littlejohn for their willingness to continue their service on the Board. He also thanked Board members for their willingness to serve on the Committees which require time throughout the year.

The Foundation's cash position is strong, TIF revenue was at an all-time high last year, and the budget to actual performance was good.

During the past year, the promissory note to the University was retired and \$5M was paid towards the debt owed to the University of Louisville Foundation.

He expressed his appreciation to the staff for their work throughout the year.

Mr. Payne encouraged the Directors to consider being a donor to the University. He did not recommend an amount or the timing, but he requested 100% participation from the Board.

VII. Report of the Executive Director

Mr. Sherman provided a high-level overview of the Foundation's Conflict of Interest Policy. He requested the Directors complete and return their annual disclosure forms at their earliest convenience.

He asked for a motion to approve the **attached** Signature and Banking Authority resolutions. Mr. Spears made a motion to approve the resolutions which Mr. Gault seconded. The motion passed.

Mr. Sherman expressed his appreciation to the staff noting their flexibility and adaptability to the challenges the pandemic presented during the past year.

He also expressed his appreciation to the Board for their service and their expertise.

During the past year there were concerns about how the properties would perform. Fortunately few tenants were lost due to economics. Between the two Foundations almost 30 leases were renewed or entered into, including negotiating a comprehensive agreement with the Louisville Healthcare CEO Council that has reinvigorated One Innovation Center.

Mr. Sherman stated he has analyzed and worked closely with the University on several projects, including breaking ground on Denny Crum Hall.

VIII. Executive Session to Discuss Potential Acquisition or Sale of Real Property, Specific Business Proposal, a Personnel Matter, and Proposed or Pending Litigation

Ms. Snowden made a motion at 9:38 a.m., which Mr. Spears seconded, to go into executive session to discuss the potential acquisition or sale of real property, a specific business proposal, a personnel matter, and proposed or pending litigation pursuant to KRS 61.810(1)(b) (g) (f) and (c). The motion passed.

IX. Reconvene Open Session

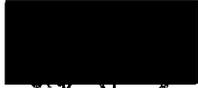
Open session reconvened at 10:01 a.m., Mr. Payne reported that the potential acquisition or sale of real property, a specific business proposal, a personnel matter, and proposed or pending litigation were discussed during the executive session. No action was taken.

X. Other Business

Dr. Bendapudi expressed her appreciation to the Directors for their service and real estate expertise.

XI. Adjournment

Having no other business, Mr. Reed made a motion, which Mr. Gault seconded, to adjourn. The motion passed and the meeting adjourned at 10:03 a.m.



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

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

July 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 July 29, 2021, the Board adopted the following resolutions:

**Election of Manager and Appointment of Officers of Nucleus: Kentucky’s Life Sciences
and Innovation Center, LLC**

WHEREAS, ULREF is the sole member of Nucleus: Kentucky’s Life Sciences and Innovation Center, LLC, a manager-managed Kentucky limited liability company (“**Nucleus**”).

RESOLVED, that the Board, for and on behalf of ULREF as the sole member of Nucleus, hereby elects ULREF to serve as the Manager of Nucleus until the next annual meeting of the member or written consent in lieu thereof, or until its successor has been duly elected and qualified; and

RESOLVED, that ULREF shall constitute the sole Manager of Nucleus until the next annual meeting of the member or written consent in lieu thereof, or until its successor has been duly elected and qualified.

RESOLVED, that all current officers of Nucleus are hereby removed and the following persons are hereby appointed to the offices set forth opposite their respective names, to hold such offices until the next annual meeting of the Manager or written consent in lieu thereof, or until their respective successors have been duly elected and qualified or until their earlier resignation or removal:

<u>Name:</u>	<u>Office:</u>
Keith Sherman	President
Kenneth Payne	Secretary and Treasurer

Election of Manager and Appointment of Officers of 220 South Preston, LLC

WHEREAS, ULREF is the sole member of 220 South Preston, LLC, a manager-managed Kentucky limited liability company (“**220 South Preston**”).

RESOLVED, that the Board, for and on behalf of ULREF as the sole member of 220 South Preston, hereby elects ULREF to serve as the Manager of 220 South Preston until the next annual meeting of the member or written consent in lieu thereof, or until its successor has been duly elected and qualified; and

RESOLVED, that ULREF shall constitute the sole Manager of 220 South Preston until the next annual meeting of the member or written consent in lieu thereof, or until its successor has been duly elected and qualified.

RESOLVED, that all current officers of 220 South Preston are hereby removed and the following persons are hereby appointed to the offices set forth opposite their respective names, to hold such offices until the next annual meeting of the Manager or written consent in lieu thereof, or until their respective successors have been duly elected and qualified or until their earlier resignation or removal:

<u>Name:</u>	<u>Office:</u>
Keith Sherman	President
Kenneth Payne	Secretary and Treasurer

Election of Manager and Appointment of Officers of Cardinal Station, LLC

WHEREAS, ULREF is the sole member of Cardinal Station, LLC, a manager-managed Kentucky limited liability company (“**Cardinal Station**”).

RESOLVED, that the Board, for and on behalf of ULREF as the sole member of Cardinal Station, hereby elects ULREF to serve as the Manager of Cardinal Station until the next annual meeting of the member or written consent in lieu thereof, or until its successor has been duly elected and qualified; and

RESOLVED, that ULREF shall constitute the sole Manager of Cardinal Station until the next annual meeting of the member or written consent in lieu thereof, or until its successor has been duly elected and qualified.

RESOLVED, that all current officers of Cardinal Station are hereby removed and the following persons are hereby appointed to the offices set forth opposite their respective names, to hold such offices until the next annual meeting of the Manager or written consent in lieu thereof, or until their respective successors have been duly elected and qualified or until their earlier resignation or removal:

<u>Name:</u>	<u>Office:</u>
Keith Sherman	President
Kenneth Payne	Secretary and Treasurer

Election of Manager and Appointment of Officers of KYT-Louisville, LLC

WHEREAS, ULREF is the sole member of KYT-Louisville, LLC, a manager-managed Kentucky limited liability company (“**KYT**”).

RESOLVED, that the Board, for and on behalf of ULREF as the sole member of KYT, hereby elects ULREF to serve as the Manager of KYT until the next annual meeting of the member or written consent in lieu thereof, or until its successor has been duly elected and qualified; and

RESOLVED, that ULREF shall constitute the sole Manager of KYT until the next annual meeting of the member or written consent in lieu thereof, or until its successor has been duly elected and qualified.

RESOLVED, that all current officers of KYT are hereby removed and the following persons are hereby appointed to the offices set forth opposite their respective names, to hold such offices until the next annual meeting of the Manager or written consent in lieu thereof, or until their respective successors have been duly elected and qualified or until their earlier resignation or removal:

<u>Name:</u>	<u>Office:</u>
Keith Sherman	President
Kenneth Payne	Secretary and Treasurer

Election of Manager and Appointment of Officers of Kurz Hall, LLC

WHEREAS, ULREF is the sole member of Kurz Hall, LLC, a manager-managed Kentucky limited liability company (“**Kurz Hall**”).

RESOLVED, that the Board, for and on behalf of ULREF as the sole member of Kurz Hall, hereby elects ULREF to serve as the Manager of Kurz Hall until the next annual meeting of the member or written consent in lieu thereof, or until its successor has been duly elected and qualified; and

RESOLVED, that ULREF shall constitute the sole Manager of Kurz Hall until the next annual meeting of the member or written consent in lieu thereof, or until its successor has been duly elected and qualified.

RESOLVED, that all current officers of Kurz Hall are hereby removed and the following persons are hereby appointed to the offices set forth opposite their respective names, to hold such offices until the next annual meeting of the Manager or written consent in lieu thereof, or until their respective successors have been duly elected and qualified or until their earlier resignation or removal:

<u>Name:</u>	<u>Office:</u>
Keith Sherman	President
Kenneth Payne	Secretary and Treasurer

Election of Manager and Appointment of Officers of Johnson Hall, LLC

WHEREAS, ULREF is the sole member of Johnson Hall, LLC, a manager-managed Kentucky limited liability company (“**Johnson Hall**”).

RESOLVED, that the Board, for and on behalf of ULREF as the sole member of Johnson Hall, hereby elects ULREF to serve as the Manager of Johnson Hall until the next annual meeting of the member or written consent in lieu thereof, or until its successor has been duly elected and qualified; and

RESOLVED, that ULREF shall constitute the sole Manager of Johnson Hall until the next annual meeting of the member or written consent in lieu thereof, or until its successor has been duly elected and qualified.

RESOLVED, that all current officers of Johnson Hall are hereby removed and the following persons are hereby appointed to the offices set forth opposite their respective names, to hold such offices until the next annual meeting of the Manager or written consent in lieu thereof, or until their respective successors have been duly elected and qualified or until their earlier resignation or removal:

<u>Name:</u>	<u>Office:</u>
Keith Sherman	President
Kenneth Payne	Secretary and Treasurer

Election of Manager and Appointment of Officers of Community Park, LLC

WHEREAS, ULREF is the sole member of Community Park, LLC, a manager-managed Kentucky limited liability company (“**Community Park**”).

RESOLVED, that the Board, for and on behalf of ULREF as the sole member of Community Park, hereby elects ULREF to serve as the Manager of Community Park until the next annual meeting of the member or written consent in lieu thereof, or until its successor has been duly elected and qualified; and

RESOLVED, that ULREF shall constitute the sole Manager of Community Park until the next annual meeting of the member or written consent in lieu thereof, or until its successor has been duly elected and qualified.

RESOLVED, that all current officers of Community Park are hereby removed and the following persons are hereby appointed to the offices set forth opposite their respective names, to hold such offices until the next annual meeting of the Manager or written consent in lieu thereof, or until their respective successors have been duly elected and qualified or until their earlier resignation or removal:

<u>Name:</u>	<u>Office:</u>
Keith Sherman	President
Kenneth Payne	Secretary and Treasurer

General Resolutions

RESOLVED, that the officers of ULREF be and hereby are each authorized, empowered and directed, for and on behalf of ULREF and in its name, 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.**

July 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 July 29, 2021, the Board adopted the following resolutions:

At-Large Directors

RESOLVED, the Board, upon the recommendation of the Governance and Nominating Committee, elects the following as at-large directors to the Board:

Steve Gault, term expiring June 30, 2024

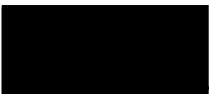
Derrick Littlejohn, term expiring June 30, 2024

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.
REGARDING OFFICERS**

July 29, 2021

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

Appointment of Officers

RESOLVED, that all current officers of ULREF are hereby removed and the following persons are hereby appointed to the offices set forth opposite their respective names, to hold such offices for two years or written consent in lieu thereof, or until their respective successors have been duly elected and qualified or until their earlier resignation or removal:

<u>Name:</u>	<u>Office:</u>
Kenneth L. Payne	Chair
Stephen C. Gault	Vice Chairman
Craig Hawley	Secretary and Treasurer

General Resolutions

RESOLVED, that the officers of ULREF be and hereby are each authorized, empowered and directed, for and on behalf of ULREF and in its name, 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.**

July 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 July 29, 2021, the Board adopted the following resolutions:

Committee Assignments

WHEREAS, the Board has approved a Charter for each of the three standing Committees of the Board. Each Committee is governed by, and has the power, authority and duties of the Board with respect to, the matters set out in its Charter.

WHEREAS, each Charter states “Members of the Committee shall serve at the pleasure of the Board and shall be appointed to, and removed from, the Committee by the Board.”

NOW, THEREFORE, BE IT RESOLVED, that upon the recommendation of the Governance and Nominating Committee, the Board approves the Committee Assignments as listed in Exhibit A.

BOARD ACTION:

Passed X

Did Not Pass

Other

 _____

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

University of Louisville Real Estate Foundation Committee Structure

Audit, Compliance, Risk Management

Hawley*
Force
Littlejohn
Snowden
Spears

Current Board Members

Neeli Bendapudi, ex-officio
Paul Carrico (ULF)
Jill Force (ULF)
Steve Gault
Mariah Gratz
Craig Hawley
Derrick Littlejohn
Ken Payne (ULF)
Earl Reed (ULF)
Keith Sherman, ex-officio non-voting
Sandy Metts Snowden
Powell Spears

Term Ends

NA
NA
NA
6/30/2024
6/30/2022
6/30/2023
6/30/2024
NA
NA
NA
6/30/2022
6/30/2023

Governance & Nominating

Payne* *ex officio as ULREF BOD Chair*
Gault
Gratz
Littlejohn
Spears

Property

Gault*
Carrico
Durbin *ex officio as University CFO*
Gratz
Snowden
Spears *(effective when MOU and other governance docs are approved and updated)*

* Committee Chair

7.29.21

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

July 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 nonprofit corporation (“**ULREF**”), held on July 29, 2021, the Board adopted the following resolutions:

Approval of MOU

WHEREAS, ULREF and the University of Louisville (the “**University**”) plan to commence negotiating an Amended and Restated Memorandum of Understanding, substantially in the form presented to the Board or with such changes as may be approved by the Chair of the Board and the Executive Director of ULREF (“**MOU**”), in order to memorialize certain changes to the relationship between ULREF and the University.

RESOLVED, that subject to approval of the MOU by the University, the Board hereby authorizes and approves the MOU.

Approval of Governing Documents

WHEREAS, in connection with the MOU, the Board desires to amend and restate the Amended and Restated Bylaws of ULREF, pursuant to those certain Second Amended and Restated Bylaws, substantially in the form presented to the Board (the “**Bylaws**”);

WHEREAS, in connection with the MOU, the Board also desires to amend and restate each Charter of the following standing committees of the Board: (i) Audit, Compliance and Risk Management Committee, (ii) Property Committee, and (iii) Governance and Nominating Committee (each a “**Committee**” and, collectively, the “**Committees**”), pursuant to each certain Charter of each Committee, substantially in the forms presented to the Board (each a “**Charter**” and, collectively, the “**Charters**”).

RESOLVED, that subject to approval of the MOU by the University, the Board hereby authorizes and approves the Bylaws; and

RESOLVED, that subject to approval of the MOU by the University, the Charters, be and each hereby is, authorized and approved and each Committee shall be governed by, and have the power, authority and duties of the Board with respect to, the matters set out in its Charter.

General Resolutions

RESOLVED, that the officers of ULREF be and hereby are each authorized, empowered and directed, for and on behalf of ULREF and in its name, to execute, deliver, file and record such agreements, instruments, documents and certificates, including the MOU, Bylaws and Charters, 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.

AMENDED AND RESTATED
MEMORANDUM OF UNDERSTANDING
BETWEEN
THE UNIVERSITY OF LOUISVILLE
AND
THE UNIVERSITY OF LOUISVILLE REAL ESTATE FOUNDATION, INC.

THIS AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING (the “Amended MOU”) is entered into as of October 29, 2021 by and between the University of Louisville (the “University”) and the University of Louisville Real Estate Foundation, Inc. (the “Foundation”). (Each of the University and the Foundation is a “Party” and collectively are the “Parties”.)

This Amended MOU amends, replaces and supersedes the Memorandum of Understanding dated as of October 1, 2017 by and between (i) the University, and the University’s Board of Trustees, and (ii) the Foundation, and the Foundation’s Board of Directors (the “Previous MOU”).

In consideration of the foregoing and the agreements set forth below, and other good and valuable consideration, receipt of which is hereby acknowledged, the Parties agree as follows:

I. Shared Mission; Separate Governance

A. Shared Mission.

1. The University and the Foundation agree to work as partners to strengthen the University through activities that support the mission and priorities of the University. Both the University and the Foundation have a shared interest in insuring that each adheres to industry best practices and pursuant to a governance structure that guaranties all decisions remain free from political pressure, conflicts of interest and the disproportionate influence of any individuals(s).
2. The Foundation is primarily responsible for receiving, investing in, purchasing and developing real estate for the University’s benefit. The Foundation acts in a fiduciary capacity to the University. The University designates the Foundation as the repository of private real estate gifts made in support of the University unless otherwise specified by the donor. With the exception of receiving private real estate gifts made in support of the University, the Foundation engages in no fund-raising activities on behalf of the University. The University (and its affiliated entities) are the sole beneficiary of the assets managed by the Foundation.
3. To ensure effective achievement of the items in this Amended MOU, the University and Foundation officers and representatives shall hold periodic meetings to foster and maintain productive relationships and to ensure open and continuing communications and alignment of priorities.

B. University Governance.

1. The University is an agency of the Commonwealth of Kentucky.
2. The University's Board of Trustees is responsible for (i) overseeing the mission, leadership, operations and performance of the University, (ii) setting priorities and long-term plans for the University and (iii) the employment and compensation of all University employees (acting directly or through designees) and for the appointment, compensation, and evaluation of the University's President.

C. Foundation Governance.

1. Unlike the University, the Foundation is not a public agency. The Foundation exists as a separate legal entity from the University and is not subject to the University's control. The Foundation is a Kentucky nonprofit corporation that has been recognized by the Internal Revenue Service as a tax-exempt charity under Section 501(c)(3) of the Internal Revenue Code, as amended (the "Code").
2. The Foundation's Board of Directors is responsible for overseeing the Foundation's operations, including control and management of its assets and prudent management of all gifts made for the benefit of the University consistent with donor intent. This oversight is governed by a comprehensive set of articles of incorporation, bylaws, committee charters and policies that clearly address the fiduciary responsibilities of the Board of Directors, including requirements that individual board members act in good faith, on an informed basis, and in a manner consistent with the Foundation's fiduciary duties and the Foundation's best interests.
3. The Foundation shall maintain and enforces policies to identify and manage potential conflicts of interest among its board members and staff. Such policies shall be reviewed on a regular basis and strictly enforced. While "direct investments" by the Foundation are prohibited (see III. A.3. below), the Foundation's conflict of interest policies will prohibit any investment by the Foundation in a business in which any member of the University's Board of Trustees or Foundation's Board of Directors or any executive level employee or officer of the University or the Foundation have an ownership, employment, consulting or other financial relationship.
4. The Chair of the Foundation's Board of Directors shall be a member of the Foundation's Board of Directors, but shall not be the President of the University of Louisville.
5. To the extent it has employees, the Foundation is responsible for employing, compensating, and evaluating all of its employees, including the Foundation's top executive. Currently, the Foundation contracts with the University of Louisville Foundation, Inc. for management services.

6. No officer or employee of the Foundation (including the Foundation's chief executive), shall serve simultaneously as an officer of the University, without the prior approval of the University's Board of Trustees and the Foundation's Board of Directors.

II. University Responsibilities

- A. The University designates the Foundation as the repository of all private real estate gifts made in support of the University unless otherwise expressly specified by the donor.
- B. As applicable, the University shall ensure that any utilization of real estate held by the Foundation is in accordance with donor intent. The University shall timely sign compliance documents from the Foundation attesting to its adherence with donor intent.
- C. The University President is responsible for communicating University priorities and long-term plans, as approved by the University's Board of Trustees, to the Foundation.
- D. The University President controls the University's fund-raising activities. The University President and campus leadership will work, in conjunction with the Foundation, to identify, cultivate, and solicit prospects for private gifts of real estate.
- E. The Foundation's chief executive shall be invited on a regular basis to meetings of the University President's executive team.
- F. The Foundation's chief executive or his or her designee shall be included as an *ex-officio* member of any University-wide strategic or facilities planning committee.
- G. The University, at its option, may contract with the Foundation at fair market value rates for special services like grounds maintenance or advertising. The services, if any, and compensation amount will be negotiated on an annual basis by April 30th of the preceding fiscal year. The University agrees to provide the Foundation with access, without charge, to the University's enterprise and identity management systems, including access to University email and Ulink services and storage space on the University's shared drive or an equivalent successor. To the extent the Foundation asks the University to provide customized functionality for the Foundation or requests that University personnel provide significant support for the Foundation's e-discovery obligations, the University and Foundation will timely negotiate reasonable compensation rates for those services. The Foundation agrees that it will comply with the University's policies and procedures related to access to and use of University email and Ulink services and shared drive storage space, including University policies and procedures related to data security. The University will provide the Foundation with a shared drive exclusively for the use of the Foundation. The University will provide that shared drive with the same

level of security it provides to its own shared drives and agrees that it will not access information stored on that shared drive or other information that the University clearly knows is Foundation information without the express written permission of the Foundation, except as part of normal maintenance or desktop support operations.

- H. The University's Chief Financial Officer shall serve, *ex-officio*, as a voting member of the Foundation's Property Committee.
- I. The University President shall be an *ex-officio*, voting member of the Foundation's Board of Directors.

III. Foundation Responsibilities. Consistent with the purposes stated in its Articles of Incorporation, the Foundation exists to promote the interest and welfare of the University and provide it with a margin of excellence by providing the maximum level of sustainable financial support.

A. Asset Management

- 1. The Foundation agrees to provide the University with timely information (but in no event less than quarterly) about the current balance sheet of the Foundation.
- 2. The Foundation will consult with the University prior to the purchase of or disposition of any assets to ensure alignment with the University's strategic needs and plans. It is agreed that real property purchased by the Foundation should directly or indirectly support the mission of the University. At the express request of the University's Board of Trustees, the Foundation may engage in such activities as purchasing, developing, or managing real estate for multiple purposes, including but not limited to University expansion, student housing, or office building and research facilities.
- 3. Unless requested by the University in writing (and previously approved by the University's Board of Trustees), and excluding investments managed by its investment adviser, the Foundation shall not invest in start-up businesses or real estate nor make any other "direct" investments (i.e., shall not invest directly in any entity or business or real estate venture).

B. Foundation Funding and Administration

- 1. The Foundation will use its best efforts to assure that the activities of the Foundation align with the mission and goals of the University and meet applicable accreditation standards (and the University will use its best efforts to notify the Foundation of such applicable accreditation standards).
- 2. The Foundation will maintain its tax-exempt status under Section 501(c)(3) of the Code and carry on its work exclusively for the charitable and educational purposes of the University of Louisville.

3. Not less than three months prior to the beginning of the Foundation's fiscal year, and at least two weeks before submitting same to the Foundation's Property Committee, the Foundation shall prepare a complete annual line item budget to the University's President and Chief Financial Officer for review and comment. Each year the Foundation holds "budget workshops" for the members of the Foundation's Board. These are working meetings where the budget for the upcoming fiscal year is discussed in detail. The members of the University's Board of Trustees shall be invited to attend the Foundation's "budget workshops".
4. In establishing an annual operations and capital budget, the Foundation has the right to use a reasonable percentage of funds to support its operations. In addition, the Foundation may use payments received from the University, whether direct (e.g., administrative fees) or in-kind, under the terms of any annual service contract with the University.
5. In establishing a financial plan, the Foundation will provide for necessary office space, computer and telephone systems, utilities, adequate personnel, office supplies, and other such services that may be necessary or required to fulfill its responsibilities and obligations.
6. The Foundation shall maintain copies of the plans, budgets, and donor records developed in connection with the performance of its obligations in compliance with system-wide policies for records retention. Such policies shall include the implementation of litigation holds, a prohibition on destruction of data in connection with the repurposing of computers, telephones and other devices and shall be consistent with the policies of the University.
7. The Foundation and the University shall coordinate with each other on public policy questions such as Open Records and Open Meetings issues and on fundraising and public relations/marketing.
8. On an annual basis, the Foundation's Board of Directors will select and engage an independent accounting firm to conduct an audit of the Foundation's financial and operational records.
9. The Foundation shall provide the University with a copy of the Foundation's annual audited financial statements, including management letters and responses to management letters within 30 days of receipt. Within 90 days of the issuance of an audit report with audit findings, the Foundation shall demonstrate to the University that satisfactory progress has been made to implement a corrective action plan. If the University recommends that specific actions be included in the corrective action plan, the Foundation Chief Executive shall promptly communicate the University's recommendations to the Foundation's independent accounting firm and the Foundation's Board of Directors for their consideration.

10. The Foundation shall provide the University and the University's Board of Trustees with detailed quarterly financial reports, including, without limitation, information on all assets held and budget-to-actual comparisons.
11. The Foundation and the University will share access to donor data and records in accordance with established University and Foundation policies and procedures and mindful of applicable laws.
12. The Foundation shall (i) maintain a confidential and anonymous mechanism to encourage individuals to report any inappropriateness within the Foundation's financial management and (ii) prohibit punishment of or retaliation against any employee for reporting problems.
13. Officers and employees of the Foundation who have check-signing authority or who handle cash or negotiable instruments must be bonded in an amount determined to be reasonable by the Foundation's Board of Directors after consultation with the University.
14. The Foundation's Board of Directors shall evaluate the potential risks arising from the Foundation's operations and obtain commercially reasonable amounts of general liability and directors/officers' insurance.

C. Transfer of Funds

1. All transfers of funds from the Foundation to the University must be documented in writing or electronically in a form that has a retrievable transaction trail.
2. The Foundation shall not request or accept loans from the University without the approval of the University's Board of Trustees.
3. Unless requested by the University's Board of Trustees in writing (and such request identifies an available source of funding), the Foundation shall not become obligated to pay (nor shall it pay) salary, bonuses, deferred compensation, tax gross-ups or any other compensation to University employees (whether directly or through subsidiaries or affiliates).

IV. License to use University Marks

- A. During the term of this Amended MOU only, and consistent with its mission to help advance the plans and objectives of the University, the Foundation is granted a royalty-free, non-exclusive, non-transferable license to use the name, "University of Louisville", the name "U of L", and the University of Louisville cardinal bird (registration number 2007784) (the "University Marks"). The Foundation will operate under its own seal and logotype, which, during the term of this Amended MOU, shall include the University Marks or any combination thereof.

- B. All Foundation use of or materials containing the University Marks shall be well suited in accordance with the purposes of this Amended MOU and shall be of a high quality that does not derogate from or adversely affect the University Marks or the goodwill and reputation associated therewith or with the University. The Foundation will conform its uses to quality standards approved by the University in its reasonable discretion, which may be changed by the University periodically with written notice to the Foundation and which shall, in no event, be lower than the standards the Foundation applies to maintaining its own trademarks. The Foundation agrees that the University Marks are the University's exclusive property, have acquired secondary meaning and that all related rights and goodwill in the University Marks shall inure solely to the University's benefit. The Foundation shall not acquire any rights or interest in the University's Marks, nor shall the Foundation challenge, attack or contest the ownership or validity of the University's rights in the University Marks.

V. Miscellaneous Terms

- A. The University and the Foundation agree to review this Amended MOU (i) at least every two years, and (ii) as necessary in connection with any amendment by either Party of its bylaws or other written agreements or policies that impacts such Party's relationship with the other Party, with any necessary changes to be documented with written amendments.
- B. Either Party may terminate this Amended MOU, upon the affirmative vote of not less than 75% of the members of its governing body and 180 days' prior written notice to the chief executive officer and board chair of the other Party. The Party initiating the Amended MOU's termination must act in good faith to schedule and participate in a meeting to resolve differences (the "Initial Meeting"), which meeting (i) shall include, at a minimum, the chair of the governing body of each Party as well as the top executive from each Party, and (ii) shall be held within 30 days of the initial written notice of intention to terminate this Amended MOU. At the Initial Meeting, the Parties shall use their best efforts to resolve all differences.
- C. If, after the Initial Meeting, differences remain, the Parties shall mutually select a neutral mediator to facilitate a dispute resolution process. Both Parties, as represented by their top executives and board chairs, shall participate in good faith in such mediation and use their respective best efforts to resolve all differences. If a neutral mediator has not been selected or the mediation is not successful within 60 days after the Initial Meeting, the Parties shall continue to cooperate in good faith to resolve differences. On the date which is 90 days after the Initial Meeting, the Parties' top executives and board chairs shall once again meet – including with the mediator if one has been selected. If, at the conclusion of that meeting the Parties agree that a resolution is possible they shall agree on a path for achieving such resolution. If, however, at the conclusion of that meeting either or both of the Parties do not believe a resolution is possible, the Parties shall work together in good faith over the next 60 days to formulate a plan of termination, which plan shall govern their separation and their relationship after termination of this Amended

MOU. If the Parties have not agreed on a plan of termination within that 60-day period, then this Amended MOU shall terminate at the end of such 60-day period.

- D. Notwithstanding the foregoing, either Party may terminate this Amended MOU upon the affirmative vote of not less than 75% of the voting members of its governing body in the event the other Party materially defaults in the performance of its obligations under this Amended MOU and fails to cure such default within a reasonable period (not less than 90 days) after receiving written notice from the other Party of intention to terminate this Amended MOU (which notice shall describe the material default in reasonable detail).
- E. Notwithstanding the foregoing, both Parties recognize that, whether this Amended MOU has been terminated or remains in full force and effect, the Foundation has a fiduciary duty to fulfill its responsibilities to donors under the terms of the gifts it has received to distribute and expend funds for the University's benefit. That obligation continues after the termination of this Amended MOU.
- F. The Foundation agrees to comply with all state and federal laws applicable to it and to maintain its tax-exempt status at all times. Consistent with provisions appearing in the Foundation's Articles of Incorporation, should the Foundation cease to exist or cease to be recognized under Section 501(c)(3) of the Code, the Foundation will transfer its assets and property to the University, or if the University is not then in existence or otherwise competent to receive them, to those entities provided for in Kentucky Revised Statutes Section 273.303 or its successor statute, in accordance with law and donor intent.
- G. The Parties' obligations under Section IV, Section V.E, and Section V.F of this Amended MOU shall survive any termination of this Amended MOU.
- H. This Amended MOU supersedes and replaces the Previous MOU, as amended. The Previous MOU shall be void and of no further force and effect.
- I. This Amended MOU may be amended only by a written document signed by both Parties and approved by the University's Board of Trustees and the Foundation's Board of Directors.
- J. This Amended MOU may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Amended MOU and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Amended MOU and of signature pages by email transmission shall constitute effective execution and delivery of this Amended MOU as to the Parties and may be used in lieu of the original Amended MOU for all purposes. Signatures of the Parties transmitted by email shall be deemed to be their original signatures for any purposes whatsoever.

This Amended and Restated Memorandum of Understanding, made as of the date first written above, between the University and the Foundation. is intended to set forth policies and procedures that will contribute to the coordination and understanding of their mutual activities and

responsibilities. It shall, subject to the provisions above, remain in effect until December 31, 2023 and shall automatically renew for successive additional two year terms unless amended by the Parties under Section V, Paragraph I, above, or terminated pursuant to the provisions of Section V, Paragraphs B, C and D, above.

IN WITNESS WHEREOF, the parties have caused this Amended MOU to be executed by their duly authorized officers as of the day and date first above written.

UNIVERSITY OF LOUISVILLE

By: Signature on File
Mary Nixon, Chair, Board of Trustees

By: Signature on File
Neeli Bendapudi, President

UNIVERSITY OF LOUISVILLE REAL ESTATE FOUNDATION, INC.

By: Signature on File
Kenneth Payne, Chair, Board of Directors

By: Signature on File
Keith Sherman, Executive Director and Chief Operating Officer

**SECOND AMENDED AND RESTATED BYLAWS OF
THE UNIVERSITY OF LOUISVILLE REAL ESTATE FOUNDATION, INC.**

**ARTICLE I
OFFICES; PURPOSES**

1.1 Registered Office and Principal Office.

Until altered as provided by law, the Registered Office of the UNIVERSITY OF LOUISVILLE REAL ESTATE FOUNDATION, INC. (the “Foundation”) shall be the address stated in the records of the Commonwealth of Kentucky, and its principal office shall be at such location as determined by the Board from time to time.

1.2 Other Offices.

The Foundation may maintain other offices at such places, within and without the Commonwealth of Kentucky, as its Board may from time to time establish.

1.3 Purposes.

The purpose for which the Foundation is formed, the business and objects to be carried on and promoted by it, and the powers granted to it, are set forth in the Foundation’s Articles of Incorporation (the “Articles”). Any other provisions of these Bylaws to the contrary notwithstanding, the Foundation shall not have any purpose or object, nor have or exercise any power, nor engage in any activity which in any way contravenes or is in conflict with the provisions of these Bylaws or of its Articles.

1.4 Nondiscrimination.

The Foundation does not discriminate in its mission and employment policies against any person on the basis of gender, race, color, religion, age, disability, sexual orientation, national or ethnic origin, or on any other basis proscribed by federal, state or local law.

**ARTICLE II
THE BOARD OF DIRECTORS**

2.1 Powers.

The Foundation’s property and affairs, including prudent control and management of its assets and of all gifts made for the benefit of the University of Louisville, a body politic and corporate (the “University”), shall be managed by the Foundation’s Board of Directors (the “Board”). The Board’s membership shall be as set forth in Section 2.3. Foundation Board members shall be referred to individually as a “Director” and collectively as the “Directors.”

2.2 **Number of Directors.**

The number of Directors shall be no less than 10 and no more than 15, as determined from time to time by the Board.

2.3 **Composition of Board.**

The Board shall be composed as follows:

(1) **Ex Officio Directors.** Persons holding the offices listed below shall serve as Ex Officio Directors of the Board:

a. The President of the University, who shall serve as a voting member of the Board and enjoy the full powers and privileges as are vested in the Directors generally; and

b. The person holding the position of chief executive of the University of Louisville Foundation, Inc. (“ULF”), who shall serve as a non-voting Ex Officio Director of the Board.

(2) **ULF Directors.** Four (4) persons who are members of the ULF Board of Directors shall serve as voting members of the Foundation’s Board (the “ULF Directors”).

(3) **At-Large Directors.** At all times, to ensure a majority of the Board members are At-Large Directors, at least six (6) persons shall be At-Large Directors. The At-Large Directors shall be persons who are interested in the mission and welfare of the University but no At-Large Director shall (i) be a trustee, officer or employee of the University, (ii) be a director, officer or employee of the Foundation or ULF, or (iii) hold any elective or appointive office in the Commonwealth of Kentucky, or any agency, instrumentality or political subdivision of the Commonwealth of Kentucky. The chief executive of ULF serves as an Ex Officio Director and does not qualify as an At-Large Director.

2.4 **Election of Directors; Tenure; Terms.**

Directors, excluding the Ex Officio Directors, shall hold office for a term of three (3) years. Any Director who serves for two (2) consecutive terms shall not be eligible for election to a subsequent term for at least a one-year period following the conclusion of such Director’s second term. Partial terms or terms of less than three (3) years in duration shall not be included in the determination of two (2) consecutive terms. Absent death, resignation, disqualification or removal, a Director’s term shall not expire until a successor Director has been elected and qualified. The ULF Directors and At-Large Directors shall be classified according to the time for which they shall severally hold office by dividing them into three (3) groups, with the number in each group to be as even as possible. Except as otherwise provided herein, the terms of office of all of these Directors in each group shall expire at the same time. The terms of office

held by the Directors in each group shall be staggered so that the terms of office of the Directors of only one group shall expire each year.

Directors shall be elected as follows:

(1) Ex Officio Directors. The Ex Officio Directors shall at all times be the incumbents or acting officers named in Section 2.3(1).

(2) ULF Directors. The Chair of the ULF Board of Directors shall appoint four ULF Directors.

(3) At-Large Directors. At-Large Directors shall be elected by a majority vote of the incumbent Directors from a list of candidates provided by the Foundation's Governance and Nominating Committee.

2.5 Annual Meeting.

The Annual Meeting of the Board shall be held during the month of July of each calendar year, on a date and at a time and place to be specified by Resolution of the Board. At the Annual Meeting, the Board shall elect (i) officers of the Foundation to serve for terms of two (2) years each and until their respective successors are elected and accept office, and (ii) any At-Large Directors needed to fill expired terms or to fill vacancies.

2.6 Regular and Special Meetings.

The Board shall hold quarterly Regular Meetings (one of which shall be the Annual Meeting) at a date, time and place to be specified in advance. Special Meetings of the Board shall be held at the call of the Chair or the Foundation's Chief Executive (as defined in Section 5.1), or at the request of three or more Directors.

2.7 Executive Sessions.

The Foundation adheres to Kentucky Revised Statutes 61.800-850 et. seq., known as the Open Meetings Act of the Commonwealth of Kentucky (the "Open Meetings Act"). Subject to the requirements of the Open Meetings Act, the Board may hold any Regular or Special Meeting, or any part thereof, in executive session with participation limited to voting Directors. Other individuals may be invited to attend all or portions of an executive session by the Chair. Subject to the requirements of the Open Meetings Act, executive sessions of the Board and any of its committees shall remain confidential.

2.8 Emergency Meetings.

An emergency meeting may be held with less than 24 hours advance notice, but the circumstances requiring the emergency meeting must be explained at the beginning of the

meeting by the person chairing the meeting, and the circumstances requiring the emergency meeting must be recorded in the minutes of the meeting. Reasonable efforts must be undertaken, under emergency circumstances, to notify all Directors of the emergency meeting as soon as reasonably possible.

2.9 Notice of Meetings.

(1) Reasonable notice (not less than 24 hours), orally or in writing, of each Regular Meeting of the Board of Director shall be given by the person calling it or by the Secretary of the Board, but such notice may be waived by any person entitled thereto. Attendance of a Director at any meeting shall constitute waiver of notice of such meeting, except when such Director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened. Insofar as practicable, an agenda and copies of all reports and other materials to be presented at the meeting may be provided to the Directors two (2) days before a meeting. Discussion and/or action at a Regular Meeting shall not be limited to items on the agenda. Neither the business to be transacted at nor the purpose of any Regular Meeting of the Board need be specified in the notice, or waiver of notice of such meeting.

(2) Written notice shall be given of any Special or Emergency Meeting of the Board by the person(s) calling the meeting, the Board Secretary or the Board Secretary's designee, but such notice may be waived by any person entitled thereto. Notice of a Special or an Emergency Meeting may be delivered (a) personally, (b) by facsimile, (c) by mail, or (d) by email. Notice of a Special Meeting must be sent at least 24 hours before the Special Meeting. Notice of a Special or an Emergency Meeting shall state the date, time and place of the meeting and the agenda for the meeting. Any discussion at and action taken at a Special or an Emergency Meeting shall be limited to items listed on the agenda in the meeting notice.

2.10 Quorum and Voting.

For all Board meetings, a quorum shall exist when a majority of the voting Directors then serving are present, more than half of whom must be At-Large Directors. The affirmative vote of a majority of the voting Directors present at a meeting at which a quorum exists shall constitute an action of the Board. The Foundation will comply with the Open Meetings Act's requirements for Director participation via video and teleconference equipment. As set forth in KRS 273.217(4), Directors are prohibited from voting by proxy.

2.11 Organization of Meetings of the Board of Directors.

The Chair of the Board shall preside at all meetings of the Board. In his or her absence, the Vice Chair shall preside, but if both of them are absent, a Chair pro tempore shall be designated by the Chair or by the Foundation's Chief Executive. The Secretary of the

Foundation shall act as Secretary at all meetings of the Board, but if he or she is absent, the Chair shall appoint a Secretary pro tempore.

2.12 Resignations.

Any Director may resign at any time by delivering written notice to the Chair. The resignation shall take effect at the time specified in the notice; unless required by the terms of the notice, acceptance shall not be necessary to make the resignation effective. Failure of any Director to attend three consecutive meetings of the Board without excuse may result in removal of the Director.

2.13 Removal.

(1) The term of a Director shall immediately cease and such Director shall be considered automatically removed without action by the Board immediately upon such Director's failure to meet the eligibility requirements specified in Section 2.3(2) or Section 2.3(3) because:

a. such Director was appointed as a ULF Director and has ceased to be a member of the Board of ULF; or

b. such Director was elected as an At-Large Director and has become a trustee/director, officer or employee of the University of Louisville or ULF, or an elected or appointed officer of the Commonwealth of Kentucky, or any agency, instrumentality or political subdivision of the Commonwealth of Kentucky.

(2) Any Director subject to automatic removal pursuant to Section 2.13(1) may be re-elected or re-appointed to the Board pursuant to the procedures contained in the Bylaws for election or appointment of Directors, provided, that after such reelection or reappointment, the Board and the terms thereof shall be constituted as provided in these Bylaws.

(3) Any Director may be removed for cause with the affirmative vote of at least two-thirds (2/3) of the voting members of the Board. Prior to any such vote being taken, the Director whose membership is being considered may address the Board in executive session to share any information such Director feels is pertinent to the Board's vote. After such Director has been given adequate opportunity to address the Board in executive session, such Director may be excused from any executive session at which the removal of such Director is discussed.

2.14 Vacancies.

Vacancies in the Board shall be filled as follows:

(1) Ex Officio Directors. Shall not be filled until such time as a successor shall have been named to serve as the officer designated as an Ex Officio Director in Section 2.3(1).

(2) ULF Directors. Shall be filled by the person serving as the Chair of ULF at the time the vacancy occurs. Any ULF Director appointed pursuant to this Section 2.14(3) shall serve the remaining term of the Director whose resignation or removal created the vacancy and shall be classified in the same term as the resigning or removed Director and shall serve until his or her successor shall have been elected or appointed and shall have assumed office, or until his or her death, resignation or removal, whichever is sooner.

(3) At-Large Directors. Shall be filled, consistent with the process described in Section 2.4(4), by a majority vote of the remaining Directors, voting together as a single voting group, at such time, if any, as such Directors shall deem appropriate. In the event the Directors decide to elect an At-Large Director pursuant to this Section 2.14(4), such Director shall be elected to serve the remaining term of the Director whose resignation or removal created the vacancy, shall be classified in the same term as the resigning or removed Director and shall serve until his or her successor shall have been elected or appointed and shall have assumed office, or until his or her death, resignation or removal, whichever is sooner.

2.15 Compensation.

Members of the Board shall not receive compensation for their services to the Foundation as Directors. By resolution of the Board, the Directors may be paid their actual and reasonable expenses of attendance at each meeting of the Board or its Committees.

ARTICLE III **COMMITTEES OF THE BOARD**

3.1 In General.

The Standing Committees of the Board shall be a Property Committee, an Audit, Compliance and Risk Management Committee, and a Governance and Nominating Committee. Each Committee shall consist of the number of persons set forth in these Bylaws and such Committee's charter; provided, that no Committee shall have less than two (2) members (as required by KRS 273.221(1)). Any Committee having any of the Board's authority shall at all times have a majority of its membership composed of At-Large Directors, and shall require that a quorum must consist of a majority of At-Large Directors. The Board may appoint such other Committees for specified purposes as it may deem appropriate. Authority to act on all matters is reserved to the Board unless expressly delegated to a Committee by formal action of the Board, and the duty of each Committee shall be to consider and make recommendations to the Board on

matters referred to it. Each Committee shall have a charter outlining its responsibilities, which charter (and any amendments thereto) must be approved by the Board. Each Committee shall keep minutes of its meetings, which shall become a part of the minutes of the Board upon approval by the Board, and report out all actions taken or recommended at the next Board meeting. Each Committee shall have a Chair who shall be designated in a manner that is consistent with these Bylaws and the applicable Committee charter. Notices for Committee meetings shall be provided consistent with the notice requirements for Board meetings described in Section 2.9. Individuals who are not Directors may serve as voting members of Committees, but (as required by KRS 273.211) such individuals may not vote on any matter which binds the Foundation. Upon the majority vote of a Committee's members, any Committee may add non-voting advisors, who may serve for terms of up to two (2) years and whose participation shall be advisory only.

3.2 Property Committee.

The Property Committee shall consist of at least five (5) persons as provided in its charter. As further described in its charter, the Property Committee shall have general supervision over the properties held by the Foundation, the finances, investments and budget of the Foundation and such other responsibilities as may be prescribed from time to time by the Board. The Property Committee shall not have power to make conditions for acceptance of endowments and gifts to the Foundation without the approval of the Board.

3.3 Audit, Compliance and Risk Management Committee.

The Audit, Compliance and Risk Management Committee shall consist of at least five (5) persons as provided in its charter. As further described in its charter, the Audit, Compliance and Risk Management Committee shall be responsible for, and shall present to the Board for approval the annual financial audit of the Foundation and the Foundation's annual IRS Form 990, *Return of Organization Exempt from Income Tax*, and IRS Form 990-T, *Exempt Organization Business Income Tax Return*, review of the conflict of interest statements and such other responsibilities as may be prescribed from time to time by the Board.

3.4 Governance and Nominating Committee.

The Governance and Nominating Committee shall consist of at least five (5) persons as provided in its charter. The Chair of the Board shall be a member of this Committee. As further described in its charter, the Governance and Nominating Committee shall: (a) periodically review the Articles and Bylaws for the Foundation and each of its subsidiaries; (b) monitor legal and legislative developments in the area of nonprofit corporate governance as may be relevant to the Foundation and its subsidiaries; (c) periodically, develop, amend, and review the governance policies of the Foundation to assure compliance with all state and federal regulations; and (d) select and recommend qualified candidates to the Board for election as At-Large Directors, for filling vacancies in any At-Large Directorship, and for election as officers of the Board.

ARTICLE IV
OFFICERS OF THE BOARD

4.1 Principal Officers of the Board.

The officers of the Board shall be a Chair; a Vice Chair; a Secretary; and such other officers and assistant officers as the Board may elect. Any officer elected by the Board may be removed by the Board's majority vote, with or without cause. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board for the unexpired portion of the term. Any officer may resign at any time by giving written notice to the Chair or the Secretary. Such resignation, which may or may not be contingent on formal acceptance, shall take effect on the date of receipt. No officer of the Board shall serve simultaneously as an officer of the University of Louisville without prior approval of both the Board and the Board of Trustees of the University of Louisville.

4.2 Chair of the Board.

The Chair, who shall be elected by the Board from among its members for a term of two (2) years, shall preside at all meetings of the Board. The Chair shall be a ULF Director (unless ULF approves an At-Large Director as Chair). He or she shall perform such other duties and have such powers as are usually performed and possessed by similar officers of like corporations and shall, in addition, perform such duties and have such powers as may from time to time be prescribed by the Board.

4.3 Vice Chair of the Board.

The Vice Chair, who shall be elected by the Board from among its members for a term of two (2) years, shall perform all the duties and have all the powers of the Chair during the absence or disability of the latter.

4.4 Secretary of the Board.

The Secretary, who shall be elected by the Board from among its members for a term of two (2) years, shall keep the Minutes of all proceedings of the Board, and shall see that proper minutes and records are kept of proceedings of those Committees of the Board having any of the authority of the Board. The Secretary shall make and keep a proper record thereof which shall be attested by him or her. In addition, he or she shall keep such other books and records which may be required by the Board, and shall have charge of the Corporate Seal. He or she shall generally perform such other and further duties as may be required by the Board. In the absence of the Secretary or in the event of his or her disability, the Secretary's duties shall be performed

by any assistant secretary or by any Director who may be appointed by the Chief Executive or by the Board.

4.7 Other Officers.

The Board shall have authority to elect or appoint other officers, agents, and employees.

ARTICLE V
EXECUTIVE STAFF

5.1 Chief Executive.

The Foundation's top executive officer (the "Chief Executive") shall not be the University President. The Chief Executive may also serve as the ULF chief executive. The Chief Executive may serve in an interim capacity. He or she shall perform such duties and have such powers as are usually performed and possessed by similar officers of like corporations. The Chief Executive, in addition to the foregoing, shall perform such other duties and have such additional powers as may from time to time be expressly prescribed by the Board. The Chief Executive may be removed by the Board, with or without cause, whenever in its judgment the best interest of the Foundation would be served thereby but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

5.2 Vice Presidents; Other Staff Officers.

From time to time, the Board may designate Vice Presidents and/or other staff officers (e.g., Chief Financial Officer, Chief Investment Officer, etc.) and delegate authority to them.

5.3 Executive Staff Compensation.

To the extent the Chief Executive and any other members of the Foundation's executive management team (as designated from time to time by the Board) also serve simultaneously as an executive of ULF, the Chair of the Board shall serve on the ULF Compensation Committee. Compensation and benefits provided to the Chief Executive and any other members of the Foundation's executive management team (as designated from time to time by the Board) shall only be approved by resolution of the Board. No member of the Foundation's executive management team shall serve simultaneously as an officer of the University of Louisville without prior approval of both the Board and the Board of Trustees of the University of Louisville.

ARTICLE VI
CONFLICTS OF INTEREST

6.1 Statement of General Policy on Conflict of Interest.

No transactions involving remuneration or benefit to a Director or officer, or to an organization in which such Director or officer has a financial interest or of which the Director or officer is a member, officer, director, general partner, principal or controlling stockholder, shall be entered into by the Foundation without (a) a full disclosure to the Board by the interested Director or officer of the material facts of the transaction and the Director's or officer's interest or relationship; (b) the authorization, approval or ratification of the Board or appropriate approval body; and (c) a determination by the Board or appropriate approval body that the transaction is fair to the Foundation at the time it is authorized, approved or ratified. No Director so involved may vote on such authorization, approval or ratification. The Board shall maintain a Conflicts of Interest Policy for the Foundation which is consistent with Article VI of the Articles and these Bylaws.

6.2 Disclosure.

Every Director and officer, in a manner and form to be prescribed by the Board, shall be required, as a condition of his or her office, to disclose fully any conflict of interest as defined in this Article or any policy adopted by the Board relating to conflicts of interest.

ARTICLE VII
GENERAL PROVISIONS

7.1 Fiscal Year.

The fiscal year of the Foundation shall be that fixed by Resolution of the Board, but until otherwise established shall run from July 1 of each calendar year to June 30 of the calendar year next following.

7.2 Bonding of Officers and Employees.

The Chief Executive and any staff members who have check signing authority or who handle cash or negotiable instruments, shall be bonded in an amount to be determined by the Board.

7.3 Conduct of Meetings.

The Board and each Committee may adopt rules of procedure which shall be consistent with these Bylaws, the Articles and any special rules of order the Foundation may from time to time adopt.

7.4 Corporate Seal.

The Corporate Seal of the Foundation shall be circular, with the words "UNIVERSITY OF LOUISVILLE REAL ESTATE FOUNDATION, INC." and "2014" surrounding the words "CORPORATE SEAL" and "KENTUCKY."

ARTICLE VIII
INDEMNIFICATION

8.1 Actions by Third Parties.

The Foundation shall indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the Foundation to procure a judgment in its favor, or an action brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust) by reason of the fact that such person is or was a Director, officer, employee or committee member of the Foundation, whether elected or appointed, including the heirs, executors, administrators or estate of any such person (individually, an “Indemnified Person” and, collectively, “Indemnified Persons”), against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if the Indemnified Person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Foundation and, in the case of a criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful.

Notwithstanding the above, however, no Indemnified Person shall be indemnified against any such liability, cost or expense incurred in connection with any action, suit or proceeding in which such person shall have been adjudged liable on the basis that such person’s personal financial interest was in conflict with the financial interests of the Foundation, such person received improper benefits, or such person engaged in acts or omissions not in good faith or which involved gross negligence or willful misconduct in the performance of such person’s duties as a Director, officer, employee or committee member of the Foundation. The indemnification rights provided here shall also apply in respect of any amount paid in compromise of any such claim asserted against an Indemnified Person (including expenses and costs actually and necessarily incurred in connection therewith), provided the Board shall have first approved such proposed compromise settlement and determined that the Director, officer, employee or committee member involved was not guilty of gross negligence or willful misconduct; in taking such action any Director involved shall not be qualified to vote thereon.

8.2 Reasonable Expenses; Advancement; Nonpayment Suits.

This Article’s indemnification rights shall be a contract right and shall include, at the discretion of the Foundation, the ability to receive payment for reasonable expenses incurred in defending any threatened or pending action, suit or proceeding in advance of its final disposition; provided, however, at the discretion of the Board such advance payment of expenses may be conditioned upon (i) delivery to the Foundation of a satisfactory undertaking by or on behalf of an Indemnified Person to repay all amounts so advanced if it shall be determined that such person is not entitled to such indemnification and (ii) a determination by the Board that the facts then known would not preclude indemnification under Section 8.1. If any indemnification payment required by this Article is not paid by the Foundation within ninety (90) days after a

written claim covering a required indemnification payment has been received by the Foundation, the Indemnified Person may at any time thereafter bring suit against the Foundation to recover the unpaid amount and, if successful in whole or in part, such person shall be entitled to be paid also the expense of prosecuting such claim.

8.3 Insurance.

The Foundation shall maintain insurance, at its own expense, to protect itself and its Directors, officers, or committee members against such liability, cost or expense on such terms, and with such exclusions and deductibles, as determined by the Board.

8.4 Exclusivity; Invalidation.

The indemnification provided by this Article shall not be deemed exclusive of any other rights which those seeking indemnification may have or hereafter acquire under any Bylaw, agreement, statute, vote of the Board or otherwise. If this Article, or any portion of this Article, is invalidated on any ground by any court of competent jurisdiction, then the Foundation nevertheless shall indemnify each Indemnified Person to the full extent permitted by any applicable portion of this Article that shall not have been invalidated or that remains enforceable under applicable law.

8.5 Limit on Personal Liability of Volunteers.

To the fullest extent permitted by Kentucky law, as now in effect or as may hereafter be amended, there shall be no personal liability to a third party for monetary damages on the part of a volunteer Director, officer, or committee member, caused by the Director's, officer's, or committee member's negligent act or omission in the performance of that person's duties as a Director, officer, or committee member, provided that the person's act or omission was within the scope of the Director's, officer's, or committee member's duties, performed in good faith and not reckless, wanton, intentional or grossly negligent.

8.6 Chapter 42 Taxes.

In no case, however, shall the Foundation indemnify, reimburse, or insure any person for any taxes imposed on such individual under Chapter 42 of the Internal Revenue Code (the "Code"). If at any time the Foundation is deemed to be a private foundation within the meaning of Section 509 of the Code then, during such time, no payment shall be made under this Article if such payment would constitute an act of self-dealing or a taxable expenditure, as defined in Sections 4941(d) or 4945(d), respectively, of the Code.

8.7 Subsequent Modifications.

Any repeal or modification of this Article VIII shall not affect any rights or obligations then existing.

ARTICLE IX
AMENDMENT OF BYLAWS

The Board of the Foundation by the affirmative vote of two-thirds of the directors in office at such time, may alter, amend or repeal these Bylaws, or adopt new Bylaws. Written notice of a proposed Bylaw change shall be provided to each Director at least five (5) business days before any Meeting at which such change is to be considered.

The above bylaws of the University of Louisville Real Estate Foundation, Inc. were amended by the members of the Board on July 29, 2021. Previously, the bylaws were amended on October 29, 2015, December 11, 2015, October 14, 2016, April 13, 2017 and January 31, 2019.

Signature on file

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

COMMITTEE CHARTER
of the
AUDIT, COMPLIANCE AND RISK MANAGEMENT COMMITTEE (“Committee”)
of the
UNIVERSITY OF LOUISVILLE REAL ESTATE FOUNDATION, INC. (“Foundation”)
adopted by the Foundation’s Board of Directors (“Board”) July 29, 2021

This Charter amends, restates and replaces all prior charters of the Audit, Compliance and Risk Management Committee.

I. MEMBERSHIP

The Committee shall be composed of at least five (5) persons. The members of the Committee shall be Directors of the Foundation or individuals with special qualifications who are not Directors of the Foundation; provided at all times a majority of the Committee shall be comprised of At-Large members of the Board. Members of the Committee shall serve at the pleasure of the Board and shall be appointed to, and removed from, the Committee by the Board.

At least two (2) members of the Committee shall have significant experience in finance or accounting, or other comparable experience or background that demonstrates an understanding of financial statements, generally accepted accounting principles, internal controls, and procedures for financial reporting. Compliance and risk management experience is also desirable.

All Committee members shall be independent (non-employees of the Foundation, University of Louisville (“University”) or any affiliates of either). If there is any basis for believing a Committee member is not independent, the facts and circumstances should be reported to the Foundation’s general counsel and the Foundation’s Chief Executive in compliance with the Foundation’s Conflict of Interest Policy.

II. MEETINGS AND OPERATIONS

Not less than annually, the Committee shall elect a Chair (“Chair”), who shall be a member of the Board. The Chair shall appoint a Vice Chair, who shall be a member of the Board.

The Committee shall hold regular meetings pursuant to a schedule issued by the Chair. Special meetings of the Committee may be held upon the call of the Chair, a majority of Committee members, the Board, or the Chair of the Board; provided that a duly constituted quorum of the Committee can be obtained (as set forth in the Foundation’s Bylaws, a quorum of the Committee requires that a majority of present Committee members be At-Large Directors). Notice and quorum requirements for regular and special meetings of the Committee shall be as set forth in the Foundation’s Bylaws.

The Chair shall prepare an agenda (or approve an agenda prepared by Foundation staff) in advance of each meeting. Committee materials, including the agenda, shall be distributed as set forth in the Foundation’s Bylaws.

The Chair shall preside at all meetings. At the request of or in the absence of the Chair, the Vice Chair shall preside at meetings and otherwise fulfill the duties and obligations of the Chair.

The Committee will cause to be kept adequate minutes of its proceedings, and shall present any findings, actions taken, activities or recommendations to the Board. Minutes shall be filed with the Foundation's Custodian of Records. Committee members will be furnished with copies of the minutes of each meeting and any action taken.

The Committee is authorized and empowered to adopt its own rules of procedure not inconsistent with (a) any provision hereof, (b) the Bylaws of the Foundation, or (c) the laws of the Commonwealth of Kentucky.

III. RESPONSIBILITIES

The Committee is charged with oversight of the quality, integrity and timely preparation of the Foundation's annual independent audit as well as the responsibility to evaluate the independent auditor's qualifications, independence and performance. The Committee also oversees compliance with legal, financial and regulatory requirements. Finally, it oversees risk management issues, particularly with respect to liability insurance and related issues. The Committee is not responsible for the planning or conducting of audits or for any determination that the Foundation's financial statements are complete and accurate or in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditors. In discharging its oversight role, the Committee has the authority to investigate any matter within its area of responsibility, with full access to all of the books, records, and staff of the Foundation, and the power to retain outside counsel, auditors, or other experts, as it deems appropriate.

More specifically, the Committee is charged by the Board with the responsibility to:

External Audit/Other Audit Services

1. The Foundation's external auditing firm shall be the same auditing firm selected by the University of Louisville Foundation, Inc., with input from the Committee, to audit the University of Louisville Foundation, Inc.
2. Review and approve, in advance of signing, the independent auditors' annual engagement letter, including authority to approve proposed fees, scope of work, as well as any proposed and permitted non-audit engagements, including tax services.
3. Review with management the significance of seeking proposals for audit services.
4. Review and evaluate the independence and performance of the independent auditors.
5. Review with management and the independent auditors the audited annual financial statements, associated management letter, report on internal controls, related footnotes and their report thereon, including any comments or recommendations or other communications of the independent auditors.

6. Review any disagreements among management and the independent auditors in connection with the annual audit.
7. Present the audited financial statements annually, as approved by the Committee, to the Board for approval.
8. Understand and monitor the quality and integrity of the Foundation's financial reporting processes and internal controls regarding finance, accounting, and legal and regulatory compliance.
9. Conduct a separate post-audit review with the independent auditors and management to discuss the audit and any restrictions on the scope of work or access to required information. Review any significant changes required in the independent auditors' audit plan. Review any serious difficulties or disputes with management encountered during the audit and matters required to be discussed in accordance with applicable auditing standards. Review, with each public accounting firm that performs an audit, critical accounting policies and practices used by the Foundation.
10. Provide an open avenue of communication between the independent auditors, management, and the Board by requiring the auditors to bring critical issues to the Committee's attention and by meeting regularly with the auditors regarding significant audit findings.

Compliance

11. Provide leadership and support in promoting a culture of institutional compliance with regulatory matters by:
 - a) Assisting management with the identification and prioritization of compliance risks.
 - b) Assisting management with the development of mandatory risk management plans for compliance "high risks" and ensuring such "high risks" are properly managed.
 - c) Review with the Foundation's legal counsel any significant legal and regulatory matters that, in the opinion of management, may have a material impact on the financial statements, related compliance policies, and programs and reports received from regulators of the Foundation.
 - d) Review with management and the independent auditors the effect of any regulatory and accounting initiatives, as well as other unique transactions and financial relationships, if any.
12. Evaluate, as required by the Amended and Restated Memorandum of Understanding dated October 29, 2021 between the University of Louisville and the Foundation, as amended ("MOU"), the potential risks arising from the Foundation's operations and obtain commercially reasonable amounts of general liability and directors/officers insurance.
13. Establish (and require adherence to), as required by the MOU, system-wide policies for document retention needs, including the implementation of litigation holds, a prohibition on

destruction of data in connection with the repurposing of computers, telephones and other devices and such policies shall be consistent with policies of the University.

14. Review the underlying policies with respect to risk assessment and risk management. Assess the steps management has taken to monitor, report, and control such risk exposures. Understand and monitor the adequacy of the Foundation's internal controls, including computerized information system controls, data security, and protection against fraud and cyber-crime activity.

15. Understand and review the Foundation's policies and procedures relating to compliance with laws and regulations, and its Conflicts of Interest Policy to ensure they reflect best practices.

16. Understand the Whistle-Blower Protection policy and procedures and review and approve policy updates. Review the receipt, investigation, retention, and disposition of complaints or reports of suspected illegal or improper activity, financial or otherwise, from employees or third parties. Oversee compliance with this policy ensuring that employees who complain or make reports are not subjected to any retaliation. Ensure this policy provides (and encourages) a mechanism for confidential and anonymous reporting of any inappropriateness with the Foundation's financial management (and prohibit punishment or retaliation).

Reporting

17. Report regularly to the Board on the Committee's activities and actions. The Committee should review with the Board any issues that arise with respect to the quality or integrity of the financial statements; the overall control environment, including management controls; compliance with laws or regulations; and reports of any financial disparities.

18. As needed, conduct a self-assessment relative to the Committee's purpose, duties and responsibilities outlined herein, review and assess this Charter, and submit any recommended changes to the Governance and Nominating Committee.

100511676.2

COMMITTEE CHARTER
of the
GOVERNANCE AND NOMINATING COMMITTEE (“Committee”)
of the
UNIVERSITY OF LOUISVILLE REAL ESTATE FOUNDATION, INC. (“Foundation”)
adopted by the Foundation’s Board of Directors (“Board”) July 29, 2021

This Charter amends, restates and replaces all prior charters of the Governance and Nominating Committee.

I. MEMBERSHIP

The Committee shall be composed of at least five (5) persons. At all times the Committee shall include the Chair of the Foundation’s Board, who shall serve ex officio. The remaining members of the Committee shall be Directors of the Foundation or individuals with special qualifications who are not Directors of the Foundation; provided at all times a majority of the Committee shall be comprised of At-Large members of the Board. Members of the Committee shall serve at the pleasure of the Board and shall be appointed to, and removed from, the Committee by the Board.

The committee shall seek members with experience in corporate governance, business management, law (particularly law relating to non-profit, tax exempt corporations), and members with a wide diversity of contacts across the community.

Except for the ex officio individual listed above, all Committee members shall be independent (non-employees of the Foundation, University Louisville (“University”) or any affiliates of either). If there is any basis for believing a Committee member is not independent, the facts and circumstances should be reported to the Foundation’s general counsel and the Foundation’s Chief Executive in compliance with the Foundation’s Conflict of Interest Policy.

II. MEETINGS AND OPERATIONS

Not less than annually, the Committee shall elect a Chair (“Chair”), who shall be a member of the Board. The Chair shall appoint a Vice Chair, who shall be a member of the Board.

The Committee shall hold regular meetings pursuant to a schedule issued by the Chair. Special meetings of the Committee may be held upon the call of the Chair, a majority of Committee members, the Board, or the Chair of the Board; provided that a duly constituted quorum of the Committee can be obtained (as set forth in the Foundation’s Bylaws, a quorum of the Committee requires that a majority of present Committee members be At-Large Directors). Notice and quorum requirements for regular and special meetings of the Committee shall be as set forth in the Foundation’s Bylaws.

The Chair shall prepare an agenda (or approve an agenda prepared by Foundation staff) in advance of each meeting. Committee materials, including the agenda, shall be distributed as set forth in the Foundation’s Bylaws.

The Chair shall preside at all meetings. At the request of or in the absence of the Chair, the Vice Chair shall preside at meetings and otherwise fulfill the duties and obligations of the Chair.

The Committee will cause to be kept adequate minutes of its proceedings, and shall present any findings, actions taken, activities or recommendations to the Board. Minutes shall be filed with the Foundation's Custodian of Records. Committee members will be furnished with copies of the minutes of each meeting and any action taken.

The Committee is authorized and empowered to adopt its own rules of procedure not inconsistent with (a) any provision hereof, (b) the Bylaws of the Foundation, or (c) the laws of the Commonwealth of Kentucky.

III. RESPONSIBILITIES

The Committee is responsible for (a) determining the most effective composition of the Board based upon expertise and skills beneficial to the Board and committees of the Board and a desire to seat a diverse Board reflective of our community; (b) recruiting potential directors; (c) oversight of Board orientation for new directors; (d) assessing the performance of directors; and (e) ensuring the Foundation utilizes best practices related to governance. In discharging its role, the Committee has the authority to investigate any matter in which it believes the Foundation (and/or any of its staff or Board members) has not complied with applicable policies, procedures, memoranda of understanding or any law or regulation. The Committee shall be provided full access to all books, records, facilities and staff of the Foundation, as the Committee deems necessary.

Specifically, the Committee has the responsibility to:

1. Review and establish qualifications for Board members, including:
 - a) Analysis of current board to include a baseline of years of service and monitor term limits as a director and each individual's gender, ethnic, geographic and educational background;
 - b) Functional expertise and reputation;
 - c) Each Director's personal and professional sphere of influence; and
 - d) Ability and willingness to assist in generating financial support for the Foundation via personal means and/or by serving as a connector to potential beneficial relationships within the community and region.
2. Develop and manage a process for identifying potential new Director candidates. Make recommendations to the Board for candidates to fill vacancies on the Board, including recommendations (or not) of sitting Board members for additional terms.
3. Assist staff in developing a comprehensive orientation program for new Directors.
4. Anticipate and develop future board leadership; recommend a slate of officers to the Board for approval prior to the annual meeting of the Board.

5. Annual review of the following, with recommendations to the full Board for improvements and other revisions necessary to ensure they comport with best practices and the Foundation's mission:

- (i) the Board's bylaws;
- (ii) charters of committees of the Board; and
- (iii) any Board approved policies.

6. Monitor legal and legislative developments in the area of nonprofit and foundation governance and recommend changes as needed.

7. From time to time, conduct a self-assessment relative to the Committee's purpose, duties and responsibilities outlined herein, review and assess this Charter, and submit any recommended changes to the Board for approval.

8. Report regularly to the Board on the Committee's activities and actions.

100511664.2

COMMITTEE CHARTER
of the
PROPERTY COMMITTEE (“Committee”)
of the
UNIVERSITY OF LOUISVILLE REAL ESTATE FOUNDATION, INC. (“Foundation”)
adopted by the Foundation’s Board of Directors (“Board”) July 29, 2021

This Charter amends, restates and replaces all prior charters of the Property Committee.

I. MEMBERSHIP

The Committee shall be composed of at least five (5) persons. At all times the Committee shall include the Chief Financial Officer of the University of Louisville, who shall serve ex-officio (as required by the Amended and Restated Memorandum of Understanding dated October 29, 2021 between the University of Louisville and the Foundation, as amended (“MOU”)). The remaining members of the Committee shall be Directors of the Foundation or individuals with special qualifications who are not Directors of the Foundation; provided at all times a majority of the Committee shall be comprised of At-Large members of the Board. Members of the Committee shall serve at the pleasure of the Board and shall be appointed to, and removed from, the Committee by the Board.

At least three (3) members of the Committee shall have significant experience in real estate investments, real estate finance, or other comparable experience or background that demonstrates an understanding of real estate investing, ideally for a foundation supporting a public university.

All Committee members shall be independent (non-employees of the Foundation, University of Louisville (“University”) or any affiliates of either). If there is any basis for believing a Committee member is not independent, the facts and circumstances should be reported to the Foundation’s general counsel and the Foundation’s Chief Executive in compliance with the Foundation’s Conflict of Interest Policy.

II. MEETINGS AND OPERATIONS

Not less than annually, the Committee shall elect a Chair (“Chair”), who shall be a member of the Board. The Chair shall appoint a Vice Chair, who shall be a member of the Board.

The Committee shall hold regular meetings pursuant to a schedule issued by the Chair. Special meetings of the Committee may be held upon the call of the Chair, a majority of Committee members, the Board, or the Chair of the Board; provided that a duly constituted quorum of the Committee can be obtained (as set forth in the Foundation’s Bylaws, a quorum of the Committee requires that a majority of present Committee members be At-Large Directors). Notice and quorum requirements for regular and special meetings of the Committee shall be as set forth in the Foundation’s Bylaws.

The Chair shall prepare an agenda (or approve an agenda prepared by Foundation staff) in advance of each meeting. Committee materials, including the agenda, shall be distributed as set forth in the Foundation’s Bylaws.

The Chair shall preside at all meetings. At the request of or in the absence of the Chair, the Vice Chair shall preside at meetings and otherwise fulfill the duties and obligations of the Chair.

The Committee will cause to be kept adequate minutes of its proceedings, and shall present any findings, actions taken, activities or recommendations to the Board. Minutes shall be filed with the Foundation's Custodian of Records. Committee members will be furnished with copies of the minutes of each meeting and any action taken.

The Committee is authorized and empowered to adopt its own rules of procedure not inconsistent with (a) any provision hereof, (b) the Bylaws of the Foundation, or (c) the laws of the Commonwealth of Kentucky.

III. RESPONSIBILITIES

The Committee is charged with oversight and administration of the Foundation's financial operations and real estate portfolio. The Committee shall recommend budgets that support the mission, values, and strategic goals of the Foundation. The Committee is charged by the Board with the responsibility to:

- 1) Provide high-level input on strategy and philosophy to the Board;
- 2) Review and recommend to the Board, financial and investment policies, goals and budgets;
- 3) Establish an annual operations and capital budget to underwrite the cost of Foundation programs, operations and services which will be provided to the University for review and comment, in accordance with the MOU;
- 4) Monitor and ensure that the Foundation does not engage in any fundraising activities on behalf of the University, provided, that the Foundation may receive, at the request of the President of the University or the President's formal designee, private real estate gifts made in support of the University;
- 5) Review the financial aspects of any major proposed transactions, new programs and services, as well as proposals to discontinue programs or services, and making action recommendations to the Board;
- 6) Monitor investment performance and regularly report performance to the Board;
- 7) Review and monitor investment exposures and risks;
- 8) Review all fees incurred by or on behalf of the Foundation's portfolio of managed investments for reasonableness and appropriateness;
- 9) Evaluate investment performance of the Foundation's portfolio of managed investments based on a comparison of actual returns with the Foundation's absolute return objective (taking into account spending policies), and with such other benchmarks as the Board, or Committee may select. The evaluation will take into account compliance with investment policies and guidelines;
- 10) Maintain minutes of Committee meetings and regularly present reports to the Board regarding the performance of the Foundation's managed investment portfolio and other matters to which the Committee has given consideration;

- 11) As needed, conduct a self-assessment relative to the Committee's purpose, duties and responsibilities outlined herein, review and assess this Charter, and submit any commended changes to the Board; and
- 12) After each Committee meeting, prepare a report for the Board outlining, at a minimum, investment returns, the total value of real estate portfolio, targets and spending, and any issues it recommends be addressed.

100511668.2



**Fiscal Year 2021 – Fourth Quarter
Financial Update**

Executive Summary

During FY2021, ULREF extinguished its promissory note with the University and made \$5 million in principal payments to ULF. The outstanding principal on the ULF payable is \$14.9 million.

Ernst & Young was selected to perform the FY2021 audit of ULF and ULREF. They will commence fieldwork in August.

The \$12 million in outstanding debt on the KYT property was refinanced with Republic Bank on July 1, 2021. The new note requires monthly interest-only payments with the principal due in full on July 1, 2023. We will evaluate whether to use excess cash to reduce the principal balance in the upcoming years.

ULREF Consolidated Statements of Position

Days Cash on Hand: 1,069

- A.** ULREF received a total of \$9.5 million in TIF cash for calendar year 2018 increment during FY21. A portion of these funds were used to pay down debt principal including \$5 million to ULF and \$1 million to extinguish the promissory note to the University.
- B.** Decrease in AR due to a TIF-related invoice outstanding at the end of FY2020. Payment for this invoice was received in early FY2021. There were no outstanding TIF receivables at the end of FY2021. We will book a receivable for our next TIF payment once the amount is known.

	June 2021	June 2020
in thousands		
Assets		
Cash and cash equivalents (A)	\$ 6,667	\$ 1,810
Accounts receivable, net (B)	248	2,279
Prepays and other assets	404	285
Total current assets	7,319	4,374
Investments in joint ventures	4,411	4,912
TIF intangibles, net	91,179	95,543
Lease intangibles, net	2,188	2,321
Capital assets, net	86,885	88,544
Total long-term assets	184,663	191,320
Total assets	191,982	195,694
Total Dorm, LLC assets <i>(As of 5/31/21)</i>	59,535	60,320
Total ULREF consolidated assets	\$ 251,517	\$ 256,014

See Appendix A for financial statements

June dorm activity not included as of cutoff date.

ULREF Consolidated Statements of Position (cont'd)

- A.** ULREF made its final payment on the promissory note to UofL in FY2021.
- B.** ULREF made \$5 million in principal payments to ULF during FY2021.

	June 2021	June 2020
	in thousands	
Liabilities and net assets		
Liabilities:		
Accounts payable	\$ 287	\$ 190
Other liabilities	337	286
Debt	20,384	20,836
Due to the University of Louisville (A)	-	1,080
Due to ULF (B)	14,880	19,895
Total ULREF liabilities	35,888	42,287
Dorm, LLC liabilities <i>(As of 5/31/21)</i>	39,125	40,153
Total Liabilities	75,013	82,440
Net assets:		
ULREF net assets	156,094	153,407
Dorm, LLC net assets <i>(As of 5/31/21)</i>	20,410	20,167
Total net assets	176,504	173,574
Total consolidated liabilities and net assets	\$ 251,517	\$ 256,014

See Appendix A for financial statements

June dorm activity not included as of cutoff date.

ULREF Consolidated Income Statements

EBITDA (Excluding Housing):
\$9,501

- 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 June 30,				
	2021	2020	Variance	2021 Budget	2021 Variance
	(in thousands)				
Revenues and gains					
Rental revenues (A)	\$ 4,479	\$ 4,743	\$ (264)	\$ 4,767	\$ (288)
Other revenues	8,082	2,328	5,754	8,084	(2)
Total revenues and gains	12,561	7,071	5,490	12,851	(290)
Expenses					
Salaries	168	165	3	174	(6)
General and administrative (B)	662	822	(160)	1,683	(1,021)
Professional services	1,101	1,020	81	1,076	25
Utilities	520	533	(13)	479	41
Repairs and maintenance	616	658	(42)	770	(154)
Depreciation and amortization	6,223	6,526	(303)	6,254	(31)
Interest expense	582	810	(228)	633	(51)
Total expenses (excluding dorms)	9,872	10,534	(662)	11,069	(1,197)
Other income (expenses)					
Student housing-related revenues <i>(As of 5/31/21)</i>	8,191	8,869	(678)	8,653	(462)
Student housing-related expenses <i>(As of 5/31/21)</i>	(7,949)	(8,307)	358	(9,100)	1,151
Total other income (expenses)	242	562	(320)	(447)	689
Change in net assets	\$ 2,931	\$ (2,901)	\$ 5,832	\$ 1,335	\$ 1,596

See Appendix A for financial statements

June dorm activity not included as of cutoff date.

ULREF Debt

Loan	Terms	Fiscal Year of Maturity	Outstanding Principal at June 30, 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	\$8,406
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 	2024	\$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	\$38,608

Schedule of Cumulative Remaining Payments	
(in thousands)	
Year ending June 30,	
2022	\$1,860
2023	1,987
2024	21,067
2025	1,672
2026	1,754
Thereafter	30,674
	\$59,014

Debt without Payment Schedule	
Outstanding Principal at June 30, 2021	
(in thousands)	
Due to ULF	\$14,880

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. JV total cash investment includes infrastructure investments at ShelbyHurst incurred by the Foundation.

	Annualized Cash Flows (Deficit)	Total Cash Investment	Annualized Return (Loss) on Investment
(in thousands)			
Cardinal Station	732	12,752	5.74%
JD Nichols Garage	150	8,658	1.71%
One Innovation Center	129	7,579	1.71%
KYT Research Park	(316)	7,500	(4.21%)
Bed Bath and Beyond	453	7,000	6.46%
Solae	165	3,600	4.80%
Dulworth	73	3,566	2.06%
K-I Lumber	165	3,441	4.80%
South Preston Lot	52	2,885	1.80%
301 Lot Surface Parking	22	2,826	0.77%
Joint Ventures			
Campus Two	445	3,575	12.45%
Campus Three	367	5,226	7.02%



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

A. CORPORATE SIGNATURE AUTHORITY:

BE IT RESOLVED, that, subject to the limitations set forth below, any of the following named individuals in their capacity as officers or employees of the University of Louisville Real Estate Foundation, Inc. ("ULREF") be and hereby are the only persons empowered to execute contracts (each a "Contract") on behalf of ULREF;

LIMITATIONS:

Acquisition of Real Property: Any Officer executing a Contract for ULREF for the acquisition, other than by gift, of any real property must obtain the prior written approval of ULREF's Board of Directors.

Sale of Real Property: Any Officer executing a Contract for ULREF for the sale of any real property having a sales price in excess of \$150,000 (other than properties obtained by donation and intended for sale) must obtain the prior written approval of ULREF's Board of Directors.

Other Expenditures: Any Officer executing a Contract for ULREF in excess of \$200,000 but less than \$400,000 must obtain the prior written approval of the Chair and another Officer of ULREF, and any Contract for an amount in excess of \$400,000 requires the prior written approval of ULREF's Board of Directors.

<u>NAME</u>	<u>TITLE</u>
Kenneth L. Payne	Chair
Stephen C. Gault	Vice Chair
Craig Hawley	Secretary and Treasurer
Keith M. Sherman	Executive Director/Chief Operating Officer

B. FINANCE/INVESTMENT SIGNATURE AUTHORITY:

BE IT FURTHER RESOLVED that the following named individuals in their capacity as officers or employees of ULREF be and hereby are the only officers and agents of ULREF empowered to endorse securities for sale or subscription, purchase or sell securities, and execute any documents incident to the management and administration of investments, such documents to include but not be limited to purchase or sale authorizations or agreements, participation agreements, stock or bond powers and proxies, on behalf of ULREF.

<u>NAME</u>	<u>TITLE</u>
Kenneth L. Payne	Chair
Stephen C. Gault	Vice Chair
Craig Hawley	Secretary and Treasurer
Keith M. Sherman	Executive Director/Chief Operating Officer

C. DEVELOPMENT/DONOR RELATIONS SIGNATURE AUTHORITY:

BE IT FURTHER RESOLVED that the following named individuals in their capacity as officers or employees of ULREF be and hereby are the only officers and agents of ULREF empowered to execute gift receipts and U.S. Internal Revenue Service forms pertaining to gift reports and other documents and instruments of conveyance of gifts to ULREF, on behalf of ULREF.

<u>NAME</u>	<u>TITLE</u>
Kenneth L. Payne	Chair
Stephen C. Gault	Vice Chair
Craig Hawley	Secretary and Treasurer
Keith M. Sherman	Executive Director and Chief Operating Officer

D. CERTIFICATION AUTHORITY:

BE IT FURTHER RESOLVED that the following named individual in his capacity as an officer of ULREF be and hereby is the only officer of ULREF empowered to certify or authenticate the signature of an Officer and the minutes, resolutions and other records of ULREF, when such action is required of ULREF:

<u>NAME</u>	<u>TITLE</u>
Craig Hawley	Secretary

BE IT FURTHER RESOLVED that this resolution shall and does supersede any and all previous resolutions authorizing such signatures for ULREF.

BOARD ACTION:

Passed: X

Did Not Pass:

Other:

Date: July 29, 2021

Signature on file

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

University of Louisville Real Estate Foundation, Inc.
Signature Authority Signature Page
July 29, 2021

Signature on file

Kenneth L. Payne
Chair

Signature on file

Stephen C. Gault
Vice Chair

Signature on file

Craig Hawley
Secretary and Treasurer

Signature on file

Keith M. Sherman
Executive Director and Chief Operating Officer



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

JULY 29, 2021

RESOLVED THAT:

- (1) PNC Bank and Republic Bank (“Banks”) are designated depositories of funds of the University of Louisville Real Estate Foundation, Inc. (“Foundation”).
- (2) This resolution applies to all accounts under University of Louisville Real Estate Foundation, Inc. name.
- (3) The following officer of the Foundation, listed below, is authorized to open and/or close Accounts, delegate and delete check signers, obtain Treasury Management services, sign checks on, or withdraw funds from, the Accounts and the Banks are authorized to pay and charge the Accounts for checks or withdrawal requests:

Keith M. Sherman
Executive Director
and Chief Operating Officer

Signature on file

- (4) The following employee of the Foundation, listed below, is authorized to obtain Treasury Management services and sign checks on or withdraw funds from the Accounts as agents of the Foundation and the Banks are authorized to pay and charge the Accounts for checks or withdrawal requests subject to the conditions of paragraph (5) of this Resolution:

Justin W. Ruhl
Controller

Signature on file

- (5) The following limitations shall apply to the signature authority of the above named Foundation officer and employee: (a) for amounts less than \$50,000 – one signature which may be mechanical; (b) for amounts equal to, or greater than, \$50,000 – two signatures, one of which must be the Foundation’s Executive Director and one of which may be mechanical.

- (6) The officer and employee named above have provided specimen signature herein and are authorized to sign signature cards and Accounts agreements.
- (7) The Secretary of the Board of Directors is authorized and directed to deliver for and on behalf of the University of Louisville Real Estate Foundation, a certificate of this resolution to the banks.
- (8) The Banks are authorized to rely upon this Resolution until the banks have received written notice of any amendment or recession of the resolution.

Certificate

I certify that I am the duly qualified Secretary of the Board of Directors of the University of Louisville Real Estate Foundation, Inc., that the foregoing is a true copy of a resolution adopted at the regular meeting of such Board which was duly held on the 29th day of July 2021, at which meeting a quorum was present, and a majority of members present voted in favor of the adoption of such resolution. I further certify that such resolution is still in full force and effect.

Dated this ____ day of _____, 2021.

Signature on file

Craig Hawley, Secretary
UofL Real Estate Foundation, Inc. Board of Directors