RECOMMENDATION TO THE BOARD OF TRUSTEES OF THE UNIVERSITY OF LOUISVILLE REGARDING MEMORANDA OF UNDERSTANDING WITH RELATED ENTITIES

October 18, 2017

WHEREAS, the University of Louisville (the "University) is accredited by the Southern Association of Colleges and Schools Commission on Colleges ("SACSCOC"); and

WHEREAS, SACSCOC Comprehensive Standard 3.2.13 provides that, for any entity organized separately from the University and formed primarily for the purpose of supporting the University or its programs: (1) the legal authority and operating control of the University is clearly defined with respect to that entity; (2) the relationship of that entity to the University and the extent of any liability arising out of that relationship is clearly described in a formal, written manner; and (3) the University demonstrates that (a) the chief executive officer controls any fund-raising activities of that entity or (b) the fund-raising activities of that entity are defined in a formal, written manner which assures that those activities further the mission of the institution; and

WHEREAS, the University of Louisville Real Estate Foundation, Inc. is a Kentucky nonprofit corporation recognized as tax-exempt under Section 501(c)(3) of the Internal Revenue Code that was organized in 2014 exclusively for the benefit of and to carry out the purposes of the University; and

WHEREAS, the primary activity of the University of Louisville Real Estate Foundation, Inc. is the purchasing, holding, and management of real estate for the University's overall enhancement in accordance with donor intent (where applicable) and its fiduciary responsibilities; and

WHEREAS, the University has negotiated a Memorandum of Understanding "(MOU") with the University of Louisville Real Estate Foundation, Inc. in the form attached hereto as Exhibit A, pursuant to which the Foundation will purchase, hold, and manage real estate for the University's overall enhancement: and

WHEREAS, PMOB, Inc. is a Kentucky nonprofit corporation recognized as tax-exempt under Section 501(c)(3) of the Internal Revenue Code that was organized in 2015 exclusively for the benefit of and to carry out the purposes of the University; and

WHEREAS, the primary activity of PMOB, Inc. is the construction of a medical office building at 411 East Chestnut Street, Louisville, Kentucky, in which physicians on the University faculty will treat pediatric patients from across the Commonwealth;

WHEREAS, the University has negotiated a MOU with PMOB, Inc. and the University of Louisville Foundation, Inc. in the form attached hereto as Exhibit B, pursuant to which the University will direct and manage all fundraising campaigns on behalf of PMOB and the Foundation will receive, invest, manage, and administer the PMOB funds; and

WHEREAS, the Interim President recommends that the Board of Trustees approve the University's entering into a Memorandum of Understanding with the University of Louisville Real Estate Foundation, Inc. and a Memorandum of Understanding with PMOB, Inc. and authorize the Interim President to execute these two agreements substantially in the form attached hereto as Exhibit A and Exhibit B with such changes, insertions and omissions as may be approved by the Interim President and the Chair of the Board of Trustees. The Interim President and other appropriate officers of the University are further authorized and directed to take such further actions and execute such additional documents as may be necessary to effect this Resolution.

Board Action:
Passed: _____X_______
Did Not Pass: ________
Other: ______________

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Assistant Secretary