A meeting of the Board of Directors of The Campanile Foundation was held at San Diego State University in the Stephen Weber Board Room of the Parma Payne Goodall Alumni Center, San Diego, California, on September 20, 2012, pursuant to the notice duly posted for public information.

The following Directors were present:

<table>
<thead>
<tr>
<th>Director</th>
<th>Alternate Director</th>
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<tr>
<td>Sherrill Amador</td>
<td>Alan Gold</td>
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<tr>
<td>Terry Atkinson</td>
<td>Dan Gross</td>
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<td>Ed Blessing</td>
<td>Christy Hilton</td>
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<td>Mary Ruth Carleton</td>
<td>Elliot Hirshman</td>
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<td>Nikki Clay</td>
<td>Rod Lanthorne</td>
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<td>Dorothy Codling</td>
<td>Ken McCain</td>
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<td>Mary Curran</td>
<td>Jack McGrory</td>
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<td>Julie Dillon</td>
<td>Mark McMillin</td>
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<td>Andrew Esparza</td>
<td>Vince Mudd</td>
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<td>Bill Geppert</td>
<td>Robert O'Keefe</td>
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<td>Alan Gold</td>
<td>Patti Roscoe</td>
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<tr>
<td>Dan Gross</td>
<td>Susan Salka</td>
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<tr>
<td>Christy Hilton</td>
<td>Christopher Sickels</td>
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<tr>
<td>Elliot Hirshman</td>
<td>Kenneth Walsh</td>
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<td>Rod Lanthorne</td>
<td>Karin Winner</td>
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The following Directors were excused:

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<tr>
<th>Director</th>
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<tr>
<td>Casey Brown</td>
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<td>Steve Davis</td>
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<td>Marshall Faulk</td>
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<td>Alexis Fowler</td>
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<tr>
<td>Greg Fowler</td>
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<td>Sal Janmohamed</td>
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<td>Greg Lucier</td>
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<tr>
<td>Betsy Manchester</td>
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<td>Jim Sinegal</td>
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The following Officers were present:

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<thead>
<tr>
<th>Position</th>
<th>Name</th>
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<tr>
<td>Secretary, The Campanile Foundation</td>
<td>Joanne Ferchland-Parella</td>
</tr>
<tr>
<td>Chief Financial Officer, The Campanile Foundation</td>
<td>Sarah Slaughter</td>
</tr>
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The following University administrators and staff members were present:

<table>
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<tr>
<th>Name</th>
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<tbody>
<tr>
<td>Jack Beresford, Chief Communications Officer</td>
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<td>Geoff Chase, Dean, Division of Undergraduate Affairs</td>
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<tr>
<td>Michael Cunningham, Dean, College of Business Administration</td>
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<tr>
<td>Barbara Davies, Assistant to the Vice President, University Relations and Development</td>
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<tr>
<td>Gale Etschmaier, Dean, Library and Information Access</td>
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<td>Joyce Gattas, Dean, College of Professional Studies and Fine Arts</td>
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<tr>
<td>David Hayhurst, Dean, College of Engineering</td>
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<tr>
<td>Jim Herrick, Executive Director, Alumni Association</td>
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<tr>
<td>David Pearson, Dean, SDSU Imperial Valley Campus</td>
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I. Call to Order

Chairman Kit Sickels called the meeting to order at 2:35 p.m. by welcoming the Board, Deans and special guest, Irwin Zahn.

Chairman Sickels noted the Board received their annual conflict of interest forms via email and encouraged Board members who had not completed the form to do so and return them to Barbara Davies.

II. Approval of Minutes – June 7, 2012 / Kit Sickels

Chairman Sickels asked for approval of the minutes of the June 7, 2012 Board Meeting. Sherrill Amador noted that she was not at the June 7th meeting and should be removed from the attendee list.

Motion: A motion was made, seconded, and unanimously carried to approve the minutes of The Campanile Foundation Board of Directors meeting of June 7, 2012.

Chairman Sickels requested a motion to accept the Consent Agenda.

Motion: A motion was made, seconded, and unanimously carried to accept the Consent Agenda for The Campanile Foundation Board of Directors meeting of September 20 2012, thereby approving the minutes of the:

- Nominating and Organizing Committee - Minutes of July 17, 2012
- Finance and Investment Committee - Minutes of August 9, 2012
- Government & Community Relations Committee - Minutes of August 15, 2012
- Communications and Donor Relations Committee - Minutes of August 30, 2012
III. The Campaign for SDSU / Kit Sickels

Chairman Sickels reported the Campaign for SDSU has raised $344 million, noting that $72 million was raised in fiscal year 2011-2012 despite the tough economic climate.

Since inception, the Campaign has raised $49 million to support our students with scholarships, fellowships and internships and more than $100 million has been raised to support faculty with endowed chairs, professorships and programmatic support.

Chairman Sickels also noted that scholarships are more important than ever to student success. He cited the recent U.S. News and World Report ranking SDSU No. 8 in the nation for universities whose students graduate with the least amount of debt, as an indication that we are reaching the right students with scholarship support.

Chairman Sickels then asked Board members to review the Campaign gift table in the Board packets which indicates a need to secure more large gifts and requested the Board's assistance in identifying and connecting with major donors who are capable of making such gifts.

Mary Ruth Carleton then reviewed a few recent gifts of note, which included:

- A $5 million pledge from Leonard Lavin to establish an endowment supporting academic and student enrichment for young entrepreneurs. The EMC will be renamed the Leonard H. Lavin Entrepreneurial Management Center in recognition of this gift.

- A $3 million pledge from Charles & Chinyeh Hostler to establish an endowment in the College of Arts and Letters to support the Hostler Institute and other international affairs programs and initiatives. A new structure in front of Storm and Nasatir halls – containing a 500-seat lecture hall – will be named the Charles W. Hostler Building in recognition of this gift.

- A $1 million gift from Wells Fargo names the Wells Fargo Financial Markets Laboratory in the Love Library. It is a collaboration between the College of Business Administration and Library and Information Access. Students and faculty will conduct real-time research and analysis with state-of-the-art tools, such as 12 Bloomberg terminals and the Wharton database.

- Qualcomm partnered with us on the National Science Foundation's Robert Noyce Mathematics and Science Master Teaching proposal by supporting the grant with a $500,000 donation. This helped us leverage $3 million in additional funds from the NSF to train 32 math and science master teachers to become teacher leaders.
• Cymer gave a $300,000 gift to expand and update what is now called the “Cymer Advanced Physics Lab.”

• Alumna Kathleen Kennedy, co-chair of Lucasfilm Ltd. and a veteran producer of films such as “E.T.,” “Schindler’s List,” and the “Indiana Jones” and Jurassic Park” series, has made a $100,000 gift to the College of Professional Studies and Fine Arts for use in the School of Theatre, Television, and Film.

CEO Carleton reported the Campaign goal for the 2012-2013 fiscal year is $85 million and we are off to a strong start. The total amount in gifts and pledges from July 1 through August 31st was $10.5 million which is ahead of the same period last year.

CEO Carleton then discussed the importance of planned giving in the campaign. These gifts are key to building the university’s endowment, which ensures SDSU can continue to provide an excellent education for generations to come.

CEO Carleton then introduced Amy Walling, Assistant Vice President for Planned Giving and Estates. Amy Walling began her presentation with an overview of the planned giving office. Since establishment in January of 1990, the office of planned giving has secured $150 million in planned gifts and recorded over 200 Heritage Society members who have committed to an estate gift benefitting SDSU.

Ms. Walling provided an overview of the different types of planned gifts which included assets such as an outright gifts, blended gifts, bequests, life insurance policies, IRA/Retirement account beneficiary designations, charitable gift annuities, charitable remainder and annuity trusts, charitable lead trusts and life estates.

Of particular interest to Board members were the Charitable Lead Trust and Charitable Gift Annuity. It was agreed that Amy Walling would provide a short training session to the Board on the different planned giving vehicles available.

Amy also indicated that planned gifts are typically looked at as the traditional way of building endowments and providing a long-term revenue base. Studies show that planned gifts will be 1,000-2,000 times the size of a donor’s annual gift. The average size gift for SDSU’s planned giving donor is about $93,533 with the national average being reported at $142,278. During the past 23 years, SDSU has received $28 million from planned gifts that have matured and currently has a pipeline of $80 million in irrevocable and over $50 million in revocable planned gifts. The current planned giving pipeline consists of over $132 million in expectancies.
So far, $67 million in planned gifts has been discovered and those gifts have been counted towards the Campaign for SDSU, with $40 million in process. Of note is the fact that faculty are becoming more active in establishing endowed professorships and endowed scholarships through their estates.

In closing, Ms. Walling asked Board members to advise those they may know who have indicated they have named SDSU in their estate plans to notify her so we can honor their specific intentions, thank them and recognize their gift for The Campaign.

During the presentation, interest was expressed in the process for donating social security checks to SDSU and whether or not we had the capability to accept this type of gift. Sarah Slaughter agreed to research how we might position ourselves to accept gifts of this nature.

Mary Ruth Carleton distributed a list of volunteer hosting activities and reported on events that several of our Board Members have been, or will be, hosting for alums and campaign prospects.

CEO Carleton then showed a video clip from a recent episode of SDSU Insider entitled “Healing Broken Hearts”. The video featured Dr. Mark Sussman’s work to transform cardiac care treatments and repair damaged hearts.

CEO Carleton then announced the Frontiers in Cardiovascular Regeneration International Symposium being hosting by SDSU on November 8th and asked Board members to note the date on their calendars.

Campaign Initiatives Q&A
Chairman Sickels directed the Board’s attention to the section of the Board packet featuring information from each Dean and their respective unit. Kit reminded the Board that the Deans were in attendance at our last meeting. Due to time constraints we were unable to hear all of the questions Board members had for the Deans so they were invited back for another Q & A session.

Patti Roscoe asked how the Deans are responding to the fundraising aspect of their jobs to which Joyce Gattas responded it was a necessary and valuable part of her work. She spoke of several success stories in which philanthropy was the only available avenue to ensure that PSFA programs maintain their quality. Dean Gattas also informed the Board that PSFA has raised $4 million over the past 2 years to support faculty positions.

Dean Hayhurst spoke about his success in fundraising from companies that employ large numbers of engineers. These partnerships work well because these companies support engineering programs and many times hire students from SDSU.

Mark McMillin asked Dean Pearson about the future of the Imperial Valley campus. Dean Pearson spoke about developing more academic programs particularly in the area of science. He spoke of developing partnerships with local companies doing work in the fields of energy...
and petroleum, among others. When asked about budget and fundraising, the Dean indicated he sees many positive opportunities for raising funds to support the Imperial Valley Campus.

Dean Chase was asked to share a few of the goals of the Honors program. Dean Chase noted the Honors program emphasis on global problems and challenges, high academic achievement and the importance of connecting students to the community by encouraging active engagement. Dean Chase also shared efforts to connect students with local and national honors organizations and encouraging each student to participate in study abroad programs.

Terry Atkinson asked Dean Cunningham to share information about the Wells Fargo Financial Markets Lab. Dean Cunningham shared that, in addition to providing students with 12 working Bloomberg terminals and the Wharton database for financial research, the lab would also provide financial literacy training for high school students through the Compact Scholars Programs. Dean Cunningham noted the grand opening of the lab will take place tomorrow and invited Board members to attend the ribbon cutting at 12pm in the Love Library.

President Hirshman then introduced Associated Students President, Rob O'Keefe and Executive Vice President, Chanell McNutt who gave the Board a presentation on the new Aztec Student Union. Mr. O'Keefe shared drawings of the final building and noted the new Aztec Student Union is being funded entirely by student body fees as approved through a student vote.

Mr. O'Keefe then presented further details on the design of the building which is LEED Platinum certified and is the first facility in the entire CSU system to receive the USGBC’s highest distinction of platinum level. Sustainable features include pervious paving, an underground water storage tank, operable windows, green roof, radiant floor system, solar panels and natural day lighting.

Chanelle McNutt provided an overview of the inside of the building. There will be three floors featuring different themes, a Starbucks, bowling alley, theatre and various meeting and event spaces. Ms. McNutt also noted the Associated Students desire to have a Sustainability Ambassador to provide tours informing visitors of the sustainability features of the building. Construction of the building is scheduled for completion in November 2013.

Board members inquired about the contractors hired to complete the construction and whether or not they were local companies. Ken Walsh informed the Board that Sundt Construction, a local company, is the builder and further research has been done on their subcontractors finding the vast majority to be local companies. It was also noted that Associated Students is partnering with the School of Hospitality and Tourism Management to provide internships to students once the building has been completed.

IV. Break
V. Philanthropic Impact Story

President Hirshman introduced Irwin Zahn who spoke to the Board about his successful business background. Mr. Zahn founded General Staple, an industrial stapling company, in 1954 and grew the company into electrical/electronic connectors powerhouse AUTOSPLICE, which he sold in 2011. No longer in the electronics business, he is focused solely on his nonprofit Moxie Foundation.

Mr. Zahn spoke about how he became involved with SDSU and why he felt it was important to fund the Zahn Center, which brings together engineering and business students to collaborate on start-up companies. Mr. Zahn also informed the Board that students are already turning concepts into business plans and several of these students will be available to discuss their concepts during the reception following the Board meeting.

Mr. Zahn noted the need to hire an Executive Director to head the Zahn Center and spoke of a strong candidate that would likely fill the position.

VI. Nominating and Organizing Committee Report / Patti Roscoe

Committee Chair, Patti Roscoe reported the Nominating and Organizing Committee met in July to review suggestions for new board members. Ms. Roscoe restated the Committee’s continued commitment to diversity within the prospect pool. Ms. Roscoe then asked Board members and Deans to submit potential Board candidate names to Mary Ruth Carleton. Ms. Roscoe spoke to the Board about the nomination process and asked that prospective Board members not be approached until they have been researched and vetted by CEO Carleton and the Nominating and Organizing Committee.

Ms. Roscoe then discussed the resolution to reappoint Rich Kerr. Since Mr. Kerr is no longer the Executive Director of the Zahn Center at SDSU, the Committee would like to reappoint him to the Campanile Foundation Board. Ms. Roscoe then asked for a motion to approve resolutions 12-08.

Motion: A motion was made, seconded, and unanimously carried to approve resolution 12-08.

RESOLUTION NO. 12-08

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CAMPANILE FOUNDATION
REAPPOINTING
RICH KERR TO
THE CAMPANILE FOUNDATION BOARD
VII. Communications and Donor Relations Report / Karin Winner

A. Chair’s Report

Karin Winner reported that the Committee met on August 30th and they discussed changing the committee’s name and charge. The Committee decided to rename itself “Communications & Alumni Engagement Committee”. Ms. Winner then read the revised charge of the Committee: To assist SDSU leadership in fulfilling its mission by providing targeted communications and other tools that foster greater alumni engagement and lead to increased participation in and support of the University.

Ms. Winner also reported the Committee reviewed current efforts to elevate the alumni participation numbers including segmented mailings and calls to non-donor alumni lifetime members. The Committee also discussed the concept of developing and implementing a comprehensive peer-to-peer solicitation by Board members and other volunteers targeted at demographically compatible alumni.

Ms. Winner then directed Board members to the Board Survey on the table in front of them and asked that each Board member complete the survey and return it to CEO Carleton.

In closing, Ms. Winner informed the Board that 200 alumni came out for the Templo Del Sol Festival which celebrated Aztec loyalty and welcomed the new students. Board members then viewed a short video of the celebration.

VIII. Finance and Investment Committee Report / Terry Atkinson

A. Chair’s Report

Terry Atkinson reported the Committee met on Thursday, August 9, 2012. The endowment had a 6.5% return for the six months ending in June 2012 and a 12-month return of (1.2%). The endowment lost 2.1% during the second quarter of 2012.

Mr. Atkinson also informed the Board that the committee held an executive session to discuss the idea of doing a request for proposals for investment consultant services. The committee members all agreed that Wurts & Associates and Anne Westreich as our consultant have done an excellent job. Anne has been our consultant since The Campanile Foundation was formed. It was also agreed that proceeding with the RFP is prudently sound and in line with best practices. Staff will begin the RFP process in the coming quarter.

During this report Chairman Sickels discussed the potential of increasing the Board annual gift requirement and asked Board members for their thoughts on this suggestion. Board members asked that staff conduct research on the annual gift requirements associated with various locals boards as well boards of similar institutions.
Because this will have an impact on the recruitment of future Board members, Patti Roscoe suggested that the Nominating and Organizing Committee review the data, once it is compiled, and return to the Board with a recommendation on this matter.

CFO Slaughter then presented the 2012-2013 budget and outlined the funding sources for The University Relations and Development Division budget. CFO Slaughter noted the Campaign Fund revenue source consists of a one-time 5% gift fee on cash gifts and the TCF operations revenue source is funded with a 1.25% fee of the 3-year average of endowment fund balances.

CFO Slaughter reported in 2011-2012 overall income was higher than budget and overall expenses were lower than budget.

**Motion:** A motion was made, seconded, and unanimously carried to accept Resolution 12-06, approving the initial 2012-2013 budget.

RESOLUTION NO. 12-08
RESOLUTION OF THE BOARD OF DIRECTORS OF THE CAMPANILE FOUNDATION APPROVING THE INITIAL 2012-2013 BUDGET

IX. Audit Committee Report / Sarah Slaughter

A. Chair’s Report

CFO Sarah Slaughter provided the Audit Committee report. Ms. Slaughter reported the Campanile Foundation’s independent auditors, McGladrey & Pullen, CPAs, presented the audited financial statements and accompanying footnotes for the fiscal year ended June 30, 2012. The Campanile Foundation received an unqualified audit opinion and there were no significant deficiencies or material weaknesses found as a result of their audit work. In addition, there were no audit recommendations for management.

**Motion:** A motion was made, seconded, and unanimously carried to accept Resolution No 12-09 approving the Audited Financial Report for the period ending June 30, 2012.
RESOLUTION NO. 12-09

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CAMPANILE FOUNDATION
APPROVING AUDITED FINANCIAL REPORT
FOR PERIOD ENDING JUNE 30, 2012

X. Government and Community Relations Committee Report / Jack McGrory

A. Chair’s Report

Committee Chair, Jack McGrory, provided the Government and Community Relations Committee report. The Committee met on August 15, 2012 and discussed the potential impact of pending legislation on SDSU. The group agreed that outreach to the general election candidates and other various stakeholders is necessary. The Committee will update their advocacy talking points prior to meeting with the candidates and stakeholders to ensure they are presenting a consistent message about legislation affecting higher education.

XI. President’s Report / Hirshman

President Hirshman gave a presentation on SDSU’s integrated financial strategy for 2012-2013 and beyond. The President provided a summary of the financial challenges we face by outlining the variations in revenue and expenses over the past 6-years. The President then discussed a 3-part strategy for the long-term success of the university which includes fiscal stabilization, strategic investment in areas of excellence and raising awareness of SDSU’s excellence. President Hirshman noted that out-of-state and international recruitment, growth and creation within the College of Extended Studies and increasing auxiliary revenues are all part of the fiscal stabilization strategies.

President Hirshman asked the Board to note the following budget messaging:

- We are creating a new financial model for the university: we will serve like a public university, but we will plan and execute with entrepreneurial spirit.
- Three part strategy:
  - Strengthen our financial position through growing revenue and lowering costs.
  - Invest resources strategically to build on our strengths.
  - Raise awareness of our areas of excellence.
- SDSU’s plan for 2012/13 positions us well to move forward.

In closing, the President stated we can control our own destiny and continue our development as a leading public research university.
XII. Athletics Update / Sterk

Athletics Director Jim Sterk began his presentation by stating it was a historic year for SDSU Athletics noting a few highlights including:

- National Champion in the discus – Whitney Ashley
- Men’s Golf finished 5th at NCAA’s
- Women’s Track finished 9th at NCAA’s
- Record 9 teams in NCAA post-season
- Aztec Football & Men’s Basketball lead nation in combined winning percentage over last 2 years
- Conference championships in Men’s Golf, Softball, Men’s and Women’s Basketball
- Invitation to join the Big East in football and all other sports to the Big West

In addition to their athletics success, students are experiencing academic success noting there was an all-time high in number of scholar-athlete awards (274), student-athletes are seeking degrees in 68 different majors and 16 Student-athletes achieved a GPA of 4.0

Fundraising has also been successful with the Athletics annual fund raising $3,395,364 in cash for scholarships. Cash and pledges to Athletics totaled $5.5M, Football ticket revenue increased from $1.5M to $2.3M and Men’s Basketball ticket revenue increased from $1.4M to $1.7M. Mr. Sterk also noted that Men’s Basketball tickets are sold out for the first time in history.

Looking forward Mr. Sterk noted Athletics will be fundraising to build a basketball practice facility and designs for a $15-$20 million have begun. The official fundraising kick-off has been scheduled for October 10th at the home of Steve Altman.

XIII. Concluding Remarks / Sickels

Chairman Kit Sickels thanked everyone for attending and asked the Board to gather next door in the Allan Bailey Library for a reception.

XIV. Adjournment

Chairman Sickels adjourned the meeting at 5:04 p.m.

___________________________________
Christopher Sickels, Chairman
Attest:

______________________________
Joanne Ferchland-Parella, Secretary