

**MINUTES
OF
THE BOARD OF REGENTS
OF
THE TEXAS STATE UNIVERSITY SYSTEM**

Special Called Board Meeting

June 26, 2007

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CALLED PLANNING AND CONSTRUCTION COMMITTEE MEETING

Committee Members:

Regent Greg Wilkinson, Chair; Regent Dora Alcalá; Regent Alan Dreeben; Regent John Dudley; Regent Don Flores and Open

Call to Order:

The Planning and Construction Committee of The Texas State University System was called to order on Tuesday, June 26, 2007 at 3:32 p.m. CST by Committee Chairman Greg Wilkinson.

Present:

Regent Alan Dreeben; Regent John Dudley; Regent Don Flores; Regent Bernie Francis; Student Regent Maggie Manzano; Regent Trisha Pollard; Dr. Charles Matthews, Chancellor; Dr. Fernando Gomez, Vice Chancellor and General Counsel; Dr. Roland Smith, Vice Chancellor for Finance; Mr. Peter Graves, Associate Vice Chancellor for Contract Administration; Ms. Carole Fox, Director of Audits and Analysis; Ms. Teresa Tanny, Executive Assistant to the Chancellor; Ms. Donna Givens, Administrative Assistant – Contract Administration; Ms. Carol Polumbo, System Bond Counsel, McCall, Parkhurst and Horton; President Joseph Rallo, ASU; Ms. Sharon Meyer, Vice President for Finance and Administration, ASU; President James Simmons, LU; Mr. William Nance, Vice President for Finance and Support Services, TxSt-SM; Mr. Coyle Buhler, TxSt-SM and Mr. Pat Fogarty, TxSt-SM.

Absent:

Regent Dora Alcalá; Regent Kent Adams; Regent Ken Luce

Discussion Items:

Mr. Peter Graves presented each of the Planning and Construction items to the Committee. The first item of discussion was Texas State University-San Marcos' Total Project Cost Approval for the Campus Utility Upgrade: Phase III – Co-Gen Plant Expansion Project. Mr. Nance provided additional information to the Committee regarding the project.

The next item of discussion was Texas State University-San Marcos' Approve North LBJ Street and Bus Loop (Revised Pleasant Street Parking Garage Addition) Project. There was a discussion regarding parking spaces on the campus and the cost of expanding a parking garage. Regent Flores asked how this project affects the campus master plan. Mr. Graves and Mr. Nance confirmed that the project is in line the campus master plan.

The final item was Angelo State University's Centennial Village. Mr. Graves updated the Committee on the project's status since the May Board meeting. There was a discussion regarding the project status and the work being done in conjunction with the University and the Texas Tech System.

The committee voted to recommend all three items to the full board.

Adjournment:

The meeting was adjourned at 3:48 p.m.

CALLED BOARD OF REGENTS MEETING

I. CALL TO ORDER

The special called Board of Regents meeting via telephone of The Texas State University System was called to order on Tuesday, June 26, 2007 at 3:48 p.m. CST by Vice Chairman Bernie Francis.

II. ATTENDANCE

Present:

Vice Chairman Bernie Francis
Regent Alan Dreeben
Regent John Dudley
Regent Don Flores
Student Regent Maggie Manzano
Regent Trisha Pollard
Regent Greg Wilkinson

Absent:

Chairman Kent Adams
Regent Dora Alcalá
Regent Ken Luce

Also Present:

Dr. Charles Matthews, Chancellor; Dr. Fernando Gomez, Vice Chancellor and General Counsel; Dr. Roland Smith, Vice Chancellor for Finance; Mr. Peter Graves, Associate Vice Chancellor for Contract Administration; Ms. Carole Fox, Director of Audits and Analysis; Ms. Teresa Tanny, Executive Assistant to the Chancellor; Ms. Donna Givens, Administrative Assistant – Contract Administration; Ms. Carol Polumbo, System Bond Counsel, McCall, Parkhurst and Horton; President Joseph Rallo, ASU; Ms. Sharon Meyer, Vice President for Finance and Administration, ASU; President James Simmons, LU; Mr. William Nance, Vice President – Finance and Support Services, TxSt-SM; Mr. Coyle Buhler, TxSt-SM and Mr. Pat Fogarty, TxSt-SM.

III. AGENDA ITEMS

2007-83 Total Project Cost Approval for the Campus Utility Upgrade: Phase III – Co-Gen Plant Expansion Project – TxSt-SM

Upon motion of Regent Dudley, seconded by Regent Wilkinson, with all regents voting aye, it was ordered that the estimated total project cost of \$9,613,406 for the Campus Utility Upgrade: Phase III – Co-Gen Expansion project at Texas State University-San Marcos be approved.

2007-84 Approve North LBJ Street and Bus Loop (Revised Pleasant Street Parking Garage Addition) Project – TxSt-SM

Upon motion of Regent Pollard, seconded by Regent Wilkinson, with all regents voting aye, it was ordered that the North LBJ Street and Bus Loop (Revised Pleasant Street Parking Garage Addition) Project at Texas State University-San Marcos at a reduced estimated total project cost of \$4,595,185 be approved.

2007-85 Centennial Village – ASU

Upon motion of Regent Wilkinson, seconded by Regent Pollard, with all regents voting aye, it was ordered that the design development documents prepared by Randall Scott Architects, Inc., (RSA) of Dallas, Texas for the Angelo State University (“University”) Centennial Village Residence Hall with a project budget of \$28,200,000 be approved, provided the following conditions are first met:

1. Return to the Texas State University System (“TSUS”) of all proceeds of the bond issuance to finance the project, including both principal and interest thereon; and,
2. Prior to expenditure of any funds, passage by the Texas Tech University System Board of Regents (“Tech System”) of a resolution (acceptable in form and substance to both the TSUS Chancellor and the Vice Chancellor and General Counsel), approving the design and proposed budget for Centennial Village and requesting that this Board grant such approvals as it considers reasonable and necessary in order for construction of the project to resume prior to September 1, 2007; and,
3. Financing of the project from locally available University funds or from Tech System approved funds; and,
4. Payment, out of locally available University funds, of all amounts previously expended on the project and all amounts due to present and former construction manager-at-risk consultants and subcontractors for work previously done on the project; and,
5. Under no circumstances shall TSUS funds be expended on the project;

Be it further ordered that, if all of the foregoing conditions have occurred, the TSUS Chancellor be authorized to take such actions or execute such documents as, in his judgment are reasonable and necessary, to assist the University and the Tech System in effecting transition of this project.

2007-86 Consideration and Action with respect to "First Amendment to the Eleventh Supplemental Resolution to the Master Resolution Authorizing the Issuance, Sale and Delivery of Board of Regents, Texas State University System Revenue Financing System Revenue Bonds; and Approving and Authorizing Instruments and Procedures Relating Thereto" – TSUS

Upon motion of Regent Dudley, seconded by Regent Flores, with all regents voting aye, it was ordered that the Consideration and Action with respect to "First Amendment to the Eleventh Supplemental Resolution to the Master Resolution Authorizing the Issuance, Sale and Delivery of Board of Regents, Texas State University System Revenue Financing System Revenue Bonds; and Approving and Authorizing Instruments and Procedures Relating Thereto" be adopted as follows:

**FIRST AMENDMENT TO THE
ELEVENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION
AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF
REGENTS, TEXAS STATE UNIVERSITY SYSTEM REVENUE FINANCING
SYSTEM REVENUE BONDS; AND APPROVING AND AUTHORIZING
INSTRUMENTS AND PROCEDURES RELATING THERETO**

WHEREAS, on February 17, 2006, the Board of Regents (the "Board") of Texas State University System ("TSUS") adopted an "Eleventh Supplemental Resolution to the Master Resolution Authorizing the Issuance, Sale and Delivery of Board of Regents, Texas State University System Revenue Financing System Revenue Bonds; and Approving and Authorizing Instructions and Procedures Relating Thereto" (the "Eleventh Supplemental Resolution"); and

WHEREAS, pursuant to the Eleventh Supplemental Resolution, the Board on September 1, 2006 issued its bonds entitled "Board of Regents, Texas State University System Revenue Financing System Revenue Bonds, Series 2006A" (the "Series 2006A Bonds") of which \$23,475,000 were allocated to construct new student housing facilities (i.e., the Centennial Village Project) for Angelo State University; and

WHEREAS, in light of the transition of Angelo State University from TSUS to the Texas Tech University System as a result of the passage of H.B. 3564 during the 80th Legislative Session, Angelo State University has transferred back to TSUS \$23,000,000 in proceeds of the Series 2006A Bonds plus interest earnings of approximately \$842,226.63; and

WHEREAS, the Board desires to amend the purposes of the Eleventh Supplemental Resolution so that other component institutions within TSUS can utilize the unspent Series 2006A Bonds proceeds for authorized projects; and

WHEREAS, pursuant to Section 11(a)(iii) of the Eleventh Supplemental Resolution, the Board is authorized to make such changes to the Eleventh Supplemental Resolution the Board deems necessary or desirable and that do not materially adversely affect the interests of the owners of the outstanding Series 2006A Bonds; and

WHEREAS, the Board hereby finds and determines that the changes made by this First Amendment to the Eleventh Supplemental Resolution are necessary and, based upon advice of bond counsel, such changes do not materially adversely affect the interests of the owners of the outstanding Series 2006A Bonds; and

WHEREAS, reallocating the unspent proceeds to other component institution within TSUS will assist with the transfer of Angelo State University and provide a more efficient debt management structure for TSUS in light of such transfer.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS, TEXAS STATE UNIVERSITY SYSTEM THAT:

Section 1. AMENDMENT. Section (b)(i) of the Eleventh Supplemental Resolution is amended to read as follows:

"(b) **Purpose.** The Bonds are to be issued for the following purposes: (i) ACQUIRING, PURCHASING, CONSTRUCTING, IMPROVING, RENOVATING, ENLARGING OR EQUIPPING THE PROPERTY, BUILDINGS, STRUCTURES, FACILITIES, ROADS OR RELATED INFRASTRUCTURE FOR THE MEMBERS OF THE REVENUE FINANCING SYSTEM INCLUDING CONSTRUCTING CARDINAL VILLAGE PHASE IV STUDENT HOUSING FACILITIES FOR LAMAR UNIVERSITY AND CONSTRUCTING A CO-GENERATION PLANT EXPANSION FOR TEXAS STATE UNIVERSITY - SAN MARCOS IN THE MAXIMUM PRINCIPAL AMOUNT OF \$23,475000,"...

Exhibit B to the Award Certificate of the Chancellor executed in connection with the Series 2006A Bonds is also amended as stated above relating to the purpose of the Series 2006A Bonds.

Section 2. FURTHER PROCEDURES. The Chair of the Board, any System Representative, and all other officers, employees, and agents of the Board, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the Board all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this First Amendment to the Eleventh Supplemental Resolution including replacing the Series 2006A Bonds held with the Paying Agent/Registrar and filing any necessary continuing disclosure notices. The System Representative is authorized to make application to obtain all approvals necessary in connection with this First Amendment including the Texas Bond Review Board. Nothing herein shall be construed as a waiver by the Board of its own rules and regulations, policies and procedures.

Section 3. REPEAL OF CONFLICTING RESOLUTIONS. All resolutions and all parts of any resolutions (other than the Master Resolution) which are in conflict or inconsistent with this First Amendment to the Eleventh Supplemental Resolution are hereby repealed and shall be of no further force or effect to the extent of such conflict or inconsistency. Except as amended herein the Eleventh Supplemental Resolution is in full force and effect including the purposes and authorization related to the TSUS Series 2006 Bonds also issued pursuant to the Eleventh Supplemental Resolution.

Section 4. PUBLIC NOTICE. It is hereby found and determined that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting at which this First Amendment to the Eleventh Supplemental Resolution was adopted; that this First Amendment to the Eleventh Supplemental Resolution would be introduced and considered for adoption at said meeting; and that said meeting was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

Section 5. PERSONAL LIABILITY. No covenant or agreement contained in this First Amendment to the Eleventh Supplemental Resolution or any corollary instrument shall be deemed to be the covenant or agreement of any member of the Board or any officer, agent, employee or representative of the Board in his individual capacity, and neither the directors, officers, agents, employees or representatives of the Board nor any person executing the Bonds shall be personally liable thereon or be subject to any personal liability for damages or otherwise or accountability by reason of the issuance thereof, or any actions taken or duties performed, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise.

2007-87 Naming of Construction Management Program – LU

Upon motion of Regent Pollard, seconded by Regent Wilkinson, with all regents voting aye, it was ordered that the System Chancellor and the Lamar University President be authorized to receive and announce a gift from Sheila and Jordan W. “Jerry” Reese III in the approximate sum of \$1.7 million and to take such actions as necessary to name the construction management program at the University after the Reese family.

2007-88 Resolution to Execute Closing Documents for the Sale of Property – TxSt-SM

Upon motion of Regent Dreeben, seconded by Regent Wilkinson, with all regents voting aye, it was ordered that the Board of Regents adopt the following resolution to sell real estate:

RESOLVED, that the Vice President for Finance and Support Services at Texas State University-San Marcos is authorized and directed to sell the real estate owned by Texas State University-San Marcos described in Exhibit A, attached to and made a part of this Resolution, for the sum and under the terms of a contract previously executed between the University and The Stratford Company, L.P. as amended and subsequently assigned to SLF II-McCarty, L.P.

RESOLVED FURTHER, that the Vice President for Finance and Support Services at Texas State University-San Marcos is authorized and directed to execute and accept all documents and instruments and to accept all payments necessary to consummate this transaction.

Exhibit A

Legal Description of Land Located at McCarty Lane & IH-35 South

259.52 acres of land in the Cyrus Wickson Survey, Abstract No. 474, and the Nathaniel Hubbard Survey, Abstract No. 230, Hays County, Texas, being all of that tract described as "First Tract-88.32 Acres" in a deed from Earl B. McCormick et ux to the State of Texas dated April 11, 1969 and recorded in Volume 229, Page 591 of the Hays County Deed Records and a portion of that tract described as "First Tract-275.5 Acres" in a deed from Charles Fehlis et ux to the State of Texas dated January 1, 1948 and recorded in Volume 140, Page 320 of Hays County Deed Records.

IV. ADJOURNMENT

Upon motion of Regent Flores, seconded by Regent Dudley, with all Regents voting aye, the meeting was adjourned at 3:58 p.m. CST.

Dr. Charles R. Matthews

Chancellor and Secretary to the Board