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University of South Carolina

BOARD OF TRUSTEES

Executive Committee

May 3, 2010

The Executive Committee of the University of South Carolina met on Monday, May 3, 2010, at 11:30 a.m. in Room 206C of the Osborne Administration Building.

Members present were: Mr. Miles Loadholt, Chairman; Mr. Herbert C. Adams; Mr. Toney J. Lister; and Mr. Eugene P. Warr, Jr. Dr. C. Edward Floyd was absent. Other Trustees present were: Mr. William W. Jones, Jr. and Ms. Leah B. Moody.

Others present were: President Harris Pastides; Secretary Thomas L. Stepp; Vice President for Finance and Planning William T. Moore; General Counsel Walter (Terry) H. Parham; and Director of the Office of Media Relations Margaret Lamb.

Chairman Loadholt called the meeting to order and asked Secretary Stepp to call the roll in order to ascertain those members who were participating via telephone. Ms. Lamb indicated that no members of the media were present.

Chairman Loadholt stated that notice of the meeting had been posted and the press notified as required by the Freedom of Information Act; the agenda and supporting materials had been circulated; and a quorum was present to conduct business.

Chairman Loadholt stated that there was a matter relative to receipt of legal advice which was appropriate for discussion in Executive Session.

Mr. Adams moved to enter Executive Session. Mr. Lister seconded the motion. The vote was taken, and the motion carried.

Chairman Loadholt invited the following persons to remain: President Pastides, Secretary Stepp, Dr. Moore, Mr. Parham, and Mrs. Lamb.

Return to Open Session

I. Agreement with Development Foundation: Chairman Loadholt called on Mr. Parham who explained that last fall, the University Board of Trustees had approved a settlement with Innovista Holdings, LLC and Innovista Development, LLC under which the developers would be paid \$890,000 in exchange for the termination of all existing contracts with the University and any of its foundations, the transfer of all Innovista assets, and a full and complete release of liability and waiver of claims.

Since that time, the University had engaged in significant due diligence to ensure that the settlement documents were comprehensive and that the University and its foundations were protected. He advised that the due diligence process was complete.

Last week, the USC Development Foundation Board of Directors had met to discuss the University's request that the Foundation fund the \$890,000 payment to Innovista Holdings, LLC and Innovista Development, LLC. After deliberation, the Development Foundation approved the appropriation of the funds, subject to the terms and conditions set forth in an agreement between the University of South Carolina and the University of South Carolina Development Foundation.

The Agreement provided that the Development Foundation will transfer funds to the USC Research Campus Foundation for disbursement to the developers, via their attorney, in accordance with the terms and conditions of the Assignment, Bill of Sale, Termination and Mutual Release Agreement to be executed by and between the University of South Carolina and Innovista Holdings, LLC and Innovista Development, LLC. In exchange, the University agreed to transfer the Innovista assets to the Development Foundation upon request if the Foundation became involved in the future development of Innovista.

Recently, the USC Research Campus Foundation Board of Directors had met and approved acceptance of the funds from the Development Foundation and agreed to disburse the funds to the developers as specified in the settlement agreement. The Research Campus Foundation Board further voted to assign the Promissory Note executed by Innovista Holdings and Innovista Development back to the USC Research Foundation which had provided the funds loaned pursuant to the Promissory Note.

On behalf of the University, Mr. Parham requested Executive Committee approval of the Agreement between USC and the Development Foundation. A closing date with the developers will be scheduled the following week. He further requested that Secretary Stepp be authorized to sign any necessary closing documents, consistent with the approvals granted by the Board of Trustees.

Mr. Lister moved approval of the Agreement between the University of South Carolina and the University of South Carolina Development Foundation as presented. Mr. Adams seconded the motion. The vote was taken and the motion carried.

II. Adjournment: Since there were no other matters to come before the Executive Committee, Chairman Loadholt declared the meeting adjourned at 11:45 a.m.

Respectfully submitted,

Thomas L. Stepp
Secretary