

MINUTES
Board of Trustees' Meeting
March 11, 2005, 2:00 p.m.
Troy University, Montgomery Campus

I. Call to Order

The Board of Trustees met at 2:00 p.m. on March 11, 2005, in the Civic Room at Troy University's Montgomery Campus, Montgomery, Alabama. Governor Bob Riley, Chairman of the Board, called the meeting to order.

II. Roll Call

Upon roll call, the following members, comprising a quorum, answered present: Governor Bob Riley, Dr. R. Douglas Hawkins, Dr. James R. Andrews (via telephone), Senator Gerald O. Dial, Mr. Roy H. Drinkard, Mr. Lamar P. Higgins, Mr. Milton E. McGregor, Mr. Allen E. Owen III, Mr. C. Charles Nailen, and Mr. Ryan Spry, SGA President (non-voting member). Absent: State Superintendent of Education Dr. Joe Morton, Mr. John D. Harrison and Mr. Allen Tucker.

III. Approval of Minutes (September 9, 2004)

Governor Riley stated that a draft copy of the minutes was mailed to Board members prior to the meeting. Therefore, the reading of the minutes was suspended. There being no changes, the Governor called for a motion to approve the minutes as presented.

ACTION: Senator Dial made a motion to approve the Minutes for the September 9, 2004, meeting as presented. A second to the motion was made by Mr. Higgins. Having received a motion and second, the Minutes (copies of which were mailed to Board members prior to the meeting) were approved.

IV. Reports

A. Chancellor's Comments

Chancellor Hawkins recognized the newly-elected SGA President, Ms. Jennings Shepherd, as well as the Foundation Board members in attendance at the meeting. Former Congressman Ronnie Flippo and his assistant, Vicki Wallace, were also introduced. Dr. Jim Rogers, Executive Director of the Commission on Colleges, Southern Association of Colleges and Schools, was introduced by the Chancellor as well.

The following is a summary of the Chancellor's report to the Board.

The Chancellor began his report by stating that the student population is changing—26% of America's 17M students are "non-traditional." Reports show that there are more females than males enrolling in colleges and universities. Students are more technologically savvy with a reported 3,000,000 taking Distance Learning courses. Higher education likewise is changing as well. Dr. Hawkins stated that Peter Drucker reported that over the next two decades 30-50% of U.S. colleges/universities will either close, merge or realign. By 2012 the higher education enrollment will exceed 18M. Colleges and universities are experiencing declining support from the states and are becoming more dependent upon tuition revenues. With that said, Chancellor Hawkins thanked Governor Riley for his budget recommendation this year for salary increases for K-professor.

Chancellor Hawkins provided an update on the university's progress in its Strategic Plan that was developed in 2000 for 2000-2005. Dr. Hawkins provided some background in the development of the plan and said that the Board had challenged the staff to develop a "System-Wide" planning process. The draft plan was presented to the Board of Trustees in February of 2000. Discussions at the time revealed that the university had no common System plans wherein all institutions address common needs. The university began a long process to step away from separate accreditation for our campuses and to bring all campuses under one umbrella of accreditation. The goal was to become one university by August of 2005. The Board established three primary goals in this effort: (1) to improve service to students by removing barriers created by independent accreditation, (2) to improve academics by devising uniform standards for every

program at every campus, and (3) to create "brand identity" for ONE university. Dr. Hawkins added that the Board, during today's meeting, will have the opportunity to approve a resolution for final reaffirmation. Following that, in June a report will be given to the Alabama Commission on Higher Education. In late July a celebration of One Great University will be held in Montgomery as culmination of the process.

In regard to the implementation process, Chancellor Hawkins reported that great progress has been made in the follow areas:

Academics

- Shared General Studies and progress toward common curriculum
- Common catalogs
- Common faculty handbook
- Academic governance structure

Administration

- One employee orientation and policy manual
- eCommerce System
- Common reporting system

Student Services

- One student handbook with uniform policies
- Common I.D. card – in 2005 more than 27,000 cards will be issued
- Enhanced financial aid delivery

Advancement

- "One identity"
- One fundraising arm
- One alumni association
- 13 ad agencies rolled into 1 with campaign to establish new "brand identity"

Dr. Hawkins outlined goals for 2010 as indicated below:

- Enroll 40,000 students worldwide
 - 3,000 students in Dothan
 - 5,000 students in Montgomery
 - 3,000 students in Phenix City
 - 8,000 students in Troy
 - 21,000 students in University College
- Enroll 800 international students on the Troy campus
- Raise faculty salaries to Southeast average
- Double number of African-American administrators
- Triple number of African-American faculty members
- Raise employee health insurance to state average
- Construct two new classroom buildings at Troy campus
- Construct one new classroom building at Montgomery campus
- Construct a "Fraternity Village" in Troy
- Establish an "Honors College"
- Establish a "Quality Enhancement Institute"
- Establish "International Business & Economic Development Center" to serve Southeast Alabama
- Establish a presence in 25 countries
- Offer at least five study abroad programs per year in every College
- Increase retention to 80%
- Increase academic program offerings by 20%
- Double grants and contracts
- Advancement
 - Launch \$50M capital campaign
 - Brand identity awareness in U.S. and beyond
- Doctoral degree

Chancellor Hawkins also reported that in January Troy University was the first U.S. university authorized to offer the baccalaureate in Vietnam, and we will be the first U.S. university to establish a presence in Australia.

In closing, Chancellor Hawkins stated that “we are here to serve students—that is the most important thing we do. Their success is our success. Our commitment to building One Great University is our commitment to their continued success.”

B. Special Reports

-Troy University—Worldwide – An Update

Governor Riley called upon Dr. Susan Aldridge, Vice Chancellor, University College, to brief the Board on University College initiatives. Regional Directors throughout University College sites were in attendance at the meeting and were recognized by Dr. Aldridge. Dr. Aldridge reported that University College is growing worldwide. Troy University is currently operating in 17 states outside the State of Alabama and in 11 countries, and by this summer the university will be operating in 14 countries. As of last fall, University College was serving 16,000 students which represent almost 77,000 enrollments. Troy University continues to be the largest university in the eArmyU Program. Dr. Aldridge discussed the expansion of degree programs and locations. Some of the sites mentioned include Columbo, Sri Lanka; Gwam, and Sharjah, UAE. New domestic locations in 2005 include Philadelphia, Pennsylvania; Washington, D.C. and Savannah, Georgia. Internationally, in 2005 the university will be adding sites in Seoul, Korea and Melbourne, Australia. Negotiations are underway with Turkey, Oman, Mexico and Brazil. Revenues for 2004 for University College totaled \$42.2M and for 2005 \$50M. Goals for Troy University worldwide include: 18,000 students by October 2008, 145,000 enrollments, revenues of \$100,000,000 by October 2008. Dr. Aldridge outlined strategies for 2005-2009 which included expanding degree programs, scheduling for in-class and on-line courses allowing maximum flexibility, establishing new domestic and international locations, transitioning eArmyU sites to permanent sites and eCampus expansion.

- One Great University (OGU)—SACS Perspective

Dr. Jim Rogers addressed the Board in regard to SACS' perspective on OGU. Dr. Rogers commended the university on its initiative. He provided brief comments regarding the university's background in regard to visits conducted by SACS over the years. He touched on pressures impacting colleges and universities today, and a couple of items mentioned included less financial support from states and competitiveness for students. In conclusion, Dr. Rogers commended the university in its initiatives.

C. Finance Committee Report

In the absence of Finance Committee chair John Harrison, Governor Riley called upon Mr. Drinkard to provide a report. Mr. Drinkard introduced Resolution No. 1 for approval.

-Resolution No. 1—Authorizing General Student Fee Revenue Bonds, Series 2005

ACTION: On behalf of the Finance Committee, Mr. Drinkard made a motion to recommend that the Board approve Resolution No. 1. Seconded by Mr. Owen, Resolution 1 was approved.

Resolution No. 1

SUPPLEMENTAL RESOLUTION NO. 16 TO RESOLUTION ADOPTED AUGUST 15, 1969, ENTITLED "A RESOLUTION PROVIDING FOR THE CONSTRUCTION OF IMPROVEMENTS TO THE STADIUM AT THE CAMPUS OF TROY STATE UNIVERSITY, AT TROY, ALABAMA, FOR THE FINANCING THEREOF BY THE ISSUANCE OF REVENUE BONDS IN THE PRINCIPAL AMOUNT OF \$70,000, PAYABLE FROM STUDENT FEES FOR THE SECURING OF THE PAYMENT OF THE PRINCIPAL OF AND THE INTEREST ON SUCH BONDS; RESERVING THE RIGHT TO ISSUE ADDITIONAL BONDS PAYABLE FROM SUCH FEES ON A

PARITY OF LIEN WITH SUCH BONDS, AND MAKING PROVISIONS
INCIDENT THERETO"

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF TROY STATE
UNIVERSITY SYSTEM, as follows:

ARTICLE I

DEFINITIONS

Section 1.1 In addition to the words and terms defined in the Bond Resolution, which are hereby incorporated herein by reference, unless the context or use clearly indicates another or different meaning or intent:

"Accountant" means an independent public accounting firm of national reputation which the Chancellor and the Treasurer are hereby authorized and entrusted to select and engage in connection with the issuance of the Series 2005 Bonds.

"Alternate Credit Enhancement" means an irrevocable letter of credit, a surety bond or other credit enhancement facility covering the payment of debt service on all or any part or series of Bonds.

"AMBAC" means AMBAC Indemnity Corporation, a Wisconsin-domiciled stock insurance company.

"Bond Counsel" means Roy S. Goldfinger, P.C., Montgomery, Alabama, or any other attorney or firm of attorneys nationally recognized on the subject of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds.

"Bond Resolution" means that certain resolution duly adopted by the Board at a meeting thereof duly called, held and conducted on August 15, 1969, and entitled "A RESOLUTION PROVIDING FOR THE CONSTRUCTION OF IMPROVEMENTS TO THE STADIUM AT THE CAMPUS OF TROY STATE UNIVERSITY, AT TROY, ALABAMA, FOR THE FINANCING THEREOF BY THE ISSUANCE OF REVENUE BONDS IN THE PRINCIPAL AMOUNT OF \$70,000, PAYABLE FROM STUDENT FEES FOR THE SECURING OF THE PAYMENT OF THE PRINCIPAL OF AND THE INTEREST ON SUCH BONDS; RESERVING THE RIGHT TO ISSUE ADDITIONAL BONDS PAYABLE FROM SUCH FEES ON A PARITY OF LIEN WITH SUCH BONDS, AND MAKING PROVISIONS INCIDENT THERETO," as modified, amended and supplemented by Supplemental Resolution No. 1 duly adopted by the Board at a meeting thereof duly called, held and conducted on August 14, 1970 and by the 1997 Supplemental Resolution.

"Business Day" means any day other than a day on which banking institutions are required or authorized to remain closed in either of the following locations: (i) the city in which the principal corporate trust office of the Depository is located, or (ii) the City of New York, New York.

"Chancellor" means the Chancellor of the University.

"Code" means the Internal Revenue Code of 1986, as amended.

"Determination Document" means a closing certificate of the University executed by the Chancellor and Treasurer and delivered on or prior to the Issue Date of the Series 2005 Bonds, in which the various determinations as to the terms and provisions, pricing, and other matters relative to the Series 2005 Bonds herein entrusted to be made, shall be made or confirmed.

"Escrow Agreement" means a trust agreement to be entered into between the University and the Escrow Trustee in connection with the refunding of the Series 1999 Bonds.

"Escrow Trustee" means the Depository in its capacity as escrow trustee under the Escrow Agreement.

"Issue Date" means the date of the initial authentication and delivery of Series 2005 Bonds.

"MBIA" means MBIA Insurance Corporation, Armonk, New York, a stock insurance company incorporated under the laws of the state of New York.

"MBIA Surety Bond" means the Debt Service Reserve Surety Bond No. 35980(2) in the amount of \$3,571,445 issued by MBIA on August 29, 2001 in favor of the Depository.

"MSRB" means the Municipal Securities Rulemaking Board.

"1997 Supplemental Resolution" means Supplemental Resolution No. 9 duly adopted by the Board at a meeting thereof duly called, held and conducted on May 30, 1997.

"Policy" means a municipal bond insurance policy covering the payment of debt service on all or any part or series of Bonds.

"Purchase Agreement" means a Bond Purchase Agreement for the Series 2005 Bonds to be entered into between the University and the Underwriter.

"SEC" means the Securities and Exchange Commission.

"Series 1999 Bonds" means the University's \$9,000,000 General Student Fee Revenue Bonds, Series 1999, dated October 1, 1999, now outstanding in the principal amount of \$7,485,000.

"Series 1999 Resolution" means the resolution of the Board adopted September 25, 1999 authorizing the issuance of the Series 1999 Bonds as a series of Parity Bonds under the Bond Resolution.

"Series 2005 Bonds" means any of the Bonds authorized to be issued hereunder.

"Series 2005 Construction Account" means the account or accounts required to be established by Section 5.4 hereof.

"Sphere of Knowledge" means, as to any party (including, if such party is a public body, corporation, partnership or other such entity, its trustees, officers, directors, employees and agents, as applicable), any event, condition, circumstance or item of information, whether factual, supposed or alleged, (a) which is known to such party, (b) of which such party has notice or (c) which in the ordinary course of events such party may reasonably be expected to know or have known.

"Tax-Exempt" means, when used in reference to the Series 2005 Bonds, that interest thereon is excluded from gross income for federal income tax purposes under Section 103(a) of the Code.

"Treasurer" means the Treasurer of the University.

"2001 Guaranty" means the Financial Guaranty Agreement dated August 29, 2001 between the University and MBIA.

"Underwriter" means Merchant Capital, L.L.C., Montgomery, Alabama, which will be the original purchaser of the Series 2005 Bonds, if issued.

"University College" means and encompasses all sites of the University located outside the State.

Section 1.2 Unless the context indicates otherwise, words importing the singular number include the plural number, and vice versa; the terms "hereof", "hereby", "herein", "hereto", "hereunder" and similar terms refer to this Resolution; and the term "hereafter" means after, and the term "heretofore" means before, the date of adoption of this Resolution. Words of any gender include the correlative words of the other genders, unless the sense indicates otherwise.

The captions and headings in this Resolution are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Articles, Sections, subsections, paragraphs, subparagraphs or clauses hereof.

ARTICLE II

FINDINGS, DETERMINATIONS AND REPRESENTATIONS

Section 2.1 The Board, upon evidence duly submitted to and considered by it, has ascertained and found and does hereby declare, represent and state that:

(a) It may, depending upon prevailing market conditions (including without limitation those specified in Section 3.1 hereof), be or become advisable that the University refund, on an advance refunding basis, all or part of the outstanding principal amount of the Series 1999 Bonds, at a total cost (if the entire outstanding amount thereof be so refunded) now estimated at \$8,630,000. If such refunding is to be accomplished, it shall be accomplished by the University's deposit with the Escrow Trustee of that amount of the proceeds of the Series 2005 Bonds which, when invested as provided in the Escrow Agreement, shall together with such investment earnings be sufficient, as verified and certified by the Accountant, to pay when due all debt service on those of the Series 1999 Bonds to be so refunded up to and including their maturities (for those of the Series 1999 Bonds to be so refunded maturing on November 1 of the years 2005 through 2007) or their redemption (for those of the Series 1999 Bonds to be so refunded maturing on November 1, 2008 and thereafter), all as shall be more particularly specified in the Escrow Agreement.

(b) The Series 1999 Bonds are Bonds for the refunding of which, in whole or in part, the University is authorized to issue Parity Bonds under Section 7.3 of the Bond Resolution.

(c) In order for the University to refund the Series 1999 Bonds in whole or in part, it will be necessary for the University to authorize and (subject to the provisions hereof) to issue, sell and deliver its Series 2005 Bonds as Parity Bonds under the Bond Resolution, in an aggregate principal amount (if the entire outstanding amount of the Series 1999 Bonds be so refunded) currently estimated at \$8,630,000, but not to exceed (except as permitted pursuant to Section 3.1 hereof) \$8,750,000.

(d) Pursuant to resolution heretofore adopted by this Board, the General Student Fees have been levied and collected for the fall semester, 2004 as follows: (i) for a normal load of 12 to 16 hours at all in-State campuses, at the rates of \$1,925 and \$3,850 per semester for in-State and out-of-State students, respectively; (ii) for all credit hours less than 12 or more than 16 at all in-State campuses, at the rates of \$163 and \$326 per credit hour for in-State and out-of-State students, respectively; (iii) for each graduate credit hour at all in-State campuses, at the rates of \$175 and \$350 for in-State and out-of-State students, respectively; (iv) for all students attending the Troy campus, a Student Activity Fee of \$9 per credit hour up to a maximum of \$108; (v) for all students attending the Troy, Dothan and Phenix City campuses, a Technology Fee of \$4 per credit hour up to a maximum of \$48; and (vi) for all students enrolled in University College, at those rates established in relation to the local higher education market and, where applicable, through consultation with military contractors.

(e) The University is not at this time in default in the payment of the principal or interest on any Bonds or Parity Bonds now outstanding or in the performance of any covenant or provision set forth in the Bond Resolution or any Supplemental Resolution.

(f) The only Parity Bonds that have been previously issued by the University under the provisions of Article VII of the Bond Resolution and that are at this time outstanding are the University's General Student Fee Revenue Bonds, Series 1998, dated September 1, 1998, now outstanding in the principal amount of \$7,310,000, its General Student Fee Revenue Bonds, Series 1999, dated October 1, 1999, now outstanding in the principal amount of \$7,485,000, its General Student Fee Revenue Bonds, Series 2001, dated August 1, 2001, now outstanding in the principal amount of \$11,260,000, its Series 2002 Bonds, dated September 25, 2002, now outstanding in the principal amount of \$12,525,000, its Series 2003 Bonds, dated December 1, 2003, now outstanding in the principal amount of \$7,590,000, and its Series 2004 Bonds, dated January 1, 2004, now outstanding in the principal amount of \$5,105,000.

ARTICLE III

AUTHORIZATION OF SERIES 2005 BONDS

Section 3.1 (a) Pursuant to the authorization so to do contained in the Bond Resolution and in Section 16-3-28 of the Code of Alabama of 1975, as amended, and for the purpose of refunding, on an advance refunding basis, all or part of the Series 1999 Bonds, there are hereby authorized, as Parity Bonds under the Bond Resolution, Series 2005 Bonds in a principal amount currently estimated (if the entire outstanding amount of the Series 1999 Bonds be so refunded) at \$8,630,000, but not to exceed \$8,750,000. Notwithstanding the foregoing, the Finance Committee of this Board is hereby authorized, on request of the Chancellor and Treasurer, to approve the issuance of a greater principal amount of Series 2005 Bonds.

(b) The Series 2005 Bonds shall be issued, if at all, subject to the discretion of the Chancellor and Treasurer of the University based on prevailing market conditions at the time,

including without limitation that such market conditions enable the University to realize, as a result of the advance refunding of all or part of the Series 1999 Bonds, not less than \$250,000 in both net present value savings and cash at the closing of the Series 2005 Bonds; and shall then be issued only in the manner, to the extent, and upon the terms and conditions set forth in Article V hereof.

Evidence satisfactory to the University that the foregoing thresholds for savings and cash have been achieved shall be set forth in the Purchase Agreement, the execution and delivery of which on the part of the University shall conclusively evidence such satisfaction, as well as the Chancellor and Treasurer's approbation of prevailing market conditions generally.

(c) If issued, the Series 2005 Bonds shall be designated "Troy State University System, General Student Fee Revenue Bonds, Series 2005" and shall be in the denominations of \$5,000 and any integral multiple thereof, fully registered as to both principal and interest, and numbered consecutively from R-1 upwards. The Chancellor and the Treasurer are hereby authorized and entrusted to make the following determinations, among others hereinafter authorized, relating to the Series 2005 Bonds, all of which shall be set forth in the Determination Document: (1) the precise principal amount thereof, (2) the maturities and aggregate principal amount of the Series 1999 Bonds to be refunded with the proceeds thereof, (3) the dated date thereof, (4) the interest rate or rates to be borne thereby, which shall be payable semiannually on May 1 and November 1 in each year, (5) the first interest payment date thereof, (6) the years and principal amounts in which they shall mature, in each case on November 1 of such years, and (7) the redemption provisions thereof. The Chancellor and Treasurer are authorized, in the Determination Document, to alter the series designation of the Series 2005 Bonds, in the event they are issued after December 31, 2005; in such event, all references herein to the Series 2005 Bonds shall be deemed to refer to the revised series designation thereof. The Determination Document is hereby declared to be and shall be construed as an integral part of this Resolution.

(d) Whether or not expressly so stated, all provisions of this Resolution relating to the Series 2005 Bonds and to the representations, covenants and undertakings of the University with respect thereto, shall be deemed qualified by the phrase "if the Series 2005 Bonds are issued".

Section 3.2 (a) In the event that less than all of the outstanding principal of any Series 2005 Bond is to be redeemed, the registered owner thereof shall surrender the Series 2005 Bond that is to be prepaid in part to the Depository in exchange, without expense to the owner, for a new Series 2005 Bond of like tenor except in a principal amount equal to the unredeemed portion of the Series 2005 Bond. In the event that less than all of the principal of the Series 2005 Bonds of a maturity is to be redeemed, the Depository shall assign numbers to each \$5,000 principal portion of all the Series 2005 Bonds of such maturity and shall, by process of random selection based upon such numbers, select the principal portion of the Series 2005 Bonds of such maturity to be redeemed.

(b) Notice of any intended redemption shall be sent by United States registered or certified mail not fewer than 30 days prior to the proposed redemption date to the owner of each Series 2005 Bond, all or a portion of the principal of which is to be redeemed. Notice having been so given and payment of the redemption price having been duly made or provided, interest on the Series 2005 Bonds (or principal portions thereof) so called for redemption shall cease to accrue from and after the date fixed for redemption unless default shall be made in the payment of the redemption price thereof.

Section 3.3 The principal of and redemption premium, if any, on the Series 2005 Bonds shall be payable at the principal corporate trust office in the City of Birmingham, Alabama, of the Depository, Regions Bank (formerly known as First Alabama Bank, which was the successor by merger to First Farmers and Merchants National Bank of Troy), in any coin or currency which on the respective dates of payment is legal tender for the payment of debts due to the United States of America. Interest on the Series 2005 Bonds will be paid by check or draft of the Depository, mailed to the registered owner of each Series 2005 Bond at the address thereof shown on the bond registration records of the University kept by the Depository as Registrar for the Bonds. The Series 2005 Bonds will be on a parity of lien with each other and with the Bonds.

Section 3.4 The Series 2005 Bonds shall be executed for and on behalf of the University with a facsimile of the signature of the Chancellor and attested by a facsimile of the signature of the Treasurer, and the corporate seal of the University shall be affixed to each Series 2005 Bond by imprinting a facsimile of said seal thereon. In the event that any officer a facsimile of whose signature appears on any of the Series 2005 Bonds shall cease to be such officer before the authentication, registration, and delivery of such Series 2005 Bonds, or in the event that the seal imprinted in facsimile on any of the Series 2005 Bonds shall cease to be an accurate representation of the seal of the University, such Bonds may, upon the request of the University, be authenticated, registered, and delivered, as herein provided, as though the person who signed such Bonds had not

ceased to be such officer of the University or as though the University had not altered its corporate seal prior to the delivery of such Bonds.

None of the Series 2005 Bonds shall be valid or obligatory for any purpose or shall be entitled to any right or benefit hereunder and under the Bond Resolution unless there shall have been endorsed thereon a certificate of authentication and registration in substantially the form set forth as part of the form of the Series 2005 Bonds attached as Exhibit A hereto, duly executed by the Depository, and such certificate of the Depository upon any Series 2005 Bond executed on behalf of the University shall be conclusive evidence and the only evidence that the Series 2005 Bond so authenticated has been duly issued, registered in the name of the owner thereof, and that said owner is entitled to the benefit hereof and of the Bond Resolution. The Depository's certificate of authentication and registration on any Series 2005 Bond shall be deemed to have been executed by it if manually signed by an authorized officer of the Depository, but it shall not be necessary that the same officer sign the certificate of authentication and registration on all of the Series 2005 Bonds.

Section 3.5 In case any of the Series 2005 Bonds shall be or become mutilated, destroyed, stolen or lost, then upon the surrender of such mutilated Bonds to the Depository, or the presentation to the University and to the Depository of evidence satisfactory to them, respectively, of the destruction, theft or loss of such Bond and that the claimant was the owner thereof at the time of such event and, in any event, upon being furnished with indemnity satisfactory to them, respectively, and upon the payment of all necessary expenses incurred by the University and the Depository in investigating said claim and in issuing a new Bond, the University shall issue and the Depository shall thereafter authenticate, register and deliver to or upon the order of such claimant a Series 2005 Bond of like tenor, date, principal amount and maturity as the Series 2005 Bond so mutilated, destroyed, stolen or lost, with such notations thereon as the University and the Depository shall determine.

Section 3.6 Each of the Series 2005 Bonds shall be fully registered as to both principal and interest in the name of the owner on registration books to be maintained for the purpose by the University at the principal corporate trust office of the Depository, which is designated as Registrar. The person in whose name each Series 2005 Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of or on account of the principal of, premium, if any, and interest on any such Bond shall be made only to or upon the order of the owner thereof, or his legal representative, and neither the University, the Depository nor any agent of the University shall be affected by any notice to the contrary, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability of the University upon such Bond to the extent of the sum or sums so paid and each transferee of any of the Series 2005 Bonds takes it subject to all principal and interest payments in fact made.

The Series 2005 Bonds are issuable only in fully registered form. Each of the Series 2005 Bonds may be transferred by the owner in person or by authorized attorney, only on the books of the Depository and only upon presentation and surrender of the Bond to the Depository for cancellation with a written instrument of transfer acceptable to the Depository executed by the owner or his duly authorized attorney, and upon any such transfer, one or more new Series 2005 Bonds of authorized denominations and of like tenor shall be issued to the transferee in exchange therefor.

The owner of any Series 2005 Bond in a face amount greater than the smallest authorized denomination thereof may surrender the same in exchange for multiple Series 2005 Bonds of authorized denominations aggregating the same principal amount as the Bond so surrendered, with each such Bond having the same year of maturity and bearing interest at the same rate (which may be a variable rate) as the Bond so surrendered. The owner of two or more Series 2005 Bonds having the same maturity date and interest rate may surrender the same in exchange for a single Series 2005 Bond in the aggregate principal amount of the Bonds so surrendered and having the same year of maturity and bearing interest at the same rate as the Bonds so surrendered.

The Depository shall not be required to transfer or exchange any Series 2005 Bond during the period of 15 days next preceding any date on which either principal or interest or both is to be paid with respect to such Bond; and in the event that any Series 2005 Bond (or any part thereof) is duly called for redemption, the Depository shall not be required to exchange or transfer any such Bond during the period of 45 days next preceding the date fixed for such redemption. No charge shall be made for the privilege of transfer or exchange, but the owner of any Series 2005 Bond requesting any such transfer or exchange shall pay any tax or other governmental charge required to be paid with respect thereto.

ARTICLE IV

FORM OF SERIES 2005 BONDS

Section 4.1 The Series 2005 Bonds shall be in substantially the form of Exhibit A attached hereto and made a part hereof, containing the appropriate insertions and variations therein to conform to the provisions hereof and of the Determination Document.

Section 4.2 The officers of the University are hereby authorized and directed to execute and register the Series 2005 Bonds in the manner and with the effect provided herein, and the Depository shall authenticate and deliver them as provided herein.

ARTICLE V

SALE AND DELIVERY OF SERIES 2005 BONDS; DISPOSITION OF PROCEEDS OF SALE

Section 5.1 (a) This Board hereby authorizes and approves the preparation by appropriate officials of the University, in consultation with Bond Counsel, the Underwriter and other professional advisers to the University, of a Preliminary Official Statement of the University (the "POS"), and the conversion by said officials and advisers of the POS into a final Official Statement of the University (the "Official Statement"), relative to the issuance and sale of the Series 2005 Bonds. This Board hereby further authorizes the distribution and use of the POS and the Official Statement by the Underwriter in the offering and sale of the Series 2005 Bonds. This Board further authorizes the Chancellor, in the Determination Document, to "deem final", for purposes and within the meaning of Rule 15c2-12(b)(1) of the SEC, the POS as of its date and to make such other and further representations with respect to the POS and Official Statement as may be customary and desirable.

(b) The execution and delivery by the Chancellor of select copies of the POS and of the Official Statement, if so requested by the Underwriter, are hereby authorized.

(c) The University will, by the date on which the Underwriter shall have advised the University in writing that it intends to mail confirmations to prospective purchasers of Series 2005 Bonds, furnish to the Underwriter copies of the Official Statement in sufficient quantity to enable the Underwriter to comply with SEC Rule 15c2-12(b)(4) and the rules of the MSRB.

(d) If at any time prior to the Issue Date or within 90 days thereafter any event occurs which is within the Sphere of Knowledge of the University or the Underwriter and which causes the Official Statement as then in effect to contain any untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading in any material respect, the University or the Underwriter, as the case may be, shall promptly notify each other and cooperate with each other in the preparation of an amendment of or supplement to the Official Statement which will correct such statement or omission. The University will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect any such amendment or supplement without the consent of the Underwriter. The University will advise the Underwriter promptly of the institution of any action, suit, proceeding, inquiry or investigation of which it has any knowledge seeking to prohibit, restrain or otherwise affect the use of the Official Statement in connection with the offering, sale or distribution of the Series 2005 Bonds.

(e) From the date of the Official Statement until 90 days after the Issue Date, if any event relating to or affecting the University shall occur which is known or becomes known to the Underwriter or Bond Counsel and as a result of which it is necessary, in the opinion of the Underwriter or Bond Counsel, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time such event shall occur, the University will cause to be forthwith prepared and furnished to the Underwriter (at the expense of the University for 90 days after the Issue Date, thereafter at the expense of the Underwriter) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Underwriter and Bond Counsel) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that time, not misleading.

(f) The University shall cooperate with the Underwriter in taking all actions necessary for the qualification of the Series 2005 Bonds for offer and sale (and the continuation of the effectiveness of such qualification so long as required for the distribution of the Series 2005 Bonds) and the determination of eligibility for investment in the Series 2005 Bonds under the laws of such

jurisdictions as the Underwriter may reasonably request; provided, however, that the University will not be required to qualify as a foreign corporation or to do business or to file a general consent to service of process in connection with any such qualification in any jurisdiction other than the State of Alabama.

Section 5.2 The Series 2005 Bonds are hereby awarded and sold to the Underwriter at a purchase price equal to (a) such percentage of the aggregate principal amount thereof as is herein entrusted to be determined and approved by the Chancellor and Treasurer and confirmed in the Determination Document, plus (b) interest accrued on said aggregate principal amount from their dated date to but not including the Issue Date, (c) less such amount of original issue discount, if any, plus such amount of premium, if any, as are herein entrusted to be determined and approved by the Chancellor and Treasurer and confirmed in the Determination Document. The Board authorizes the preparation by Bond Counsel, and the execution and delivery on behalf of the University by the Chancellor or the Treasurer, of a Purchase Agreement for the Series 2005 Bonds.

The Treasurer of the University is authorized and directed to make the necessary arrangements with the Underwriter to establish the date, location, procedure and conditions for the delivery of the Series 2005 Bonds to the Underwriter or its order, and to take all steps necessary to effect due execution and delivery of the Series 2005 Bonds under the terms of this Resolution.

Section 5.3 The University may at any time or from time to time execute the Series 2005 Bonds, but before such Bonds shall be delivered to the Underwriter, there shall be filed, with the Secretary of the Board and the Depository, the instruments required by Article VII of the Bond Resolution.

The receipt of the Treasurer of the University shall be full acquittal to the Underwriter for the purchase price of the Series 2005 Bonds, and the Underwriter shall be under no obligation to see to the application thereof. The University, however, shall hold the proceeds from the sale of such Bonds in trust, and shall dispose of the same only as provided in this Resolution. When received: (a) the part of the purchase price of the Series 2005 Bonds representing accrued interest thereon to the date of payment of such purchase price shall be transferred by the University to the Depository for deposit in the Bond Fund; (b) such sum as shall be specified in the Determination Document for deposit with the Escrow Trustee shall be so deposited for application to the refunding of all or part of the Series 1999 Bonds pursuant to the terms and provisions of the Escrow Agreement; and (c) the balance of said purchase price shall be deposited by the University in the Series 2005 Construction Account.

If necessary, the Chancellor of the University is hereby authorized and empowered, on behalf of the Board, to determine and direct alternative allocations of the proceeds of the Series 2005 Bonds and of amounts on deposit in the Bond Fund and Reserve Fund, such determination and direction to be made, if necessary, in the Determination Document.

Section 5.4 The University shall open and maintain a separate account to be known as the Series 2005 Construction Account, in a bank which is a member of the Federal Deposit Insurance Corporation or any agency which shall hereafter succeed to its functions and duties. The moneys in the Series 2005 Construction Account shall be applied only to pay (a) costs of capital projects then or thereafter selected by the Chancellor and Treasurer, including the repayment of any interim or temporary loans or advances made to the University for such projects, and (b) expenses incurred in connection with the issuance of the Series 2005 Bonds. Withdrawals may be made by the University from the Series 2005 Construction Account by check or order accompanied by a certificate or certificates signed by an authorized officer of the University, stating the name of the payee and the amount and purpose of the payment. The bank serving as depository of the Series 2005 Construction Account (which may also be the Depository) shall not be responsible for the application of any moneys so withdrawn from said Account by the University. Any moneys on deposit in the Series 2005 Construction Account not required for current disbursements shall be invested in Government Obligations or in time deposits or in certificates of deposit issued by any bank or banks, including a depository bank, which is a member of the Federal Deposit Insurance Corporation, provided such deposits or certificates in excess of the amount covered by federal deposit insurance shall be secured by a pledge of Government Obligations, which Government Obligations must be held by a third party (i.e., other than the bank or banks issuing the certificate of deposit) and in which Government Obligations the holders of the Series 2005 Bonds must have a perfected first security interest. Any such investments shall be payable in such amounts and at such times as may be necessary to meet required payments from the Series 2005 Construction Account. The earnings from any such investments shall be deposited in the Series 2005 Construction Account. No investment shall be made which would cause any of the Series 2005 Bonds to be "arbitrage bonds" or "hedge bonds" as those terms are used in Section 148 and Section 149(g), respectively, of the Code. The depository for the Series 2005 Construction Account, by acceptance of its duties hereunder, agrees to keep such records and supply such information to the University as

will enable the University to make any necessary rebate payments in full and timely manner, in accordance with Section 9.1(h) hereof.

ARTICLE VI

REFUNDING OF SERIES 1999 BONDS

Section 6.1 All provisions of this Article VI shall be effective if and only if the Chancellor and Treasurer, in the exercise of the discretion herein vested in them, shall have determined, based on prevailing market conditions, to proceed with the issuance of the Series 2005 Bonds for the purpose of refunding all or part of the Series 1999 Bonds.

Section 6.2 This Board hereby calls for redemption, on November 1, 2007, such amount and maturities of the Series 1999 Bonds maturing on or after November 1, 2008 as shall be set forth in the Determination Document pursuant to Section 3.1(c)(2) hereof. This Board further declares and determines that the foregoing call for redemption is irrevocable.

Section 6.3 (a) This Board hereby authorizes the preparation by Bond Counsel, and the execution and delivery on behalf of the University by the Chancellor, of the Escrow Agreement, which shall fully satisfy the requirements of Section 12.3(a) of the Series 1999 Resolution.

(b) This Board hereby finds and determines that, upon the execution and delivery and pursuant to the terms of the Escrow Agreement, (i) an irrevocable trust fund shall be created in the custody of the Escrow Trustee, sufficient in amount to provide for the payment and retirement of those of the Series 1999 Bonds to be redeemed (including payment of all interest thereon, as such interest becomes due and payable, and any premium thereon due upon redemption), at their respective maturities and/or redemption prior to their respective maturities; and (ii) irrevocable powers shall be conferred upon the Escrow Trustee to mail or publish such notice of the redemption of such Series 1999 Bonds as is required to be given pursuant to the provisions thereof and of the Series 1999 Resolution.

(c) This Board further finds and determines that this Resolution, together with the Determination Document applicable to the Series 2005 Bonds, fully satisfy the requirements of Section 12.3(b) of the Series 1999 Resolution, in order that those of the Series 1999 Bonds to be redeemed be deemed fully paid and defeased upon the issuance of the Series 2005 Bonds.

Section 6.4 This Board hereby authorizes the Chancellor and Treasurer, in the Determination Document for the Series 2005 Bonds, to select and engage the Accountant for the purpose of verifying the accuracy of (i) the arithmetical computations of the adequacy of the principal amounts and the interest thereon of the United States Treasury Obligations and other funds deposited at the time of the delivery of the Series 2005 Bonds in trust with the Escrow Trustee to provide for the payment or redemption of the principal of and interest on those of the Series 1999 Bonds to be redeemed, as contemplated by the Escrow Agreement, and (ii) the mathematical computations supporting the conclusion of Bond Counsel that the Series 2005 Bonds are not "arbitrage bonds" under existing federal income tax law.

ARTICLE VII

CONTINUING DISCLOSURE AGREEMENT

Section 7.1 The University makes the covenants set forth in this Article VII as an agreement (this "Continuing Disclosure Agreement") for the benefit of the holders and beneficial owners from time to time of the Series 2005 Bonds, in accordance with the requirements of SEC Rule 15c2-12 (the "Rule"), with terms used in this Article having the meanings given to them or incorporated by reference in the Rule. This Continuing Disclosure Agreement constitutes a part of the contract between the University and such holders and beneficial owners, pursuant to Section 13.2 of the Bond Resolution; provided, however, that as to matters of default, remedy and amendment with respect to this Continuing Disclosure Agreement, the provisions of this Article VII shall govern.

Section 7.2 The University undertakes to provide, either directly or indirectly through such agent as the University may designate from time to time:

(a) To each "nationally recognized municipal securities information repository" ("NRMSIR") and to the information depository (if any) from time to time designated by the State ("SID"), within 180 days following the end of each Fiscal Year, unaudited annual financial information concerning the University, which shall be internally prepared by appropriate officials of

the University in conformity with accounting principles generally accepted in the United States of America;

(b) To each NRMSIR and to the SID, when and if available, audited financial statements of the University, provided such audit may be conducted by the State Department of Examiners of Public Accounts or any successor agency thereto;

(c) To each NRMSIR or to MSRB, at 1900 Duke Street, Suite 600, Alexandria, VA 22314-3412 (or at such different address as MSRB may have from time to time), and to the SID, notice in a timely manner of any of the following events, within the meaning of Rule 15c2-12, with respect to the Series 2005 Bonds, if material: (1) principal and interest payment delinquencies; (2) non-payment related defaults; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions or events affecting the Tax-Exempt status of any Series 2005 Bonds issued on a Tax-Exempt basis; (7) modifications to rights of holders of Series 2005 Bonds; (8) bond calls; (9) defeasances; (10) release, substitution or sale of property securing repayment of the Series 2005 Bonds; and (11) rating changes; and

(d) To each NRMSIR and to the SID, notice in a timely manner of a failure of the University to provide the annual financial information referenced in subsection (a) above within the period of time therein specified.

Section 7.3 The exclusive remedy for any breach of this Continuing Disclosure Agreement by the University shall be limited, to the extent permitted by law and as hereinafter provided, to a right of holders and beneficial owners, or the Depository, to cause proceedings in equity to be instituted and maintained to obtain the specific performance by the University of its obligations hereunder. Any individual holder or beneficial owner may institute and maintain, or cause to be instituted and maintained, such proceedings to require the University to provide or cause to be provided a pertinent filing if such filing is due and has not been made. Any such proceedings to require the University to perform any other obligation under this Continuing Disclosure Agreement (including any proceedings that contest the sufficiency of any pertinent filing) shall be instituted and maintained only by the Depository, which may institute and maintain any such proceedings in its discretion and shall do so, subject to the same conditions, limitations and procedures that would apply under the Bond Resolution if the breach were a default under the Bond Resolution, at the direction of the holders of at least 60% in aggregate principal amount of the Series 2005 Bonds then outstanding, excluding any Series 2005 Bonds held by or for the account of the University. Any failure of the University to comply with the provisions of this Continuing Disclosure Agreement shall not be a default under the Bond Resolution.

Section 7.4 This Continuing Disclosure Agreement may be amended, and noncompliance by the University with any provision of it may be waived, as may be necessary or appropriate to achieve its compliance with any applicable federal securities law or rule, to cure any ambiguity, inconsistency or formal defect or omission, and to address any change in circumstances arising from a change in legal requirements, change in law or change in the identity, nature or status of the University or the type of business conducted by the University. Any such amendment or waiver shall not be effective unless this Continuing Disclosure Agreement (as amended or taking into account such waiver) would have complied with the requirements of the Rule at the time of the primary offering of the Series 2005 Bonds, after taking into account any applicable amendments to or official interpretations of the Rule, as well as any change in circumstances, and until either (a) the University and the Depository shall have received a written opinion of Bond Counsel or other qualified independent special counsel selected by the Depository, or the Depository shall have determined, that the amendment would not materially impair the interests of holders or beneficial owners of the Series 2005 Bonds, or (b) the Depository shall have received the written consent to the amendment or waiver of the holders of at least a majority in aggregate principal amount of the Series 2005 Bonds then outstanding, excluding any Series 2005 Bonds held by or for the account of the University.

Section 7.5 The obligations of the University under this Continuing Disclosure Agreement shall remain in effect only for such period that (a) the Series 2005 Bonds are outstanding in accordance with their terms and (b) the University remains an obligated person with respect to the Series 2005 Bonds within the meaning of the Rule. The obligation of the University to provide notices of material events shall terminate, if and when the University no longer remains an obligated person with respect to the Series 2005 Bonds, provided that the University shall provide notice of such termination to MSRB and the SID.

ARTICLE VIII

SOURCES OF PAYMENT OF BONDS: PLEDGES, FUNDS AND THE APPLICATION THEREOF

Section 8.1 The Series 2005 Bonds are issued as Parity Bonds under the Bond Resolution and all applicable provisions of the Bond Resolution referring to the Bonds shall be construed to refer to the Series 2005 Bonds as well as all other Bonds issued thereunder, and the moneys in the Bond Fund and the moneys in or other securities held to the credit of the Reserve Fund shall be applied for the payment and benefit of all such Bonds to the extent and in the manner therein provided, even though all or a portion of such moneys may have been paid into the Funds prior to the issuance of the Series 2005 Bonds -- all to the end that the Series 2005 Bonds shall be secured in all respects on a parity with all other Bonds. Neither the principal of nor the interest on any of the Bonds, including the Series 2005 Bonds, shall constitute an obligation or debt of the State within the meaning of any constitutional or statutory provision whatsoever. The Bonds shall not be a charge on the general credit or the tax revenues of the State, and shall not in any event be payable out of any moneys at any time provided for or appropriated by the State. Neither the State nor the University shall be obligated, directly or indirectly, to contribute any funds, property or resources to the payment of the Bonds, except the fees and moneys pledged and the moneys in the Bond Fund and the moneys in or other securities held to the credit of the Reserve Fund, as provided in the Bond Resolution and this Resolution. Reference is made to Article X of this Resolution regarding the authorization to commence negotiations for the issuance and delivery of a Policy or Alternate Credit Enhancement, as additional security for the Series 2005 Bonds.

Section 8.2 The semiannual payments into the Bond Fund as provided for in Section 8.4 of the Bond Resolution shall be adjusted to provide for such additional amounts as may be necessary to pay the principal of and interest on the Series 2005 Bonds, as well as all other outstanding Bonds. In determining the amounts to be transferred by the Depository to the Bond Fund on or before April 25 and October 25 in each year as provided in Section 8.4 of the Bond Resolution, the Bonds shall be deemed to include the Series 2005 Bonds as well as all other outstanding Bonds; provided, however, that for purposes of calculating the amount to be transferred by the Depository to the Bond Fund on or before October 25, 2005, so long as the Issue Date for the Series 2005 Bonds is on or before October 1, 2005, the amount otherwise due in respect of those of the Series 1999 Bonds to be redeemed need not be so transferred. In making any such transfers to the Bond Fund, the Depository shall take account of and give credit for any moneys paid therein from the proceeds of the Series 2005 Bonds, and any amounts paid therein pursuant to the covenant contained in Section 8.1 of this Resolution.

Section 8.3 In the Determination Document, the Chancellor and Treasurer are hereby authorized and entrusted to determine, in accordance with Section 7.4 of the Bond Resolution, as amended by the 1997 Supplemental Resolution, either (i) the amount to be deposited in the Reserve Fund or provided for by means of a Reserve Credit Facility to satisfy the Maximum Annual Debt Service Requirement in respect of the Series 2005 Bonds, or (ii) that such Maximum Annual Debt Service Requirement is already satisfied and provided for by the MBIA Surety Bond (which satisfies the current Maximum Annual Debt Service Requirement for all Outstanding Series 1999 Bonds, among others).

Section 8.4 All additional payments into the Bond Fund and any payments into or securities added to the credit of the Reserve Fund as hereinabove provided shall be made in the same order, with the same priority and from the same sources as the payments provided to be made into the Funds by the Bond Resolution.

ARTICLE IX

TAX-RELATED REPRESENTATIONS AND COVENANTS

Section 9.1 The University makes the following representations, warranties and covenants as the basis for its issuance of the Series 2005 Bonds, which representations, warranties and covenants are intended to be relied upon:

(a) The University warrants that the interest on the Series 2005 Bonds is and will continue to be excludable from the gross income of the owners thereof for federal income tax purposes. The University will continually comply with all requirements imposed by the Code as conditions to the exclusion from gross income for federal income tax purposes of the interest on the Series 2005 Bonds.

(b) The University will not apply or permit the proceeds of the Series 2005 Bonds to be applied in a manner that would cause any of them to be deemed "private activity bonds" within the meaning of Section 141 of the Code. There are and will be no leases from the University to any person or any other arrangement, express or implied, that would result, in the aggregate, in (i) the use, directly or indirectly, of more than five percent (5%) of the improvements financed or refinanced with the proceeds of the Series 2005 Bonds for any "private business use", within the meaning of Section 141(b) of the Code; or (ii) the payment of debt service on more than 5% of the proceeds of the Series 2005 Bonds being directly or indirectly (A) secured by any interest in property used or to be used for any such "private business use" or in payments in respect of such property or (B) derived, directly or indirectly, from payments (whether or not to the University) in respect of property or borrowed money used or to be used for any such "private business use".

(c) The University will not use (directly or indirectly) any of the proceeds of the Series 2005 Bonds to make or finance loans to any persons.

(d) Except to the extent permitted under Section 149(b)(3) of the Code, (i) payment of principal of or interest on the Series 2005 Bonds is not directly, indirectly or otherwise guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof), and (ii) none of the proceeds of the Series 2005 Bonds will be used to make loans the payment of principal or interest with respect to which is to be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof).

(e) The University covenants that it will restrict the use and investment of the proceeds of the Series 2005 Bonds in such manner and to such extent, if any, and take or refrain from taking such other actions, all as may be necessary, after taking into account reasonable expectations at the time of the delivery of and payment for the Series 2005 Bonds, so that the Series 2005 Bonds will not constitute "arbitrage bonds" within the meaning of Section 148 of the Code or "hedge bonds" within the meaning of Section 149(g) of the Code.

(f) The Chancellor and the Treasurer of the University are hereby authorized to execute and deliver an appropriate certificate of the University (the "Tax Compliance Certificate") for inclusion in the transcript of proceedings for the Series 2005 Bonds, to be made as of the Issue Date. The Tax Compliance Certificate shall, among other things, reaffirm as of its date the continuing accuracy, completeness and correctness of the tax-related representations herein contained, set forth the reasonable expectations of the University regarding the amount and use of all the proceeds of the Series 2005 Bonds and the facts and estimates on which those expectations are based, and contain such other and further representations and covenants on the part of the University as Bond Counsel or the Underwriter shall request to evidence the Tax-Exempt status of the Series 2005 Bonds and the commitment of the University to maintain the same. The University hereby agrees to perform any such covenants contained in the Tax Compliance Certificate.

(g) The University will make such informational reports as may be required under the Code, and in particular Section 149(e) thereof, with respect to the issuance of the Series 2005 Bonds.

(h) The University covenants that it will (i) apply the proceeds of the Series 2005 Bonds to the governmental purposes of the borrowing, (ii) make timely rebate payments to the United States, if any are required, and (iii) maintain books and records and make calculations and reports necessary to make and to evidence sufficient rebate payments.

Section 9.2 The Chancellor is hereby authorized, upon consultation with Bond Counsel, to designate the Series 2005 Bonds as "qualified tax-exempt obligations" within the meaning and for purposes of Section 265(b)(3)(B) of the Code. Such designation, if made, shall be made in the Determination Document for the Series 2005 Bonds and shall be accompanied by such representations and warranties as are customarily made in connection with such a designation.

ARTICLE X

EFFORTS TO OBTAIN CREDIT ENHANCEMENT

Section 10.1 The Chancellor and the Treasurer are hereby authorized and directed to enter into negotiations as promptly as is practicable with MBIA, AMBAC and/or such other municipal bond insurers or providers of Alternate Credit Enhancement as the Underwriter may recommend for the purpose of obtaining a Policy and/or Alternate Credit Enhancement covering all or any part of the Series 2005 Bonds. Such officers are authorized and directed to provide to the insurers and providers of Alternate Credit Enhancement such financial and other information regarding the University, including without limitation such information as appears or will appear in the POS, as

they may reasonably require to reach a credit and pricing decision. If successful in obtaining satisfactory commitments for such Policy and/or Alternate Credit Enhancement, the Chancellor and the Treasurer are hereby authorized to execute and deliver, subject to the review of Bond Counsel, any and all documents (including without limitation one or more commitment letters or reimbursement agreements), and to take any and all other actions (including without limitation the payment of the agreed-upon premiums therefor), necessary to consummate the issuance of such Policy and/or Alternate Credit Enhancement. The Chancellor and Treasurer are further authorized, subject to the review of Bond Counsel, to approve and adopt, in the Determination Document, such provisions and amendments supplementing this Resolution as are customarily requested and approved in connection with the issuance of such Policy and/or Alternate Credit Enhancement, which provisions and amendments shall appear as an appendix to the Determination Document and are hereby authorized to be designated and to constitute "Article XII" of this Resolution.

ARTICLE XI

MISCELLANEOUS

Section 11.1 This Resolution is adopted as a Supplemental Resolution in order to provide for the issuance of the Series 2005 Bonds as Parity Bonds pursuant to Article VII of the Bond Resolution, and the provisions of this Resolution shall be so construed. All provisions, covenants, terms, conditions, rights and remedies set forth in the Bond Resolution, as hereby supplemented, are hereby ratified and reaffirmed and are hereby adopted as being applicable to and shall for any and all purposes apply to the Series 2005 Bonds, as if such Bonds had been originally issued under the Bond Resolution.

Section 11.2 This Board hereby authorizes Bond Counsel to prepare such other and further documents, certifications, assignments and instruments as Bond Counsel, the Depository or the Underwriter may require or as may be necessary or appropriate to consummate the transactions contemplated in this Resolution, including without limitation any certificates or reports referred to in Articles IX or X hereof. The Chancellor, Treasurer or any other appropriate officer or agent of the University is hereby authorized and directed to execute and deliver any and all such additional documents or certificates.

Section 11.3 Any or all of the Series 2005 Bonds shall, for all purposes of this Resolution, be deemed fully paid and defeased if the Depository or other paying agent therefor shall be provided with the following:

(a) a trust agreement between the University and the Depository or such other paying agent providing for the retirement of such Series 2005 Bonds by creating for that purpose an irrevocable trust fund sufficient to provide for payment in full of such Series 2005 Bonds (including payment of interest thereon on and until maturity or redemption), either at maturity or upon redemption or a combination of the two, which trust fund shall consist of (1) cash sufficient for such purpose, or (2) noncallable direct obligations of the United States of America which are certified by an independent public accounting firm of national reputation to be of such maturities or redemption dates and interest payment dates, and to bear such interest, as will be sufficient for such purpose, alone or together with any moneys to which reference is made in clause (1) above, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (which earnings are to be held likewise in trust and so committed);

(b) a certified copy of a resolution of this Board calling for redemption those of the Series 2005 Bonds, if any, that are, according to said trust agreement, to be redeemed prior to their respective maturities;

(c) an opinion of Bond Counsel to the effect that the execution and carrying out of said trust agreement will not cause interest on those Series 2005 Bonds to become Taxable; and

(d) evidence that any applicable requirements of the 1997 Supplemental Resolution have been satisfied.

Section 11.4 If any one or more of the covenants, agreements or provisions provided in this Resolution shall be contrary to law, then such covenant or covenants, agreement or agreements, provision or provisions shall be null and void, and shall in no way affect the validity of the other provisions of this Resolution or of the Series 2005 Bonds.

Section 11.5 This Resolution shall take effect upon its adoption by the Board, as evidenced by the endorsement hereon by the undersigned officers of the Board.

EXHIBIT A
(Form of Series 2005 Bond)

(Form of Face of Bond)

UNITED STATES OF AMERICA
STATE OF ALABAMA

TROY STATE UNIVERSITY SYSTEM
GENERAL STUDENT FEE REVENUE BOND, SERIES 2005

REGISTERED
NO. R-

REGISTERED
\$

Interest Rate: Maturity Date: Dated: CUSIP:

_____ November 1, _____
percent (____%)
per annum

On the Maturity Date stated above, **TROY STATE UNIVERSITY SYSTEM**, a public corporation and instrumentality of the State of Alabama (the "University"), for value received, hereby promises to pay to _____, or registered assigns, but solely from the Bond Fund hereinafter referred to, the principal sum of

_____ **and NO/100 DOLLARS**

and to pay interest thereon at the per annum Interest Rate stated above, computed on the basis of a 360-day year composed of twelve 30-day months, payable semiannually on the first days of May and November in each year beginning _____ 1, 200_, from the most recent date to which interest shall have been paid or provided for or, if no interest shall have been paid or provided for, from the Dated date shown above. The principal of and redemption premium, if any, on this Bond are payable at the principal corporate trust office in the City of Birmingham, Alabama, of Regions Bank, formerly known as First Alabama Bank (the "Depository"), in any coin or currency which at the time of payment thereof shall be legal tender for the payment of debts due the United States of America. Interest on this Bond will be paid by check or draft of the Depository, mailed to the registered owner hereof at the address thereof shown on the bond registration records of the University kept by the Depository as registrar.

This Bond is one of a duly authorized issue of Bonds authorized in the aggregate principal amount of \$_____ (the "Series 2005 Bonds") and issued pursuant to and in full compliance with (a) the Constitution and laws of the State of Alabama, including particularly Section 16-3-28 of the Code of Alabama of 1975, as amended, (b) a resolution duly adopted by the Board of Trustees of the University on August 15, 1969, as amended by subsequent resolutions duly adopted by the Board of Trustees of the University on August 14, 1970 and on May 30, 1997 (collectively, the "Bond Resolution") and (c) a resolution supplemental to the Bond Resolution relative to the Series 2005 Bonds (the "Series 2005 Resolution"). Terms used but not otherwise defined herein shall have the meanings given to them in the Series 2005 Resolution.

The Series 2005 Bonds are issued as Parity Bonds under and as defined in the Bond Resolution. The principal of and interest on the Series 2005 Bonds are payable solely from and are secured pro rata with all other bonds heretofore or hereafter issued as Parity Bonds pursuant to the Bond Resolution (collectively, the "Bonds") by a first lien upon and pledge of (a) moneys in or other securities held to the credit of the special funds designated the Bond and Interest Sinking Fund (the "Bond Fund") and the Debt Service Reserve Fund (the "Reserve Fund"), and (b) general fees levied by the University against students enrolled at the University (the "General Fees"), all as more particularly described in the Bond Resolution (collectively referred to herein as the "Revenues"). Additional bonds may hereafter be issued in successive series from time to time by the University payable from the Revenues equally and ratably and on a parity of lien with the Bonds (including the Series 2005 Bonds) theretofore issued pursuant to the Bond Resolution, subject, however, to the terms and conditions of the Bond Resolution. The Bond Resolution provides that the Revenues shall be segregated and paid into the Bond Fund in an amount sufficient to pay the principal of and interest on the Bonds as and when they mature and become due and (unless other provision be made for funding the reserve requirement) also paid into the Reserve Fund in an amount sufficient to establish and thereafter maintain a debt service reserve. Neither the University nor the State of Alabama (the "State") is obligated to make any payment to the Bond Fund or to the Reserve Fund except from the Revenues. Neither the principal of nor the interest on this Bond shall constitute an obligation or debt of the State within the meaning of any constitutional or statutory provision whatsoever. This Bond shall never be payable from any funds at any time provided for or

appropriated by the State, and shall not be a charge on the general credit or tax revenues of the State. Neither the State nor the University shall be obligated, directly or indirectly, to contribute any funds, property or resources to the payment of the Bonds or the interest thereon, except the Revenues.

The University has covenanted and agreed in the Bond Resolution and does hereby covenant and agree that, so long as this Bond is outstanding, it will continue to levy and collect fees from student attending the University in such amounts and at such times as will produce Revenues sufficient at all times to pay the principal of and interest on the Bonds as and when such principal and interest mature and become due, and also to establish and thereafter maintain or otherwise fund a debt service reserve.

REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE SIDE. THOSE PROVISIONS SHALL HAVE THE SAME EFFECT FOR ALL PURPOSES AS IF SET FORTH HERE.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution and the Series 2005 Resolution until the certificate of authentication and registration hereon shall have been executed by the Depository by the manual signature of one of its authorized officers.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and laws of the State to exist, happen and be performed precedent to and in the issuance of this Bond, and the issue of which it is one, do exist, have happened and have been performed in due time, form and manner.

IN WITNESS WHEREOF, the University has caused this Bond to be executed in its behalf by a facsimile of the signature of its Chancellor, has caused its seal to be hereunto imprinted in facsimile and to be attested by a facsimile of the signature of its Treasurer and has caused this Bond to be dated the first day of _____, _____.

TROY STATE UNIVERSITY SYSTEM

By: _____
Its Chancellor

(S E A L)

Attest:

By: _____
Its Treasurer

AUTHENTICATION AND REGISTRATION DATE:

Authentication and Registration Certificate

The within Bond is one of those described in the resolution adopted by the Board of Trustees of Troy State University System authorizing its General Student Fee Revenue Bonds, Series 2005, and has been registered by the University on the registration books maintained with the undersigned in the name of the above-named owner on the authentication and registration date specified above.

REGIONS BANK

By: _____
Its Authorized Officer

(Form of Reverse of Bond)

Those of the Series 2005 Bonds having a stated maturity in _____ and thereafter are subject to redemption prior to their respective maturities, at the option of the University, on or after November 1, _____, as a whole or in part on any date (and if in part, the maturities of those to be redeemed to be selected by the University, and if less than all the Series 2005 Bonds of a maturity are to be redeemed, in installments of \$5,000 or any integral multiple thereof, selected from such maturity by the Depository by random selection) at the redemption prices (expressed as percentages of principal amount) set forth in the following table, plus accrued interest to the date fixed for redemption:

<u>Redemption Period</u> <u>(Both Dates Inclusive)</u>	<u>Redemption</u> <u>Price</u>
---	-----------------------------------

[The Series 2005 Bonds maturing on November 1, _____ (the "_____ Bonds") are subject to mandatory sinking fund redemption in part, by operation of mandatory sinking fund requirements, on November 1 of each of the following years, at a redemption price equal to 100% of the following respective principal amounts to be redeemed in such years, plus accrued interest thereon to the redemption date:

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

If retired only by mandatory sinking fund redemption prior to their stated maturity, there would remain \$_____ in principal amount of the _____ Bonds to be paid at maturity.

The University has the option to deliver _____ Bonds to the Depository as registrar for cancellation, in any aggregate principal amount, and to receive a credit against the then-current mandatory sinking fund requirements and corresponding mandatory redemption obligation for such Bonds. Each such Bond so delivered, or previously redeemed, or purchased and cancelled, shall be credited by the Depository at 100% of the principal amount thereof against the then-current mandatory sinking fund obligation for such Bonds. Any excess of that amount over the then-current mandatory sinking fund requirements shall be credited against subsequent mandatory sinking fund redemption obligations for such Bonds.]

In the event that less than all of the outstanding principal of any Series 2005 Bond is to be redeemed, the registered owner thereof shall surrender the Series 2005 Bond that is to be prepaid in part to the Depository in exchange, without expense to the owner, for a new Series 2005 Bond of like tenor except in a principal amount equal to the unredeemed portion of the Series 2005 Bond. Notice of any intended redemption shall be sent by United States registered or certified mail not fewer than 30 days prior to the proposed redemption date to the owner of each Series 2005 Bond, all or a portion of the principal of which is to be redeemed. Notice having been so given and payment of the redemption price having been duly made or provided for, interest on the Series 2005 Bonds (or principal portions thereof) so called for redemption shall cease to accrue from and after the date fixed for redemption unless default shall be made in the payment of the redemption price thereof.

The Series 2005 Bonds are issuable only as fully registered bonds in the denominations of \$5,000 and any integral multiple thereof. Provision is made in the Series 2005 Resolution for the exchange of Series 2005 Bonds for a like aggregate principal amount of Series 2005 Bonds of the same maturity and series and in authorized denominations, all upon the terms and subject to the conditions set forth in the Series 2005 Resolution with respect thereto.

This Bond is transferable by the owner hereof, in person or by authorized attorney, only on the books of the Depository (as registrar and transfer agent of the University) and only upon surrender of this Bond to the Depository for cancellation, and upon any such transfer one or more new Series 2005 Bonds of authorized denominations and of like tenor hereof will be issued to the transferee in exchange herefor, all as more particularly described in the Series 2005 Resolution. Each owner, by receiving or accepting this Bond, shall consent and agree and shall be estopped to

deny that, insofar as the University and the Depository are concerned, this Bond may be transferred only in accordance with the provisions of the Series 2005 Resolution.

No charge shall be made for the privilege of transfer or exchange, but the owner hereof requesting any such transfer or exchange shall pay any tax or other governmental charge required to be paid with respect thereto. The Depository shall not be required to transfer or exchange this Bond during the period of 15 days next preceding any interest payment date; and, in the event that this Bond is duly called for redemption, the Depository shall not be required to transfer or exchange this Bond during the period of 45 days next preceding the date fixed for such redemption.

Provision is made in the Series 2005 Resolution for the replacement of any Series 2005 Bond which shall be or become mutilated, lost, stolen or destroyed, by the issuance, authentication and registration of a new Series 2005 Bond of like tenor, subject, however, to the terms, conditions and limitations contained in the Series 2005 Resolution with respect thereto.

The Bond Resolution may be amended and supplemented subject to the terms, conditions and limitations prescribed therein. Reference is hereby made to the Bond Resolution and the Series 2005 Resolution for a description of the respective rights, duties and immunities of the University and the rights and remedies of the holders of the Series 2005 Bonds.

STATEMENT OF INSURANCE

[IF APPLICABLE]

LEGAL OPINION

The following is a true copy of the opinion rendered by Roy S. Goldfinger, P.C. in connection with the issuance of, and dated as of and premised on facts and law in effect on the date of the original delivery of, the Series 2005 Bonds.

Treasurer, Troy State University System

[Opinion Text]

Respectfully submitted,
ROY S. GOLDFINGER, P.C.

The following abbreviations, when used in the inscription on this Bond or in the Assignment below, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right of survivorship and not as tenants in common and not as community property
UNIF TRAN MIN ACT - _____ Custodian _____
(Custodian) (Minor)
under Uniform Transfers to Minors Act _____
(State)

Additional abbreviations may also be used although not in the above list.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and irrevocably constitutes and appoints _____ attorney to transfer that Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

(Bank, Broker or Firm*)

By _____

Its _____

Medallion

Number:

*Signature(s) must be guaranteed by an eligible guarantor institution which is a member of a recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP), or New York Stock Exchange Medallion Signature Program (MSP).

Passed by the Board of Trustees of Troy State University System this 11th day of March, 2005.

President pro tempore of the Board
of Trustees

(S E A L)

Attest: _____
Secretary of the Board
of Trustees

-Resolution No. 2--Approval of Troy University Tuition & Fees for 2005-06

Mr. Drinkard reported that the Finance Committee recommends approval of Resolution No. 2. He made a motion for adoption and indicated that Dr. Doug Patterson was prepared to provide additional information regarding the resolution.

Dr. Patterson advised that this resolution is not a resolution that authorized an increase but only alerts the Board that the university will be considering an increase and a final recommendation will be forthcoming from the Chancellor in late May.

Resolution No. 2

ACTION: Mr. Drinkard made a motion for adoption. Seconded by Mr. McGregor, Resolution No. 2 was approved.

Tuition & Fees for 2005-2006

WHEREAS, tuition has increased significantly over the past several years due to limited support from the state; and

WHEREAS, it is important for students to have access to higher education opportunities where cost does not represent a significant barrier; and

WHEREAS, the Governor has recommended a state allocation for Troy University that includes funds to cover cost of health insurance for retirees, the increased cost of the retirement benefit for current employees, and the cost of a four percent cost-of-living raise for all employees; and

WHEREAS, the Vice Chancellor for Financial Affairs has computed projected expenses for 2005-06 as compared to projected state revenue in an attempt to estimate the need for any tuition increase; and

WHEREAS, these computations indicate the need for a 2-4 % tuition increase; and

WHEREAS, the University Finance Team and the Chancellor's Cabinet have reviewed and approved a new set of fees for the merged campuses of Troy University; and

THEREFORE, BE IT RESOLVED by the Board of Trustees on this 11th day of March 2005, that the attached list of fees for all campuses be, and are hereby, approved; and

BE IT RESOLVED that the Chancellor continue to review the issue of a tuition increase and that prior to May 31, 2005, the Chancellor, through a mail resolution, make a final recommendation to the Board on this matter.

The following fees are to be effective August 1, 2005, for all campuses of Troy University:

I. Mandatory Fees

- A. \$50 Registration Fee. Each student who enrolls in the Alabama campuses of Troy University pays this fee whenever he/she registers for a semester or summer session.

- B. University College will contribute to the student fee revenue pool, through increased tuition charges, an amount equivalent to \$30 for each student who registers for a term.¹
- C. Student Activity Fee. \$9 per credit hour per semester for a max of \$108. Students on the Troy Campus are the only students required to pay the fee.² There will be a voluntary student activity fee offered to students on the campuses other than the Troy Campus. This fee will be \$50 per semester. Payment of this fee will entitle students to attend events (including all home athletic events) and student activities in the same manner as Troy Campus students.
- D. Dothan Campus Instructional Services Fee. \$9 per credit hour per semester for a max of \$108. This fee will continue on the Dothan Campus since it is tied to their campus indebtedness.

II. **Parking Fees**³

A. Students

For the 2005-06 year, student parking fees will be the same as they were on each campus for the 2004-05 year, including the issuing of parking decals at TROY-Montgomery, TROY-Dothan, and TROY-Phenix City.

For the 2006-07 year, all students who operate a vehicle on any of the in-state Troy University campuses will be required to pay a \$15 vehicle registration fee and place a Troy University decal on their car.

B. Faculty and Staff

Effective with the 2005-06 year, all faculty and staff on all in-state Troy University campuses who operate a vehicle on campus will be required to pay a \$15 vehicle registration fee and place a vehicle registration decal on their car. On the Troy campus, employees with “named” parking will pay a \$25 vehicle registration fee (Note: Named parking on the Troy campus is being discontinued as employees retire, resign, or otherwise depart from the University.)

C. Discounts

The following discounts will apply to the purchase of all vehicle registration decals:

1. Faculty, staff, and students with an authorized Troy University car tag will receive a decal at no cost.
2. Faculty, staff, and students needing a second or subsequent decal will be given a \$5 discount on each additional decal purchased.

III. **Application Fees**⁴

For all campuses and sites of Troy University, the standard application fees shall be:

Undergraduate Applications:	\$30
Graduate Applications:	\$50

¹ This agreement was reached based on University College’s position that, from a marketing perspective, their fee contribution could best be accomplished by a tuition increase.

² The Troy Campus students have ready access to all events which the fee supports. Students on other campuses do not have the same level of access.

³ This was only developed based on other recommendations of the Senior Vice Chancellor for Student Services after consultation with various officials on each campus.

⁴ These fees were recommended originally by the OGU Enrollment Management Team. Based on UC’s current fees, it is now recommended that we move the undergraduate fee to \$30 and the graduate fee to \$50.

IV. Course Fees

Fees for specific courses shall be consistent across all campuses and sites of Troy University in keeping with the common course syllabi and numbering system. This matter must be initiated by the multi-campus deans, reviewed by the Provost and his staff and a final recommendation submitted to the Chancellor's Cabinet. Multi-campus deans should review current course fees from the various campuses (they can be obtained through the current campus bulletin or from the chief financial officer on each campus) and make recommendations for consistent fees for each course for which a fee is determined necessary. The Provost will need to set a timeline for this task, but this process should be complete in time for early registration for the fall term 2005 which will occur on the Troy Campus in April 2005.

V. Housing Application Fee (Troy Campus only)

All students requesting to reserve a residence hall room shall be required to submit a \$100 application fee/deposit with their housing application. The \$100 fee is inclusive of a \$50 non-refundable application fee and a \$50 refundable damage deposit. The damage deposit is refunded to the student upon cancellation of the housing, provided there are no damage charges or other outstanding debt to the University.

VI. Testing Fees

MAT	\$70
ACT (residual)	\$35
CLEP (per test)	\$70
DANTES	\$100
Strom Campbell	\$5

VII. Health Fees (Troy Campus only)

Nurses Visit	\$5
Nurse Practitioner	\$25
Physician Visit	Start at \$45
Tetanus Booster	\$23
MMR Immunization	\$15
TB Shin Test	\$18

VIII. Drop Processing Fee \$30 per course (charged after the last day to drop and withdraw)

IX. Withdrawal Processing Fee \$50 regardless of number of courses (charged after the last day to drop and withdraw)

X. Late Payment Fee \$50 (charged if a balance is still on the student account after 3rd payment due date)

XI. Course Audit Fee 50% of tuition

XII. Payment Plan Fee \$25 per semester or summer session, unless 100% of tuition and fees paid by 1st week

XIII. Returned Check Fee \$26

XIV. Transcript Request Fee \$5 per transcript

XV. Intent to Graduate Filing Fee \$50 if paid by posted deadline
\$75 if paid after the posted deadline

XVI. Parking Violation Fines (Troy Campus)

1. \$15 fine for all parking violations and non-moving violations with exception of #2
2. \$75 fine for handicap parking, fire lanes, tow away zone, and littering
3. \$75 fine for all moving violations (i.e. speeding, running stop sign, etc.)
4. \$50 fine for wheel lock removal
5. \$100 fine for parking on grass areas

- D. Academic Committee Report
-Resolution No. 3—Final Reaffirmation of the Merger of Troy State University, Troy State University Montgomery, and Troy State University Dothan into Troy University

Governor Riley called upon Senator Dial to make comments in regard to the following resolution.

Senator Dial reported that Resolution No. 3 authorizes the consolidation of the separate accredited campuses into one integrated university. The Southern Association of Colleges and Schools approved the university's plan in December of 2004. Resolution No. 3 is the final step in the process in order to present to the Alabama Commission on Higher Education for its final approval. Senator Dial moved for approval.

The Governor called for comments and Mr. Higgins commended Senator Dial and Dr. D. Hawkins for the leadership they have taken in this effort.

Resolution No. 3

ACTION: On a motion by Senator Dial, seconded by Mr. Drinkard, Resolution No. 3 was adopted unanimously.

Ratification of SACS Commission on Colleges' Action on The Troy State University System's Prospectus to Consolidate into One University

WHEREAS, Troy University is currently combining three separately accredited institutions into an integrated multi-campus University; and

WHEREAS, the Troy State University's system of independently accredited institutions will cease to exist with the creation of this one university; and

WHEREAS, the new institution will be more than the sum of its parts by meeting state, national and international expectations; and

WHEREAS, the Board of Trustees on 16th of April, 2004, approved the name of this one university emerging from the consolidation of Troy State University, Troy State University Dothan and Troy State University Montgomery to be changed from the Troy State University System to Troy University effective August 1, 2005; and

WHEREAS, The Troy State University System's currently separately accredited Universities are currently fully accredited and in good standing with the Southern Association of Colleges and Schools (SACS) and consistent with the SACS Principles of Accreditation; and

WHEREAS, consistent with the September 9, 2004, Board of Trustees Resolution to authorize the consolidation of the separately accredited campuses of Troy, Dothan, and Montgomery, in a fashion that will reflect a smooth and orderly transition into an integrated multi-campus University for the purposes of (1) enabling students to transfer between Troy campuses without loss of credit; (2) eliminating duplication by issuing one academic calendar, one faculty handbook, one student handbook, one undergraduate bulletin, and one graduate

bulletin for all campuses; (3) having uniform policies and procedures for all campuses; and (4) maintaining common standards for all campuses; and

WHEREAS, the Board of Trustees in its September 9, 2004, meeting adopted a resolution containing a timeline that enabled an orderly transition to one university consistent with State and Federal Requirements and consistent with the deadlines and approval dates of the Commission on Colleges of the Southern Association of Colleges and Schools (SACS) Commission on Colleges and with the Alabama Commission on Higher Education (ACHE); and

WHEREAS, the SACS' Commission on Colleges at its December, 2004, meeting took positive action on the Troy Prospectus for consolidating into one university with an effective date of August 1, 2005;

WHEREAS, the SACS Commission on Colleges approved at its December, 2004, meeting the Troy State University System Prospectus requesting consideration by the Commission on Colleges for approval of Troy State University's intent to consolidate as one accredited university with August, 2005, as the effective date of the consolidation and pending final approval of the Troy State University System Board of Trustees; and

WHEREAS, as noted in the Board of Trustees' September 9, 2004, resolution that upon positive action of SACS' Commission on Colleges at its December, 2004, meeting the Board of Trustees at its Spring, 2005, meeting would officially ratify the SACS action to approve the consolidation into one university and would by ratification officially state the intent of consolidating into one university effective, August 1, 2005; and

WHEREAS, upon approval of this resolution on this date of March 11, 2005, the University Administration is authorized to present the SACS' approved and Troy Board of Trustees' ratified prospectus to the Alabama Commission on Higher Education (ACHE) at its June 24, 2005, meeting as an information item.

THEREFORE BE IT RESOLVED THAT, by this resolution of the Board of Trustees adopted on the 11th of March, 2005, that this Board of Trustees based upon the positive action of SACS' Commission on Colleges at its December, 2004, meeting concerning the Troy Prospectus requesting approval to consolidate into one university, the Board of Trustees at its Spring, 2005, meeting officially ratifies the SACS action to approve the consolidation into one university and by this ratification officially states the intent of consolidating into one university effective, August 1, 2005, subject to the final action by the Alabama Commission of Higher Education at its June 24, 2005, Commission meeting.

V. Other Business

**-Resolution No. 4--Board of Trustees' Report to the
Alabama Commission on Higher Education**

Governor Riley called upon Dr. Roach to introduce Resolution No. 4. Dr. Roach reported that Resolution No. 4 would simply allow the university to prepare the report due from the Board of Trustees under the Statewide Plan under the Alabama Commission on Higher Education. He added that Chancellor Hawkins and he were working on the report and were asking the Board to approve the preparation process with the document to be mailed to the Board for review no later than April 15. Following the review, the university will seek final approval by the Board in order to present to the Commission.

Resolution No. 4

ACTION: Senator Dial made a motion to adopt Resolution No. 4. Seconded by Mr. Owen, Resolution No. 4 was approved.

**Resolution on Board of Trustees May 1, 2005, Report to
The Alabama Commission on Higher Education (ACHE)**

Resolution No. 4

WHEREAS, the Alabama Commission on Higher Education (ACHE) is asking each University Board of Trustees to present a Board of Trustees Report on the State of the University and the compatibility of the University direction with the Goals and Objectives of the ACHE State Plan for Higher Education; and

WHEREAS, this report is due to ACHE no later than May 1, 2005; and

WHEREAS, the Executive Vice Chancellor and Provost is working with the Chancellor to prepare and synthesize this information consistent with the progressive theme and direction of one consolidated Troy University; and

WHEREAS, this report will be finalized no later than April 15, 2005,

THEREFORE, be it resolved by the Board of Trustees on this 11th day of March, 2005, that the Chancellor continue to work with the Executive Vice Chancellor and Provost to complete the State of the University Report consistent with the requirements with ACHE and that prior to April 15, 2005, the Chancellor, through a mail resolution, make a final recommendation to the Board relative to this State of the University report.

V. Adjourn

Before calling for a motion to adjourn, Governor Riley complimented the university. He said he thinks the university is doing something historical in the State of Alabama and everyone at the university should be very proud of because of the leadership and ability to effect change in this state.

Mr. Nailen commended Chancellor Hawkins and his team for the leadership in moving the university forward.

Governor Riley called for a motion to adjourn.

ACTION: On a motion by Mr. Owen, seconded by Mr. Nailen, the meeting adjourned.

Bob Riley, Governor, State of Alabama
and Chairman of the Board of Trustees
Troy University

Jack Hawkins, Jr., Ph.D.
Secretary, Board of Trustees
and Chancellor, Troy University