The University of South Carolina Board of Trustees Ad Hoc Committee on Development met on Friday, October 16, 2009, at 11:00 a.m. in the 1600 Hampton Street Board Room.

Members present were: Mr. Herbert C. Adams, presiding; Mr. Chuck Allen; Mr. J. Edgerton Burroughs; Mr. William W. Jones, Jr.; Mrs. Amy E. Stone; and Mr. Miles Loadholt, Board Chairman. Dr. C. Edward Floyd, Chairman; Mr. William C. Hubbard; and Mr. Mack I. Whittle, Jr. were absent.

Other Trustees present were: Mr. Greg Gregory; Mr. Toney J. Lister; Ms. Leah B. Moody; Mr. Michael J. Mungo; Mr. John C. von Lehe, Jr.; Mr. Eugene P. Warr, Jr.; and Mr. Othniel H. Wienges, Jr.

Others present were: President Harris Pastides; Secretary Thomas L. Stepp; Vice President for Finance and Planning William T. Moore; Vice President for Human Resources Jane M. Jameson; Vice President for Student Affairs and Vice Provost for Academic Support Dennis A. Pruitt; Vice President for Research and Graduate Education Stephen Kresovich; Interim Vice President for Advancement Michelle D. Dodenhoff; General Counsel Walter (Terry) H. Parham; University Treasurer Susan D. Hanna; Director of Athletics Eric C. Hyman; Vice Provost and Executive Dean for System Affairs and Extended University Chris P. Plyler; Chancellor of USC Aiken Thomas L. Hallman; Chancellor of USC Upstate John C. Stockwell; Dean of USC Lancaster John Catalano; Vice Provost for Faculty Development Christine W. Curtis; Associate Vice President for Resource Planning Edward L. Walton; Special Assistant to the President J. Cantey Heath; Executive Director of the Alumni Association Marsha D. Cole; Chief Financial Officer, Department of Athletics, Jeff Tallant; Associate Vice President for Student Life and Development Jerry Brewer; Distinguished Professor and Director of Clinical Exercise Programs J. Larry Durstine; Director of Governmental and Community Relations and Legislative Liaison Shirley D. Mills; Director of Governmental Affairs and Legislative Liaison Casey Martin; Faculty Senate Chair Patrick D. Nolan; Director of Media Relations, Division of University Advancement, Margaret Lamb; President of the Student Government Association Meredith Ross; University Technology Services Production...
Manager Justin Johnson; and Board staff members Terri Saxon, Vera Stone, and Karen Tweedy.

As presiding chairman, Mr. Adams called the meeting to order and invited those present to introduce themselves. Ms. Lamb stated that no members of the press were present.

Mr. Adams 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.

I. Preliminary Campaign Goals: Mr. Adams called on Michelle Dodenhoff who presented preliminary information regarding the capital campaign.

Ms. Dodenhoff stated that she was approaching her fifth year of employment at the University. When she was hired, she was charged with building a development program and preparing the University for a major capital campaign. She gave an overview of campaign activities that had been completed, presented a preliminary campaign timeline, and explained how the capital campaign would be accomplished.

To date, the campaign activities were as follows: winter 2006 - developed initiatives; spring 2006 - leadership briefings; summer 2006 - feasibility study; fall 2006 - feasibility study report; summer 2008 - Harris Pastides named President of USC; fall 2008 - Focus Carolina launched; and fall 2009 - Advance Carolina launched.

In addition, Ms. Dodenhoff stated that she had met with the deans, vice presidents and development officials to discuss their initiatives and various plans to raise money. The next step was to develop a broad case prospectus to share with top donors and prospects.

The University’s consultants, Grensebach Glier and Associates, had conducted a feasibility study. They met with 100 potential donors face-to-face and 300 individuals via telephone. They were asked how they felt about the leadership in the institution and gift levels. Because these interviews were confidential, the University received an aggregate report rather than individual results. During that particular time, a test campaign for $700 million was conducted and it was decided to wait because of the presidential leadership transition.

Ms. Dodenhoff presented the following proposed campaign timeline:

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<thead>
<tr>
<th>Fiscal Year</th>
<th>Year</th>
<th>Campaign Phase</th>
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<tbody>
<tr>
<td>FY 2008</td>
<td>1</td>
<td>Silent Phase</td>
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<tr>
<td>FY 2009</td>
<td>2</td>
<td>Silent Phase, President Pastides travels state and country, and Focus Carolina in process</td>
</tr>
<tr>
<td>FY 2010</td>
<td>3</td>
<td>Silent Phase with heavy emphasis on leadership</td>
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Gifts, Mid Campaign Feasibility Study, Advance Carolina Completed, and Campaign Planning Committee formed

FY 2011 Year 4 Silent Phase with emphasis on leadership gifts, and Campaign Committee formed

FY 2012 Year 5 Public Phase begins, fall 2011 finalize goal and kick-off, and Campaign Kick-Off Gala

FY 2013 Year 6 Special Gifts Phase

FY 2014 Year 7 Special Gifts Phase and begin wrap up

FY 2015 Year 8 Final Year and wrap up, and campaign celebration

Ms. Dodenhoff reported that they had had two excellent fundraising years in what was termed the “silent phase.” Specially, they were working on leadership gifts and fine tuning the initiatives, goals, committee work, staffing and budgeting. In the future, they would develop a campaign committee to perform recalibrations, review other goals, a new time frame as well as reapproaching various smaller donors to test again.

For the sake of illustration today, Ms. Dodenhoff presented a $900 million campaign pro forma table of required gift commitments. She reviewed a breakdown of the gift levels, number of gifts required to accomplish the goal, and the number of gifts received to date. The strategy was to seek large gifts in the beginning of the campaign. Top level gifts, referred to as “Tier 1,” ranged from $5,000,000 to $100,000,000 and would account for $410,000,000 of the total campaign. In order to be successful in that area, they needed the support of the president, trustees, high level volunteers, key deans, and an intensified principal gift effort.

The next gift level, Tier 2, included gifts from $100,000 to $2.5 million and would total $257,500,000 of the entire campaign. To be successful, they needed all highly trained development staff as well as all of the actively participating deans. They would also need the support of communications and marketing components, an integrated effort with the Carolina Alumni Association, social media to optimize giving, central support of schools and colleges, the ability to recruit and retain experienced fundraisers, and a top flight prospect research office.

The final level, Tier 3, included gifts from $10,000 to $50,000; and would be the focus of the last two years of the campaign. During this period, they would review the operation of the annual giving office; deploy social media to optimize giving; and continue to integrate efforts with the Carolina Alumni Association, communications and marketing, and regional programs.

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Ms. Dodenhoff reported that as of July 31, 2009, the institution had received $239,759,596 toward its goal. As of September 30, 2009, a total of $27.9 million had been raised; this amount was up from the $12 million raised at this time last year. She reminded the Board that this was just a preliminary status report, and she looked forward to providing more detail in the future.

Responding to this information, President Pastides stressed the importance of focusing on the expectation that there must be at least one $100 million pledge, two $50 million pledges, three $25 million pledges, eight $10 million pledges and eleven $5 million pledges to realize a successful campaign. He understood that fundraising was a primary responsibility of the President of the University of South Carolina and he was very excited about “making this campaign happen.” It was slated to be the largest campaign not only in the history of the University, but also the state of South Carolina.

Mr. Adams stated that the report was received as information. He further commented that several weeks ago the University celebrated the achievement of matching the funds necessary to obtain Ms. Darla Moore’s $45 million donation. He was impressed that every dean on the Columbia campus had joined the effort. That kind of teamwork will be needed over the next seven years to reach the $900 million campaign goal. He commended Ms. Dodenhoff and all the deans for their efforts.

Since there were no other matters to come before the Committee, Mr. Adams declared the meeting adjourned at 11:30 a.m.

Respectfully submitted,

Thomas L. Stepp
Secretary