

**Special Meeting of the Board of Trustees  
October 26, 2011**

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# UNIVERSITY OF CINCINNATI

## Official Proceedings of the

### Three Hundred and Ninth Meeting of the Board of Trustees

(A Special Meeting)

October 26, 2011

The Three Hundred and Ninth Session of the Board of Trustees of the University of Cincinnati was convened at 9:08 a.m. on Friday, October 26, 2011, in the Russell C. Myers Alumni Center of the University of Cincinnati. Notice of this meeting was given in accordance with Section 121.22 of the Ohio Revised Code. The proceedings of the Board, when not otherwise provided for by its bylaws, are governed by *Robert's Rules of Order*.

Sandra W. Heimann, Chairperson of the Board of Trustees, presided. Mrs. Heimann asked that roll be called:

**BOARD MEMBERS PRESENT:**

C. Francis Barrett, Margaret Buchanan, Thomas D. Cassady, Stanley M. Chesley, Gary Heiman, Sandra Heimann, Thomas H. Humes, William C. Portman, III, and Robert E. Richardson, Jr.

**BOARD MEMBERS ABSENT:**

None

**ALSO PRESENT:**

Gregory H. Williams, President;  
Robert F. Ambach, Sr. Vice President for  
Administration and Finance;  
Mitchell D. McCrate, General Counsel;  
Jerry Atkins, Sr. Vice President, Bellwether  
Real Estate Capital;  
Daniel M. Bennie, Attorney, Barron, Peck,  
Bennie & Schlemmer;

Rick Kimbler, Managing Partner,  
NorthPointe Group  
Kyle Neumann, Sr. Loan Underwriter,  
Bellwether Real Estate Capital;  
Greg Mohar, Associate General Counsel;  
Gerry Siegert, Associate Vice President,  
Community Development;  
Susan Stringer, Executive Assistant to the  
Board of Trustees and Sr. Vice  
President for Administration and  
Finance;  
and the public

Mrs. Heimann:

Good morning everyone. We have all of our board members present with us today; and, in addition, I would like to acknowledge individuals who are seated at our board table and were invited to the meeting this morning: Jerry Atkins, Senior Vice President at Bellwether; Daniel M. Bennie, Attorney with Barron, Peck, Bennie & Schlemmer; Rick Kimbler, Managing Partner of the NorthPointe Group; Kyle Neumann, Senior Loan Underwriter at Bellwether Real Estate Capital; Greg Mohar, Associate General Counsel and Gerry Siegert, Associate Vice President, Community Development. Thank you all for being with us this morning.

We have a full agenda, so without further delay I would like to call this special meeting to order. I introduced Rick Kimbler, Kyle Neumann, Daniel Bennie and Jerry Atkins to you earlier and they are now going to give us a presentation titled “U Square @ The Loop.”

Mr. Kimbler:

Thank you, Madame Chair. We’re going to have a brief PowerPoint presentation so I might ask you to direct your attention this way. Again, I’m Rick Kimbler and myself, Dan, Jerry and Kyle serve as the Advisory Group, the real estate advisors, to the University.

In August, we were asked by Madame Chair to make an independent analysis review of the development which is known as U Square @ The Loop. In September, we presented the results of our findings to the board. Subsequent to your September 20<sup>th</sup> board meeting, we were asked to work with the Senior Vice President for Administration and Finance, the General Counsel's Office, and Fran Barrett representing the Finance and Administration Committee to resolve some open issues on the office lease that is a part of this transaction and to also finalize satisfactorily points that we had described as conditions to proceed. So this morning we're going to present to you the resolution of those conditions to proceed.

They were established in four categories: Governance, Development, Retail Leasing and the Office Lease. There is some overlap in these four categories, but those were the general categories of the issues that had been identified.

In the area of governance it primarily fell to what we described as major decisions. Those major decisions affected development, financing, operations of the asset, sale of the asset, and tenancy – the components of the office lease. Within those categories, in development, the university now has the capacity to identify a designated representative who will sit at the table with the development team throughout the entire development process and operationally moving forward. There are plans and specifications approval the university now has. It has construction development budget approval and it will get monthly reporting on this process.

Financing wise, the developer retains the sole rights to finance. This is the developer's obligation securing this financing. There is no additional funds being put into this development by the university. There will be during the development process monthly construction draws where funds are taken down from the various loan facilities and the university will participate in the sign off of those draws as they take place. Operationally, the university will review and have input on the annual operating budget of the asset once it is up and operating. Sale of the asset, university retains approval of the sale and approval of a new managing member of the operating entity. So if the

current development team were to sell their interests, you have the right to approve under certain conditions, certain defined criteria, you have the right to approve who would basically be your new business partner.

In tenancy, you have options to renew and you have a first right to acquire the office building should you so elect to do so. At various stages of time there are purchase rights available to the university.

In the area of development there are three categories: Construction, Fees, and Budget & Reporting. Again, construction wise you've got review and approval of plans and specs. In fees, the development team is now deferring a portion of their fee until certain thresholds are met on retail leasing side as they achieve 50% retail leasing and 85% retail leasing, certain additional fees are paid to them so they are incentivized, I think, to get the leasing done. All fees are subject to PNC Bank approval and the development team investor's approval – the Castellini Organization is their investor and they have to approve the fees as well.

In the read of budget approval for the development, once there is an aggregate of change orders in the development of more than \$750,000.00 (and keep in mind this is a \$79 million development so \$750,000.00 although a lot of money, it's not a major threshold in this development) then the university has the approval of any change orders over that. So, it's another means for you to maintain control of the development costs. As I said, there will be monthly construction draws and there will be weekly construction meetings and quarterly reports all of which the university representative is entitled and quite frankly I would expect you to participate in those.

On the Office Lease slide, the economics, we have the initial base rent, the first year's rent (it is free rent), the first twelve months, and then nine additional years at market rates. There are two five-year renewal options and we have secured development budgets, operational budgets, from the development team on what we expect the pass through expenses to be to the tenant. For your improvements you have a tenant

improvement allowance, you have the ability to construct those improvements yourself, or engage the developer to manage the construction of those improvements. You do have a first right of offer as we indicated on the building and the price that would be paid would be a fair market value price established through an appraisal process. Other miscellaneous issues:

- You have the right to lease up to 115 parking spaces in what is known as the east garage at market rates if you so desire that the employees occupying the office building want to park there.
- You have approval of retail tenants.
- You have the ability to sublease the space subject to your lease.

The last major issue dealt with retail leasing. The PNC financing term sheet requires that for PNC to close this loan 35% of the 80,000 square feet of retail must be leased and 15% of the 80,000 square feet must be subject to a letter of intent – in other words, a candidate who is working diligently to try to secure a lease with the development team. PNC is going to require those thresholds be met before they close the loan.

Currently there is only one lease that has been signed by the development team for slightly less than 2,000 square feet. They are working with a local development firm to secure a master lease which would take them to the 35% threshold. PNC has verbally signed off on this arrangement and they are now currently negotiating that lease. They intend to have that lease signed before the closing can take place.

Mr. Cassady:

Rick?

Mr. Kimbler:

Yes?

Mr. Cassady:

Could you tell me what a master lease is? That's the first time heard that.

Mr. Kimbler:

It's a new concept. Simplistically what is happening is that if mathematically you say that they need to have 28,000 square feet of retail leased (that's the 35% threshold), and they've only had, let's call it 2,000 leased and there is 26,000 remaining, they have a very financially sound developer real estate broker that would lease the remaining 26,000 square feet at proforma rates and basically be a placeholder of a tenant. The space would not be built out. The space would remain as a shell and this tenant would assume the responsibility for leasing the retail space and would, as they sign additional leases, the 26,000 square feet obligation would step down and be secured by a new lease.

Mr. Cassady:

What I thought I heard you say is that PNC if they got a master lessee they would eliminate the contingency of the 35%?

Several Unknown Speakers:

That would meet the requirement.

Mrs. Heimann:

This individual is taking on that responsibility.

Mr. Cassady:

I've got you, okay.

Mr. Kimbler:

That meets the contingency.

Mr. Cassady:

It meets the contingency.

Mr. Kimbler:

It does two things. Number one and most importantly it allows the development team to reach the necessary criteria to close the loan and also from a very positive

standpoint, the developer is no longer compelled to do what let's call a marginal deal just to get to the 35%, they can now step back and negotiate from a position of more strength with prospects that want to lease space. Did this answer the question?

Mr. Humes:

Would it be accurate to say that PNC has carefully evaluated who that person would be and that they would be satisfactory with their financial capacity to stand behind that lease?

Mr. Kimbler:

Yes.

Mr. Chesley:

Have you received such a lease that could be read by our legal team? Has that lease, that master lease that you are talking about, this is brand new to me which is fine, has that master lease been entered into by whoever this person is.

Mr. Kimbler:

It has not been entered into. We have seen a first draft – it is the retail lease, the standard lease that is being used with all of the perspective tenants. We saw a first rough draft of that lease, but it had numerous gaps yet to be completed and that's all that we've seen.

Mrs. Kimbler:

As a result...

Mr. Chesley:

...I'd just like to another question. Would it be prudent to actually have that lease signed and that condition that the bank has made before we sign our deal? The point is that this is new, and fine, I understand master leasing and I'm sure it's a reputable person and that's fine, but that is a condition of the loan and the other condition of the loan is



that we guarantee it with a ten year lease. Would it not be prudent that that lease be entered into and approved by the bank rather than us being the first to do it? You've seen a copy of it – has our legal team seen a copy of it?

Mr. Kimbler:

Greg?

Mr. Mohar:

Stan, that lease along with our lease along with all the other documents are going to come together at the closing. So we will have the opportunity to see and review that lease before we tender our signed lease. So, it is all going to be simultaneous.

Mr. Kimbler:

Yeah, I don't think there is any reason to tie that to ours. The university has the right to approve the tenant. PNC is going approve the tenant. PNC is going to insist on the lease being executed before they close so I don't think from our perspective that this is no different from one of the twenty candidates that the leasing agent has identified. If they come to sign a lease we are not going to wait to sign ours until they sign theirs so I don't see it as being any different.

Mr. Chesley:

Have you estimated the square foot costs of the 40,000 square foot building – per square foot to build the actual?

Mr. Kimbler:

The office building? We have it somewhere. I couldn't tell you off the top of my head.

Mr. Chesley:

I was advised that it would run between \$80 to \$150 per square foot for a 40,000 square foot, 2-story building that would sound reasonable wouldn't it?

Several Unidentified Speakers:

Yes.

Mr. Kimbler:

Yeah, this is a 3-story building, but yes.

Mr. Chesley:

Whether it's 3-story so that would be \$80 to \$150...

Mr. Kimbler:

I think it's on the high side, I don't think it's at the \$80 level, I think it's more at the \$150 level.

Mr. Chesley:

About, \$125 to \$150 per square foot.

Unidentified Speaker:

Correct.

Mr. Kimbler:

Yes. Any other questions? The result of working with the Senior Vice President, General Counsel, with Fran, and the advisors is that we come this morning with the recommendation that this lease be executed and this project move forward. We feel that the university and its adjunct operating entity CHCURC has an appropriate voice in the major decisions. We feel that before CHCURC and the university have a seat at the table and can be involved directly in the development and operational components of this asset. As we stated in September, we think that the office and the retail components of this add significant value to the university. The university south flank receives an \$80 million development without any impact on the university's balance sheet or any additional funds

from the university. We believe that this project should move forward and positively support the university acting accordingly.

Mrs. Heimann:

Thank you and thank you Jerry, Kyle and Dan for the presentation. I'd now like to call for an Executive Session.

Mr. Barrett:

I'll so move, Sandy.

Mrs. Heimann:

Let me just for process, may I have a motion to enter Executive Session for the purpose of consideration of the purchase of property for public purposes?

Upon motion of Mr. Barrett, seconded by Mr. Chesley, the Board voted to enter Executive Session by the following roll call vote:

**AYE:** Mrs. Heimann, Mr. Barrett, Mrs. Buchanan, Mr. Chesley, Mr. Heiman, Mr. Humes, Mr. Portman and Mr. Richardson

**NAY:** Mr. Cassady

**ABSENT:** None

The Board entered into Executive Session. Mrs. Heimann called for a motion to adjourn the Executive Session. Upon motion by Tom Cassady and seconded by Rob Richardson, the session adjourned at 10:22 a.m. by the following roll call vote:

**AYE:** Mrs. Heimann, Mr. Barrett, Mrs. Buchanan, Mr. Cassady, Mr. Chesley, Mr. Heiman, Mr. Humes, Mr. Portman and Mr. Richardson

**NAY:** None

**ABSENT:** None

### **Reconvene Meeting**

The meeting of the Board of Trustees of the University of Cincinnati will now be reconvened. (*Meeting was reconvened at 10:23 a.m.*)

### **Recommendation No. 11.10.26.01**

Mr. Cassady:

Madame Chairman, I move that we approve the 40,000 square foot lease of the professional office space and to approve the fourth amendment to the development agreement in front of us.

**11.10.26.01      AUTHORIZATION TO LEASE 40,000 SQ. FT. OF PROFESSIONAL OFFICE SPACE AND TO APPROVE FOURTH AMENDMENT TO DEVELOPMENT AGREEMENT.**

**SYNOPSIS:** Recommendation that the Board of Trustees approve the lease of approximately 40,000 square feet of professional office space to be developed by U Square, LLC as part of the mixed-use development known as U Square @ the Loop; and to approve the University joining as a party to the Development Agreement for U Square @ the Loop, as a magnet tenant in the development for the purpose of obtaining assurances of performance by U Square, LLC.

It is recommended that the Board of Trustees approve the lease of approximately 40,000 square feet of professional office space to be constructed on a 4.2 acre site located between Calhoun and McMillan Streets adjacent to the University's Uptown Campus. The leased space is to be located on the second and third floors of a building to be constructed as part of a long anticipated development known as U Square @ the Loop. The University will use the space to relocate various functions unrelated to its core educational and research missions, which will free up space on campus and allow for the relocation of academic units over the next decade as the University commences the rehabilitation of aging academic buildings.

The term of the lease will be ten (10) years with two five (5) year options to renew. The rent will be approximately \$1 million per year, with rent for the first year abated. The landlord will provide a tenant improvement allowance to build out the space in the amount of \$35 per square foot, and other lease concessions. The lease further provides an option to purchase the premises for an appraised value at the time of refinance. Purchase of the premises at that time will require consent and approval of this Board, the Ohio Board of Regents, and the Controlling Board.

The lease was the subject of a resolution of this Board adopted at its September meeting which provided conditional approval subject to review and negotiation of terms regarding: (i) control of "major decisions," (ii) budget, (iii) minimum retail leasing requirements, (iv) construction plans and specifications, (v) cash flow distributions and fees, and (vi) acceptable form of lease, all of which UC as a magnet tenant has requested as a condition of entering into the lease. Such matters

have since been addressed in a revised form of lease, (“the Lease”) a copy\* of which is attached, and in the Development Agreement for the project through a proposed Fourth Amendment to Development Agreement, (“Fourth Amendment”) a copy\* of which is also attached.

The Lease and Fourth Amendment have been reviewed and approved by the Office of General Counsel and by third party independent consultants engaged by the University to assist in the review and negotiation of their terms and conditions.

The Board of Trustees is respectfully requested to approve the Lease and Fourth Amendment and to authorize the Board Chair or the President to execute the final form of Lease and of Fourth Amendment substantially in the form of the attached, subject to minor corrections and clarifications approved by the Office of General Counsel.

Mr. Richardson:

I’ll second that.

Mrs. Heimann:

Is there any additional discussion?

Mr. Barrett:

Sandy, I’ll just make one comment. I’ve spoken during the executive session. I am just, as a trustee, not yet comfortable with the transaction and as a result I don’t feel comfortable voting for it. Thank you.

Mrs. Heimann:

That’s fine.

Mr. Cassady:

Madame Chairman, I do have a question I would like to get on the record and I hope you don’t take offense in any way to this question, but to the independent advisors that we have, we heard you speak very enthusiastically in favor of this project and I want for the record to reflect that you are independent and that you have no financial role in this project and you have no future financial role in this project.

Mr. Bennie:

That’s correct.

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\*Filed in the Office of the Board of Trustees

Mr. Kimball:

That's correct.

Mr. Atkins:

That's correct.

Mr. Cassady:

Don't be offended.

Mr. Kimball:

I'm glad you said that.

Mr. Humes:

Madame Chairman, I would just say that again and many of us spoke in executive session. I think this is something that has been carefully studied and analyzed for a long time. It is a project that has been on the university's plate for ten years. It has been stymied and I think we are faced with a very positive opportunity for the university to be part of stimulating an additional 78,000 square feet of development that will be part of our university in reality. I think it is a great opportunity and I think our advisors have given us excellent counsel as truly independent perspectives of whether this is a good total deal for us, not just looking at the lease, but looking at the entire project. I would strongly support the project.

Mrs. Heimann:

Thank you. President Williams do you have any comment?

President Williams:

The University Square project is a project that the University of Cincinnati has been supportive in the community for some time. As a sign of a continuing support we will be leasing space in the project. It is a space that we do need because the space that

we once had for swing space has been used up and this will help us enhance the swing space available for us.

Leasing space at University Square will allow us to have backup offices and administrative offices to free swing up space for academic use. The success of University Square in my view is very important not only for our campus, but for our neighborhood community, our city and, in fact, our region. It's really our southern gateway to the campus and it's vitally important for our campus community to have vibrant business, retail, restaurants and living spaces along the McMillan and Calhoun corridors.

UC is excited about this project. We've been waiting for this for a long time – to see this come to life. Our University Endowment has made available an initial \$17 million dollar investment in the property and we're thrilled to have the opportunity to begin the recoup the investment in this difficult climate. The Neighborhood Redevelopment Corporation, CHCURC, is on board with the plans and is a partner with Towne Properties and Al Neyer. This project would result in the investment of \$78 million in private capital which would benefit the university in forms of restaurants and parking facilities. It is a unique and special opportunity for us and I urge that we take advantage of it.

Mrs. Heimann:

We have a motion and a second to approve the lease of 40,000 square feet of office space in the U Square Project. Susan, would you please call the roll.

**AYE:** Mrs. Heimann, Mrs. Buchanan, Mr. Cassady, Mr. Humes, Mr. Portman and Mr. Richardson

**NAY:** Mr. Barrett, Mr. Chesley and Mr. Heiman

**ABSENT:** None

Mrs. Heimann:

Thank you, the motion has been approved. I would just like to add my comments. I think this is absolutely the right thing to do for the university. Had I been here probably when we purchased all of that property, which I feel are exorbitant prices, I would have voted against that. In using hindsight, that would have probably been the wrong decision. Clearly, the development we've made in the investment has been a huge asset to the university. I have stated from the beginning that I think this is a very difficult deal and very fragile and complex in getting all the pieces together. With the advice, and I think it's so important, with the advice and recommendations of the advisors I'm really happy we passed this today. I know that we'll have some bumps on the road – every deal has bumps on the road – and, it's never over until the fat lady sings. But, I know that our advisors will continue to stay on target and continue to focus on this project. I might say that I might speak at some point to the board and ask them if they don't think that it's appropriate that we have an additional committee of the board that monitors and reviews real estate going forward so that we don't have these complex issues. That may mean that a board person chairs it and we get outside experts as we do in our investment committee to help us with those kinds of decisions.

Mr. Barrett:

Sandy, you asked me previously what I thought about that. I think it's an excellent idea that we do have a real estate committee. I would just like to add and thank you for all the time you spent on this. I know you spent hundreds of hours. You have delved into this and I know that you spent two hours with Gary and myself yesterday and I really appreciate all the effort that everyone has put into this. I think the fact that we do have different and divergent opinions is healthy on a complex issue to get all perspectives. I think that once the board has voted that everybody will support that even though we might have differences of opinion that the vote has been cast and we all support it. I can't thank you enough for all you've done.

Mrs. Heimann:

I appreciate it.



Mr. Cassady:

Madame Chairman, I'd like to say the same thing in a similar way and include Fran for all the work that you did on the record – a tremendous amount of work, Fran, that you did on behalf of the university and on behalf of this board. And, to our chairman who has also done a tremendous amount of work, I really appreciate all that you've done as well Sandy. Fran, to what you said, I don't remember another vote in my short tenure where we've had where we actually had a minority. I think that it's very healthy just as you said. I think there will continue to be a great deal of respect and it's something that we move forward on and I'm glad that people feel free to express their minority opinion. I think it's good.

Mr. Barrett:

Thank you, Tom.

Mrs. Heimann:

And, become engaged and express that and have a healthy...

Mr. Richardson:

That's right.

Mrs. Heimann:

I've always believed in that and I don't think that we necessarily have to be unanimous.

Mr. Richardson:

I would actually also agree. I've been on the board – this is my fourth year now – and when I first started I think everything was unanimous. We have more and more gotten into the details and have become a better board for it. I do thank you, Fran, and I also want to thank Chairman Heimann. You guys have done a great job. I don't know when you get a chance to work, but thank you for all you do for the university.

Mr. Barrett:

Thank you, Rob.

Mrs. Heimann:

Thank you, Rob.

Mr. Chesley:

Sandy, I want to express sincere thanks to the fact that the board has been actively involved in this project and has been brought up to speed relative to the knowledge that has been assessed. I appreciate very much your professionalism, the President's professionalism, Fran's work on this, and I thank the advisors. I think this is an example...

Mrs. Heimann:

May I just add and say that I think it's important we thank Tom Humes who has been in the development business thirty-five years and has spent, maybe not hours, but months and months representing the university and he is truly Mr. Bearcat.

Mr. Chesley:

And, I appreciate Tom your work on this and I apologize. The point I would like to make is that I would hope that the board can be involved in these type of issues and get involved in it early on. I, for example, the first time I knew anything about it, and I'm not faulting anyone, was when I was in a meeting with Bob Ambach when we were getting ready for a board meeting which he presented to me it had been in the Cincinnati Enquirer and that was the first I knew about it. As far as how many years we've been involved in it, I don't in any way dispute that, but I'm asking and urging that (a) you do appoint such a committee; and (b) that when there are these things that are on the table that impact money that is to be spent and possible a way to recoup some losses that the board be informed and kept up-to-date on an ongoing and as early as possible. I think this is an example of where the board was active and will continue to be active and watch

it. As I understand it, there are certain conditions to go forward and I'm assuming that all those conditions will be met and that we will monitor to make sure that they are.

Mrs. Heimann:

Stan, I couldn't agree more but I would say that I felt the same way and in this instance after learning more about it, because I kept hearing about a meeting where all of the developers had presented their plans and programs and I wondered why that never came to the board or why I didn't remember that meeting. When I looked into it I found out that Monica [Rimai] and Nancy [Zimpher] in the spirit of transparency and letting everyone know – it was not required for the board to approve this because in 2001 there was a Master Plan approved by the board and subsequent there was also a university rule that set up these community funds. Then in October, actually October 12, 2007, Nancy and Monica called a meeting of board members that they felt were major in decision making processes at that time and informed them of the general project that was without the lease – the lease is new and that's what we approved today. They also provided that small group with a memo outlining and documenting the development and how it would move forward so that did happen in 2007.

Mrs. Buchanan:

But, it was a slight group of people.

Mr. Heiman:

Sandy, I was at that meeting and it's correct. I think that what Stan is saying...

Mrs. Heimann:

From 2007 either we should have had more board discussions, but most of the board members, and I, were not aware of it. It is my understanding that Monica and Nancy invited Gary, Fran, Jeff Wyler and Buck Niehoff to inform them about the choice and move forward. Buck did not attend the meeting. Prior to the meeting on October 9, 2007 they had a lengthy memo describing all of this. So, it just needs to be more

inclusive is all that I have to say. When something is this complex we need to question it as we go along and not wait until the 11<sup>th</sup> hour.

Mr. Barrett:

Sandy, you started this conversation by saying we wanted and ought to thank Tom Humes. I would like to thank Tom...

Mrs. Heimann:

...thank you...

Mr. Barrett:

...for all of his effort. I would like to thank everybody, but they are all compensated and Tom, you are not compensated. (Laughter) Our thanks to them, those compensated, but I know that you spent, I don't know how many hours, but I know you've been so deeply involved in this so I personally want to thank you Tom. And, you know that I respect your opinion completely.

Mr. Humes:

Thank you, Fran.

Mr. Portman:

Just one comment, as the newcomer on this Calhoun block here, I really see this as you all do as the front porch of UC. In today's world, and as I first thought six to eight months ago, it is a real embarrassment to the university to drive in Calhoun Street entering the university. So, I think this is a great success for the university and for the community. And, I think it's going to help in our connections with the corporate community because of the investors involved. It will help with the construction world which I'm involved in and it's going to bring a lot of jobs and a lot of money to the community. We've had great discussion here and good debate, but the bottom line is that it's going to be a really positive outcome for this community.

Mrs. Heimann:

Thank you.

Mr. Humes:

I really do think again we must thank the advisors. You guys have gone way above and beyond the call. I know that you've been compensated some for this, but I also know that the workload and the complexity of this and the requirements are well above what you were compensated. We appreciate your commitment to the university which was key to your selection to begin with. I also, again, I've got to come back to Sandy. She has been truly a phenomenal leader for us through everything that we've had, through whatever challenges and discussions, and I'd just like to thank you and congratulate you for truly being a great leader for our board.

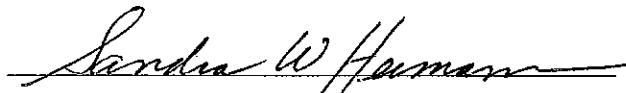
Mrs. Heimann:


Thank you, Tom.

**Adjournment**

Our next regular board meeting will be held here in the Russell C. Myers Alumni Center on Tuesday, November 15, 2011. Thank you for being with us today.

There being no further business before the Board, upon proper motion and second, the meeting adjourned at 10:40 a.m.

  
SANDRA W. HEIMANN, CHAIRMAN

  
THOMAS H. HUMES, SECRETARY