

VIDEOCONFERENCE
SPECIAL MEETING and REGENT ORIENTATION
BOARD OF REGENTS
NEVADA SYSTEM OF HIGHER EDUCATION
System Administration, Las Vegas
5550 W. Flamingo Road, Suite C-1, Conference Room
System Administration, Reno
2601 Enterprise Road, Conference Room
Great Basin College, Elko
Greenhaw Technical Arts (GTA) Building, Room 118
1500 College Parkway
January 21, 2011

Members Present: Mr. James Dean Leavitt, Chairman
Dr. Jason Geddes, Vice Chairman
Mr. Mark Alden
Dr. Andrea Anderson
Mr. Robert Blakely
Mr. William G. Cobb
Mr. Cedric Crear
Dr. Mark W. Doubrava
Mr. Ron Knecht
Mr. Kevin C. Melcher
Mr. Kevin J. Page
Dr. Jack Lund Schofield
Mr. Michael B. Wixom

Others Present: Mr. Daniel J. Klaich, Chancellor
Mr. Maurizio Trevisan, Executive Vice Chancellor & CEO, HSS
Dr. Jane Nichols, Vice Chancellor, Academic & Student Affairs
Mr. Bart Patterson, Vice Chancellor, Administrative & Legal Affairs
Mr. Mark Stevens, Vice Chancellor, Finance
Mr. Scott G. Wasserman, CEO & Special Counsel to the Board
Ms. Marilyn Delmont, Associate Vice Chancellor, IT
Dr. Michael D. Richards, President, CSN
Dr. Stephen G. Wells, President, DRI
Mr. Carl A. Diekhans, President, GBC
Dr. Lesley A. Di Mare, President, NSC
Dr. Maria C. Sheehan, President, TMCC
Dr. Neal J. Smatresk, President, UNLV
Dr. Milton D. Glick, President, UNR
Dr. Carol A. Lucey, President, WNC
Mr. Gerry Bomotti, UNLV
Mr. Richard Linstrom, UNLV

Chairman James Dean Leavitt called the meeting to order at 11:06 a.m. with all members present except Regent Schofield.

1. Information Only-Welcome from the Chairman – Chairman James Dean Leavitt provided opening remarks.

Chairman Leavitt welcomed the new Regents Mark W. Doubrava and Kevin C. Melcher. He felt it was exciting to have additional members with such fine credentials. Chairman Leavitt requested that each Regent offer some insight that might help Regent Doubrava and Regent Melcher:

- Chairman Leavitt recommended to always remember that Regents are easily recognized – so it is best to keep in mind that Regents are representatives of the Nevada System of Higher Education.
- Regent Alden suggested reading the materials, to become familiar with the Nevada Revised Statutes, to ask questions and to follow-up.
- Regent Anderson recommended reaching out to staff, presidents and fellow Regents because their advice is solid. Read the material and believe in yourself as a Regent.
- Regent Wixom observed that public service is a unique undertaking; a privilege and a trust. The opportunity can be challenging at times, but it is an experience to be appreciated. He felt it is important to remember this from time to time. There can be mountains of information, and sometimes mountains of problems, but having the task of serving the public in this way is a privilege – especially in education.
- Regent Cobb agreed that to do the job properly the materials must be read. He felt privileged to work with the Board – any of whom he can call upon for their comments and interpretation on various subjects. The Board is cooperative, amicable and works hard to reach common goals.
- Regent Blakely felt it best to listen when attending the first few meetings and to absorb all that is happening. He recommended that Regents remember the district, people and interests they represent.
- Regent Crear said it is good to understand that the staff and the institutions work on behalf of the Board of Regents. As a Regent you were elected to express your opinions, ideologies and thoughts.
- Regent Page thought it was best to read the materials. Neglecting to do so is a disservice to the Board and others who come to the meetings prepared.
- Regent Knecht agreed with the comments regarding the value of colleagues – it is an outstanding Board. He felt the new Regents are fully the equal of everyone on the Board and he welcomed them. Regent Knecht cautioned that there will be narratives and factoids that are disconnected from reality that are not supported by numbers and facts. He cautioned to not always believe everything that is presented; do the homework and read the materials.

Regent Schofield entered the meeting.

- Regent Geddes advised against surprising the Board with unexpected reports at meetings, including information that no one has heard before. He recommended being courteous and polite to fellow Regents by allowing them to express their viewpoints and respecting their opinions.

1. Information Only-Welcome from the Chairman – (continued)

- Regent Schofield felt honored to be associated with the Board of Regents. He thought it best to remember that the students come first. The strength of the Board is working together as a team.

2. Information Only-Welcome from the Chancellor – Mr. Daniel J. Klaich, Chancellor, provided welcoming remarks.

Chancellor Klaich welcomed the new Regents. He stated that words matter – they are important. He asked everyone to think in the context of those who are listening. Be polite. Regents are the ruling body and when they speak it has meaning to others. The entire Board acts, not individual Regents. Seven Regents constitutes the actions for employees, students and education in Nevada.

Chancellor Klaich hoped that the Regents view staff as helpful employees. Staff works hard to provide the information, context and research requested by the Regents.

3. Information Only-Institutional President Introduction and Remarks – The Presidents introduced themselves and gave a summary of the mission of their college and what differentiates their institution from the other institutions in the System.

Dr. Milton D. Glick, President, UNR, stated that UNR has 17,000 students. He reported that historically: This year was the highest retention from freshman to sophomore year with 5 points above the national average; the freshman class is the largest by 500; UNR has the largest number of national merit scholars and the most diverse class; and this year produced the highest graduation rate. In the last decade there has been a 66% increase in the number of B.A.'s annually. There is \$110 million in sponsored programs every year, with \$68 million of that going towards sponsored research.

President Glick reported that all this took place before there was a \$44 million reduction. Since then 23 degrees and several departments were eliminated, two colleges were reorganized, there was a decrease in the number of budget positions by 400 and the elimination of 100 people who were in place. These cuts were vertical, not horizontal.

President Glick indicated that the major priorities for the year are to: protect the core of the institution, maintain progress and enhance it, increase student success, attempt to create centers of research excellence, and to expand and make solvent the medical school – in particular, the expansion in Las Vegas.

Dr. Carol A. Lucey, President, WNC, explained that over the past 10 years two strategic plans were completed with a third plan about to begin. Basically, it is to follow Chancellor Klaich's direction to increase the number of WNC students that receives degrees, with focus on student success. The first course of action is to

3. Information Only-Institutional President Introduction and Remarks – *(continued)*

bring students into the College. WNC goes to the high schools early to advise students about attending college.

Dr. Lucey presented a series of graphs (*on file in the Board office*). She stated that the first graph indicated the percent of total service area of high school graduates attending WNC for the summer and/or fall term following graduation which showed 15.4% in 1999 and rose to 29.0% in 2009. The second graph pointed out the annualized full-time degree/certificate seeking students as a percent of total enrollment which began at 13.0% in 2002-2003 and escalated to 24.0% in 2009-2010. Retention from 1998-1999 to 2009-2010 grew from 49.0% to 63.0%, respectively. Dr. Lucey noted that successful course completion was flat from 1999 to 2009. She felt the reasons were that Nevada does not invest enough money in remedial education and WNC students often transfer before they receive degrees. The next task is to address those two issues in hopes of doubling the graduation rate.

Dr. Lesley A. Di Mare, President, NSC, reported that the first-time, full time, freshmen is more than 10% above the national rate, which is 57.5%. The graduation rate of 17% is below the national rate of 21%. NSC is proud that the Spanish graduation rate is at 19%, and the passing rate for the year is 93.5%.

President Di Mare stated that NSC recently received \$25,000 from the Cannery Casinos to continue working with the Crossroads Program. This is when NSC students mentor selected at-risk students, grades 8 through 12, at middle schools throughout the southeast region of the Las Vegas Valley.

President Di Mare understands the reasons for working with businesses in the community. NSC is currently working with Project 5,000 Kids which attempts to keep students in school and on track to graduate. It has connected with many businesses in southern Nevada that offer students internships in industries that vary from banking, to retail, to hospitality and job shadowing. NSC will also partner with Workforce Connections whose mission it is to develop a world-class workforce.

President Di Mare is excited about working with UNR and the INBRE Grant. There have been two capillary electrophoresis workshops with 26 NSC students, two UNLV students, and two faculty members. There will be 32 workshops per year at NSC where 180 students will receive certificates. Once these students leave NSC, they will be eligible to work for biotechnology and pharmaceutical companies. NSC is being used as a model and is the first state college in the nation to undertake this process.

Dr. Michael D. Richards, President, CSN, reported that CSN is celebrating its 40th year as an institution. It began in 1971 with 400 students. Last year CSN served 67,000 credit and non-credit students. He noted that an economic impact study was done this year which found that the total estimated for CSN in Nevada was \$864

3. Information Only-Institutional President Introduction and Remarks – (continued)

million, with a return on investment for taxpayers at 9.2%, and a return on investment for students at 14%.

President Richards continued that CSN is observing the fifth year of a seven year contract with SunGard Higher Education which provides the information technology management for all the CSN campuses and learning centers. Also, this is the first year, of the required two consecutive years, to meet the 25% Hispanic enrollment trigger to become a Hispanic-serving institution. This will open a number of grant opportunities from federal sources. CSN has earned 31 specialized accreditations out of 32 that are available nationally, which says a lot about the quality of CSN.

President Richards stated that 5,394 students walked away from CSN last year because they could not get into classes; 56% of them were minorities. CSN has 4,500 FTE students enrolled in distance education courses and offers 30 complete programs online. There were 4,300 project graduates who earned 45 credits or more but did not graduate. CSN has been working with those students to advise and help them towards succeeding with their educational goals of completing their certificate or diploma. The difference in average funding for FTE between our national peers and CSN is \$2,700. It highlights the chronic under-funding problem. President Richards hoped that the Board and the Legislature will continue to recognize the problem and help to solve it.

President Richards noted that the 30 CSN Foundation Trustees contribute \$10,000 per year to serve on the Foundation Board.

Dr. Stephen G. Wells, President, DRI, said that DRI was formed in 1959 by a very smart legislative body creating a division of UNR specifically devoted to conducting research. DRI became an autonomous division of UNR, on equal footing, with its two educational campuses in 1969. DRI grew to be successful by blending an entrepreneurial style with an academic style. It has academic rigor and business-like practicality that allows approximately 180 faculty to raise nearly \$40 million of their total research revenue, most of which is derived from federal sources. The state of Nevada provides approximately \$8 million.

President Wells explained that there is no tenure at DRI. It is a very healthy and diversified portfolio between Defense, Energy, EPA, NOAA, NASA, NSF and the Interior. Approximately 50% of DRI's funding comes from private business and international activity. DRI has worked on every continent and in every state, so there is a great breath of reach. There is 300 permanent staff and another 200 part-time or hourly employees making up the 500 DRI workforce located in Reno and Las Vegas.

President Wells felt that DRI brings prestige for research and development to Nevada as indicated by the National Science Foundation, which ranks institutions based on research and development activities. DRI has placed in the top 20 in the nation for the past 10 years; above the University of California, Davis and Harvard

3. Information Only-Institutional President Introduction and Remarks – (continued)

University. President Wells is proud that UNR, UNLV and DRI are classified in the top 50 in the nation in the environmental sciences.

President Wells continued that DRI is appreciated for taking basic science and applying it in a meaningful way. DRI brings value to education and is known for integrity and an unbiased approach. Through UNLV and UNR there are 50 faculty who teach and advise 55 to 70 graduate students, supported with \$1.7 million of DRI's money. DRI also occasionally teaches at NSC and the community colleges. President Wells reported that DRI has partnered with NV Energy to solicit tax deductible money that goes into a pool for DRI to reach out to K-12 students to promote green energy, science, and living practices that are sustainable and built around green practice. There are almost 100 schools that participate.

President Wells stated that there are now 47 invention disclosures, 26 issued patents and five license agreements. This is mature in the process and is a great start. DRI is actually turning out some new businesses in clean energy and bioinformatics.

President Wells mentioned that during the Iraqi war there was a problem with the M-16 rifles firing. DRI was asked, because of their relationship with the Department of Defense, to inspect them. DRI determined that the chemistry of the dust in Iraq, combined with the chemistry of the lubricant used in the M-16s, created a malfunction. DRI prepared a report, with West Point, which has moved forward to hopefully change how the Department of Defense tests their equipment.

Regent Schofield was curious if other funding models throughout the country followed the same procedure as DRI. President Wells said that most of the other institutions separated from higher education and became independent. By being in the NSHE, DRI faculty has the opportunity to teach and participate with students.

Mr. Gerry Bomotti, Senior Vice President, Finance and Business, UNLV, reported that he is representing Dr. Neal J. Smatresk, President, UNLV, who is recuperating from minor surgery.

Mr. Bomotti said that UNLV is a comprehensive research university that began in 1957. It is now in its 54th year with approximately 29,000 students, offering a wide variety of programs. There is a relatively new dental school and a fairly new law school. Many UNLV programs have been nationally recognized in rank, such as the law school, the writing program in the English Department, the Educational Psychology Program, and a host of others.

Mr. Bomotti reported that recent support came from a successful \$500 million capital campaign which closed last year. Some of the funding, along with a Lincy Foundation donation, allowed UNLV to bring the Brookings Mountain West Center to Las Vegas. There was also some student scholarship support from the Engelstad family. On an annual basis there is approximately \$540 million of activity. A little over one-third of that comes from the general fund. UNLV has taken accumulated

3. Information Only-Institutional President Introduction and Remarks – *(continued)*

cuts of \$50 million and lost approximately 500 positions. Right now there are 3,000 faculty and staff members that support the University.

Mr. Bomotti continued that the main campus, located on Maryland Parkway, is 330 acres. The dental school and nursing program simulation lab is located on the Shadow Lane Campus. It is shared with UNLV, NSC and the UNR School of Medicine. There is a separate research foundation that owns title to 122 acres by Sunset & Durango. It is ready to be developed and, in the future, will eventually pay dividends to UNLV. UNLV has been working actively with the System and the federal delegation to get a transfer of land from the BLM to support UNLV and other NSHE institutions. This property is immediately west of Nellis Air Force Base, and immediately north of where the Veteran's Hospital will be built at Route 215. The UNLV portion is approximately 2,000 acres.

Dr. Maria C. Sheehan, President, TMCC, stated that TMCC is dealing with the financial dilemma of budget reductions of 18% since the beginning of the cutbacks. This is a very difficult position for a small college. Eliminations have been made in all areas to accommodate the cutbacks.

President Sheehan presented a handout (*on file in the Board office*) on the TMCC Performance Benchmarks and Benchmarks for Success. Since 2008 TMCC frequently checks the statistics to see if the student success goals are being met. What is not outlined in the handout is that the most recent TMCC graduation rate has gone from single digits, for over a decade, to 16.5%. The national average is between 25% and 33%, so there is a long way to go.

President Sheehan thought that the budget circumstances will impede where TMCC would like to go. One area is the high school-college bridge, which is to work closely with high school students planning to attend college, and provide them with a support system for success.

President Sheehan is excited about the geo-thermal program – it is the only one of its type in the world. The TMCC high school will admit the first 10th grade class in 2012. Right now there are 11th and 12th graders. The goal is for them to complete a high school diploma and an associate's degree, which will be 80% of that class.

Regent Cobb asked why the single-digit graduation rate increased but not as high as the national average. President Sheehan replied that the goal is to have a 40% increase by 2013. English and math are big reasons why students are not being successful. There are now specific strategies to target the problem areas. Support services are now in place, but, not offering these services is one reason for the single-digit graduation.

3. Information Only-Institutional President Introduction and Remarks – (continued)

Regent Blakely asked about students that transfer. President Sheehan said the transfer rate is over 25%. Regent Blakely pointed out that a significant factor in the graduation number is transfers to other institutions.

Mr. Carl A. Diekhans, President, GBC, said that because of the short-term transient teachers in rural Nevada in the early 1990's, GBC went forward to the Board of Regents and the Legislature and was granted permission to develop a professional studies degree. This allowed GBC to train people and grow their own. Most recently there is the Bachelor of Science degree in nursing and Bachelor of Applied Science, which GBC was the first in the state to offer. This degree helps miners to move up to management positions. There is the second year of Early Childhood Education with UNLV and the 3 + 1 Social Work Program with UNR.

President Diekhans stated that programs have been eliminated, but GBC hopes to continue serving rural Nevada with the cuts and setbacks. The College is currently collecting information on the students who could not get into classes this past fall and this spring. GBC is suffering, but intentions are to move ahead and do the best job possible. The current graduation rate for GBC is 25%.

President Diekhans reported that the Foundation effort raised in excess of \$30 million over the years. There was \$1.5 million recently raised for the endowment of new programs. Preparation is almost complete to start another campaign to raise \$12 million to \$15 million more.

Upon the conclusion of the Presidents' introductions, Chairman Leavitt invited the new Regents to make remarks.

- Regent Melcher considered it a great honor to be elected to the Board of Regents and hopes to be a good partner and contributor. There is a lot to learn and move forward on, especially with the budget and economic development.

Regent Melcher stated that when traveling 28,000 miles in rural Nevada during his campaign, he learned that many people do not know what a Regent or NSHE is, so it is obvious that there is a lot of work to do to educate Nevadans on a daily basis.

Regent Melcher believes in collaboration from K-12 to higher education and is impressed with the System's collaborations. He would like to end the state divide and bring it closer together by working with every institution. He will always remember that students are a priority.

- Regent Doubrava thanked the Board for their warm reception and the staff for their help. He is excited about working with fellow Board members and wants to contribute as much as he can to promote higher education in Nevada.

4. Information Only-Duties and Responsibilities of System Administration Staff and Board of Regents' Staff – The Chancellor, System Administration staff, and Board of Regents' staff provided information on the operation of their respective departments.

Mr. Scott Wasserman, CEO and Special Counsel to the Board, reported that in a separate meeting with the new Regents, the oath of office was performed, and the orientation manual, including the by-laws of the Regents, Regent responsibilities, a list of the NSHE institutions and the mission statements, were discussed. They also met with Mr. Bart Patterson, Vice Chancellor, Administrative & Legal Affairs, Mr. Mark Stevens, Vice Chancellor, Finance, and Regent Mark Alden.

Mr. Wasserman introduced the Board staff and their responsibilities. He continued that in addition to the committees he staffs, he also provides legal advice in the areas of the Open Meeting Law, conflict of interest issues and public records. There will be discussions regarding redistricting where he will provide legal advice as well as operating the software to draw up those plans.

Chancellor Klaich introduced the Chancellor's Cabinet: Dr. Jane Nichols, Vice Chancellor, Academic & Student Affairs; Mr. Mark Stevens, Vice Chancellor, Finance; Mr. Bart Patterson, Vice Chancellor, Administrative & Legal Affairs; Ms. Marilyn Delmont, Interim Vice Chancellor, Information Technology; Dr. Maurizio Trevisan, CEO and Executive Vice Chancellor, Health Sciences System; Dr. Marcia Turner, Vice Chancellor of Operations/COO, Health Sciences System, who will be a lobbyist at this legislative session; and Mr. Scott Wasserman, CEO and Special Counsel to the Board.

Chancellor Klaich chairs the Council of Presidents and meets monthly with the Faculty Senate Chairs. These meetings provide critical insight to his duties.

Regent Alden requested that Chancellor Klaich report on Audit. Chancellor Klaich said that the Internal Audit Department is headed by Ms. Sandi Cardinal, Assistant Vice Chancellor, in Reno. There are auditors in Reno and Las Vegas who present annual audit work programs which are reported directly to the Audit Committee and then to the Board.

Chancellor Klaich stated that investments are overseen by the Vice Chancellor of Finance, Mark Stevens, and handled directly by Ms. Ruby Camposano, Director of Banking & Investments, in Reno. Ms. Camposano manages the operating and endowment pools which range in the hundreds of millions of dollars. She generates weekly investment reports so the Investment and Facilities Committee can keep a close watch.

Chancellor Klaich said the student body presidents represent the graduate and undergraduate institutions in the System to form a group, the Nevada Student Alliance, which is staffed by Ms. Crystal Abba, Associate Vice Chancellor, Academic & Student Affairs. Chancellor Klaich stated that it is our duty to serve the students well and to be certain they are career-ready.

5. Approved-Acquisition of Property Located at 4570 S. Maryland Parkway – UNLV
– The Board moved approval for UNLV to purchase a .75 acre parcel of land located at 4570 S. Maryland Parkway, Las Vegas for \$960,000, with the caveat that if the appraisal comes in any figure lower than \$960,000, the approval is void and, if the Environmental Impact Report has any questions or issues that would require follow-up, the approval is void; that the Chancellor be granted authority to approve, after consultation with the Chair of the Investment and Facilities Committee, the final purchase once due-diligence requirements have been completed and reviewed and the Chancellor makes a determination that the purchase price is supported by the appraisal (*Ref. BOR-5 on file in the Board office*).

Mr. Bomotti reported that this piece of property has been in UNLV's *Master Plan*, which was approved by the Board. The purchase price is \$960,000 for approximately .75 acre which includes a 4,115 square foot building.

Mr. Bomotti added that adjoining the .75 acre property immediately east is another 1.25 acres where the police department has a long-term lease. While it is not owned by UNLV, it could potentially be a link-up as a key entry to the campus and part of the mid-town development vision.

Mr. Bomotti indicated that UNLV offered more money for this property in the fall of 2010 but lost out to another bidder – who then wanted to turn around and sell it to UNLV for a profit. The property recently came back on the market and it is felt that it is a key parcel for UNLV in the long-term as part of the mid-town development vision. The building can be used for many near-term options, and for longer-term, could be a site for a UNLV facility with retail on the ground floor. There are a variety of short-term uses, but critical long-term value for UNLV.

Mr. Bomotti stated that the due-diligence information such as the appraisal and the Phase I Environmental will not be available until the week of January 24, 2011. The action item would indicate that UNLV would have to provide the information to Mr. Hank Stone, System Counsel and Director of Real Estate Planning, Chancellor Klaich and Regent Wixom, Chair of the Investment and Facilities Committee, to determine that all the requirements are met. Mr. Bomotti did not expect environmental problems or appraisal issues. The appraisal was being conducted by a Las Vegas company called the Criterion Group, who has assessment experience in the area.

Regent Wixom asked about the funding source. Mr. Bomotti replied that there is an \$8.8 million land acquisition fund which was prescript by previous Board action for land purchases only. Regent Wixom said that it is assumed that if the appraisal is lower than \$960,000, the deal will not be approved.

5. Approved-Acquisition of Property Located at 4570 S. Maryland Parkway – UNLV
– (continued)

Regent Wixom moved approval for UNLV to purchase a .75 acre parcel of land located at 4570 S. Maryland Parkway, Las Vegas for \$960,000, with the caveat that if the appraisal comes in any figure lower than \$960,000, the approval is void and, if the Environmental Impact Report has any questions or issues that would require follow-up, the approval is void; that the Chancellor be granted authority to approve, after consultation with the Chair of the Investment and Facilities Committee, the final purchase once due diligence requirements have been completed and reviewed and the Chancellor makes a determination that the purchase price is supported by the appraisal. Regent Schofield seconded.

Regent Alden appreciated the codicils added to the motion, but felt that the cost of commercial real estate was down. He was not familiar with the Criterion Group and was concerned by the acquisition price of \$960,000 for .75 acre. He felt the purchase should be pursued cautiously.

Regent Crear asked how the \$960,000 price was determined. Mr. Bomotti responded that it was the list price. It is very difficult in the present economic environment to get precise values on property almost anywhere. Along Maryland Parkway in 2006-2007, the land only without buildings was selling between \$80 per square foot and \$100 per square foot. The reasonable value for the 4,115 square foot building is approximately \$60 per square foot, with the land valued at approximately \$21 per square foot. There was an initial offer several years ago for \$4.4 million that fell through on this parcel. The drop in price is what is being seen in this area of town.

Regent Crear asked how contact was made with the seller. Mr. Bomotti said that UNLV had an agent make the offer – the seller was not aware that the agent was dealing on behalf of UNLV until after the property amount was agreed upon. Regent Crear understood that the purchase was time sensitive. Mr. Bomotti explained that the opportunity arose over the December 2010, holidays. The agreement was to try to close before February 10, 2011. If the criteria are not met the deal will fall through. If the criteria are met, UNLV will move forward on the closing.

Regent Schofield left the meeting.

5. Approved-Acquisition of Property Located at 4570 S. Maryland Parkway – UNLV
– (continued)

Regent Crear would feel uncomfortable giving approval based on what the outcome of the appraisal and Environmental Impact Report might be. He would not want this to move forward if the benchmarks are not met. Mr. Bomotti said that if the title is not clear, if the Environmental Impact Report shows any concerns, or if the appraisal does not meet the \$960,000, the Regents' approval is void and so is the deal.

Regent Cobb said this purchase is significant to the UNLV campus. He agreed with Regent Alden that the price seemed high, but it is a strategic location to UNLV, which supersedes the cost.

Regent Knecht understood that payment would come out of the land acquisition fund. That account has been designated by prior Board action for property acquisition, but that is not anything that this Board, at this time, cannot undo to reorient the money towards some other use. He felt that while there was a substantial discount of 75%, there is still the possibility that the deal may not go through. He thought that there is a chance for discontinuity economically and socially, and plans could change substantially going forward and the cost might drop even lower.

Regent Wixom explained the motion was framed to create a safety net. The deal will not go through if the appraisal does not come in at \$960,000. The local appraisers in Las Vegas have been extremely conservative. If there is an appraisal in this environment, in particular if the appraiser has been represented by experienced real estate developers, there should be comfort that it will be a good and conservative appraisal. The property values have dropped dramatically. This is property concerning a key part of a long-term plan that was approved as a Board. If the plan changes, the Board is not binding itself to an unreasonable alternative. If all of the criteria are not met the approval is void. Regent Wixom urged the Board to consider adopting this proposal.

Regent Anderson has been a licensed realtor in Nevada for over 35 years. She said the appraisers are being extremely conservative and pricing at the low end.

Regent Alden asked when the deposit would become non-refundable in the escrow account. Mr. Stone said the deposit would become non-refundable at the end of the 30th day if the due-diligence is satisfied. The money and timeline are being watched by Ms. Cherie Garrity, Real Estate Manager at UNLV. If UNLV has not received the appraisal, if there are any open title issues or any other issues in advance of the day the money becomes non-refundable, we will be aware of it and discuss it with Mr. Bomotti to make sure the appropriate notice is given to protect the deposit.

5. Approved-Acquisition of Property Located at 4570 S. Maryland Parkway – UNLV
– (continued)

Upon a roll call vote the motion carried. Regents Anderson, Blakely, Cobb, Crear, Doubrava, Geddes, Leavitt, Melcher, Page and Wixom voted yes. Regents Alden and Knecht voted no. Regent Schofield was absent.

6. Public Comment – None.

7. New Business – Chairman Leavitt announced that a Special Meeting is scheduled for February 11, 2011. The Board of Regents was approached by a group headed by Mr. Ed Roski, Majestic Realty, and Mr. Craig Cavileer, President of Silverton Casino, to present an exclusive negotiating agreement for the Boards' approval to consider the possibility of developing a stadium on UNLV property. The agreement will be made available one week prior to the meeting. The reason for the time sensitivity is because there will be legislative approval required.

Regent Crear asked if the costs of holding a meeting to hear a proposal should be incurred. Chairman Leavitt appreciated the concern. Regent Crear was not certain that a meeting was necessary.

The meeting adjourned at 1:27 p.m.

Prepared by:

Nancy Stone
Administrative Assistant IV

Submitted for approval by:

Scott G. Wasserman
Chief Executive Officer & Special Counsel
to the Board of Regents

Approved by the Board of Regents at the June 16-17, 2011, meeting.