

MINUTES
TROY UNIVERSITY BOARD OF TRUSTEES' MEETING
December 13, 2013, 2:00 p.m.
Hawkins Hall, Troy University Campus
Troy, Alabama

The Troy University Board of Trustees convened at 2:00 p.m. on December 13, 2013, in Hawkins Hall on the Troy University Campus in Troy, Alabama.

I. Call to Order

Senator Gerald Dial, President pro tempore of the Board, called the meeting to order.

II. Roll Call

Upon roll call, the following members, comprising a quorum, answered present: Senator Gerald O. Dial, Mrs. Karen Carter, Mr. Roy H. Drinkard, Mr. John D. Harrison (via conference call), Dr. R. Douglas Hawkins, Mr. Lamar P. Higgins, Mr. Allen E. Owen, Mr. Gibson Vance, and Mr. Cody Farrill, SGA President (non-voting member). Absent: Governor Robert Bentley, Mr. Ed Crowell, Mr. Forrest Latta and Mr. Charles Nailen.

III. Approval of Minutes

- July 26, 2013
- October 15, 2013

A draft copy of the July 26, 2013 and October 15, 2013 minutes were provided to Board members prior to the meeting. Senator Dial called for a motion to approve the minutes as presented.

ACTION: THERE BEING NO CORRECTIONS, MR. HIGGINS MADE A MOTION TO ADOPT THE MINUTES AS PRESENTED FOR THE JULY 26TH AND OCTOBER 15TH MEETINGS. A SECOND TO THE MOTION WAS MADE BY MR. OWEN. HAVING RECEIVED A MOTION AND SECOND, THE MINUTES WERE APPROVED.

IV. Reports

A. Chancellor

Chancellor Hawkins reported that the Board agenda covered the following areas:

- Chancellor's Report
- Naming of new softball building
- Report on Interpreter Training
- Board Committee Reports
- Finance Committee Report—new residence hall financing
- Athletics Update

The Chancellor shared some of the honors and recognitions for Troy University which included being named by Princeton Review—Best in the Southeast—9th year; Phi Kappa Phi Chapter of Merit (69 or 325 earned this status); named by GI Jobs Magazine in Top 15% of all US universities in the southeast in serving military students, and selected by Chronicle of Higher Education as one of the Best Places to Work in Higher Education.

Chancellor Hawkins also shared some of the challenges the university is facing. Items noted were declining enrollments which could be attributed to increased admissions standards, Pell Grant reductions, military tuition assistance suspension-fall 2013, reorganization of Global Campus, increased competition for Distance Learning, and the economic downturn.

The Chancellor advised that the above challenges are not just restricted to Troy University. Universities across the country are engaged in trends to adjust to a “new normal” or “right sizing.” The Chancellor cited several examples of universities across the country moving toward “right sizing” following declining enrollments, etc.

Chancellor Hawkins stated that enrollment dictates the need to “right -size” Troy University. He added that a task force has been established with a goal to prepare for implementation of a 2015-2020 Strategic Plan.

Dr. Hawkins added top priorities will be to ensure TROY’s budget, personnel, and programs to support 20K-21K student body. The University will review critically every aspect of all departments, all positions filled on critical need, review tuition structure, and plan for future enrollment growth.

In regard to academics, three new programs have been approved by ACHE—Master in Biomedical Sciences, Master in Arts in History, and Master in Social Science. Recently the University received a \$500K grant from the US Embassy in Tbilisi, Georgia, to establish a partnership in public administration. Sponsored Programs continues to do well with \$14.5 M for the year with about \$7M pending.

Chancellor Hawkins reported on capital improvements that included the R. Terry Everett Hall on the Dothan Campus dedicated on November 22, 2013. Other capital improvement project updates included the Riverfront Project at the Phenix City Campus, the Amphitheatre on the Troy Campus, the new John M. Long Hall, and the new Trojan Softball Complex/the Dodds Center.

In regard to the softball complex, Chancellor Hawkins said that it was his pleasure and on behalf of the Athletics Department to request the Board chair to change the priority of the agenda to consider Resolution No. 3 at this time to honor Mike and Cindy Dodds in the naming of the Mike and Cindy Dodds Center at the Softball Complex. **In regard to action on Resolution No. 3, please see the action item noted on Resolution No. 3 as it appears in sequence on the agenda.**

Following adoption of Resolution No. 3 (as noted below), Mike and Cindy Dodds were recognized by the Board and presented a framed citation honoring them for the dedication and support of Troy University athletics and, in particular, the softball program.

The following dates to remember were shared with the Board:

- March 13-16, Sun Belt Conference Basketball Tournament in New Orleans
- March 20-21: BOT/Foundation Board Joint Retreat
- March 26-28: US-China Symposium
- March 29: Hall of Fame Banquet/T-Day Football Game
- April (date TBA): Amphitheatre dedication concert
- May 9, Graduation and BOT Meeting
- July 25, Commencement/BOT Meeting

In conclusion, the Chancellor advised the Board that Dr. Kathy Hildebrand, Dean of the College of Education, along with Ms. Judy Robertson, Director of Interpreter Training Program (ITP) at Troy University, will provide a briefing on our Interpreter Training Program. Chancellor Hawkins stated that the key to the ITP has been interagency collaboration. In October of 2007 the University announced the establishment of the program to fill critical needs in service to the deaf community. In March 2008 the Alabama Commission on Higher Education approved the program and in August 2009 the first students were enrolled. The goal of the ITP first and foremost is to serve the deaf and second is to establish a model for the nation. The Chancellor stated that the support of the Dual-Party Relay Board is critical to the success of the program.

B. Board Committee Reports

- **Academic Affairs Committee, Honorable Karen Carter**
 - **Report on Interpreter Training Program**

Dr. Hildebrand was called upon to provide background information to the Board on the Interpreter Training Program. Dr. Hildebrand reported that the ITP has a wonderful faculty and the Advisory Board is pleased with what faculty members have accomplished and with the direction they are taking the program. She stated that as a caveat Troy's ITP also offers an American Sign Language minor.

Dr. Hildebrand introduced Ms. Judy Robertson who provided background information and added that currently there are 207 declared majors in the program; 88 have already been accepted into the program and 14 have graduated from the ITP. It was noted that the entire program is offered online. Ms. Robertson shared requirements for students in the ITP. Additionally, Ms. Robertson advised that the Master Mentor Program they have in place is geared toward preparing professionals to serve as "mentors" to guide and support new graduates from the ITP. Other aspects of the program were shared. Faculty member Richard Rose was introduced by Ms. Robertson. Mr. Rose, with the assistance of one of Troy's former ITP students, Chelsea Jones, who served as interpreter, shared information with the Board on the ITP as well.

Following the informative presentation on the Interpreter Training Program, Mrs. Karen Carter stated that she takes great pride in seeing how far the University has come in just five years in regard to the Interpreter Training Program.

- **Five-year SACS review**

Mrs. Carter called upon Dr. John Dew, Senior Vice Chancellor for Student Services and Administration, to provide an update on the University's Southern Association of Colleges and Schools (SACS) review.

Dr. Dew noted that SACS was slammed by the US Department of Education for only reviewing institutional performance every ten years. As a result, SACS self-imposed a five-year review process. The five-year report will be due in 2015 and will be an online submission only. The report will be reviewed by a team based in Atlanta and site visits are not expected at the five-year review.

Dr. Dew advised that the University has been preparing for this five-year review for the past three years. He noted that emphasis is being placed on the following areas:

- Core Requirement 2.8—Adequate number of full-time faculty coverage of all programs at all locations and online.
- Standard 3.3.1—Evidence of improvement in student learning outcomes.
- Federal Requirement 4.1—Evidence of gainful employment of graduates.
- Quality Enhancement Plan (QEP)—focuses on reading.

Mrs. Carter said that Dr. Dew's report concludes the Academic Affairs Committee report.

- **Finance Committee, Honorable John Harrison**
 - **Finance Report, Dr. Jim Bookout**

Dr. Bookout shared a 2013 financial report with Board members. A copy of his presentation was provided to Board members in the agenda packet. Dr. Bookout reported that although the University has encountered some challenges in enrollment in the last couple of years it has not been so challenging that we have not been financially productive. To support his comments, Dr. Bookout shared comparison figures in regard to total assets from 2010 through 2013. He added that capital assets increased approximately \$10M in the last year, mainly due to the reclassification of construction funds.

In regard to revenues, Dr. Bookout shared that in fiscal year 2013 the base appropriation from the State decreased by \$1.4M to \$44.9M. He added that because of continued volatility in the economy and the state budget, the University has no expectation of a significant increase in state appropriations for fiscal year 2014 and beyond. Dr. Bookout shared figures in regard to

revenues from tuition and fees and from sponsored programs. He noted that in addition to changes in revenue, the University continues to make cost containment an ongoing priority. Dr. Bookout also shared a comparison for revenue vs. expenses from 2009 to 2013.

Dr. Bookout shared information with the Board in regard to a “deep dive” scenario action plan. He stated that the plan includes as guidelines the following:

- Only fill vacant positions when a SACS requirement or critical need is present.
- Examine efficiencies in controllable expenses such as: advertising, travel, energy, outsourcing, streamline administrative cost, enhance non-tuition revenue streams, and prioritize academic programs and eliminate obsolete programs

○ **Resolution No. 1—Bond**

Following his presentation, Dr. Bookout was called upon to introduce Resolution No. 1. Following a brief discussion and comments, the chair called for a motion to adopt Resolution No. 1 authorizing the issuance by Troy University of up to \$25,000,000 in aggregate principal amount of facilities revenue bonds, Series 2013. Mr. Drinkard stated that the Finance Committee discussed in great detail Resolution No. 1 brought before the full Board today.

ACTION: WITH NO FURTHER DISCUSSION AND ON A MOTION BY MR. DRINKARD WITH A SECOND BY MR. HIGGINS, RESOLUTION NO. 1 WAS ADOPTED BY THE BOARD AS PRESENTED.

Resolution No. 1

TROY UNIVERSITY

**FACILITIES REVENUE BONDS
SERIES 2013 BOND RESOLUTION**

Adopted December 13, 2013

**FACILITIES REVENUE BONDS
SERIES 2013 BOND RESOLUTION**

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**RESOLUTION AUTHORIZING THE ISSUANCE BY TROY UNIVERSITY
OF UP TO \$25,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF
FACILITIES REVENUE BONDS, SERIES 2013**

WHEREAS, the University has determined that it is necessary, advisable, in the interest of the University and in the public interest that the University issue its facilities revenue bonds under the General Bond Resolution to refund certain Prior Bonds and to provide funds for the purchase, construction, enlargement or alteration certain Facilities as described herein.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF TROY UNIVERSITY, as follows:

ARTICLE I

DEFINITIONS

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

"Additional Bonds" means any Bonds issued in accordance with Section 2.3 of the General Bond Resolution.

"Affiliate" means, as to any Person, any other Person that directly, or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, that Person.

"Auxiliary Enterprise Revenues" means all amounts received or collected by or on behalf of the University from the use and operation of Auxiliary Enterprises, including all revenues, rents, fees, charges or other income of any kind from any source, including without limitation any proceeds of business interruption insurance and temporary condemnation awards in respect of Auxiliary Enterprises.

"Auxiliary Enterprises" means all facilities operated by or on behalf of the University offering or providing goods and/or services ancillary to and apart from the provision of education or the administration of the University, including without limitation facilities offering or providing housing, dining, books and supplies, athletic events, cultural or entertainment events, and similar functions or purposes.

"Board" means the Board of Trustees of the University and any successor to its duties.

"Bond Counsel" any attorney or firm of attorneys nationally recognized on the subject of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds.

"Bond Fund" means the Bond Fund which was created and established by Section 4.3 of the General Bond Resolution.

"Bonds" means the Series 2009 Bonds, the Series 2010 Bonds, the Series 2013 Bonds and any Additional Bonds hereafter issued pursuant to the provisions of the General Bond 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 Trustee's Office 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. References to the Code and Sections thereof include relevant applicable temporary, proposed or final regulations thereunder and under any predecessor provisions of the Internal Revenue Code of 1954, as amended.

"Credit Enhancement" means a municipal bond insurance policy, a letter of credit, a surety bond or other credit enhancement facility covering the payment of debt service on any Bonds.

"Determination Document" means a certificate of the University, executed by the Chancellor and Treasurer and delivered on or prior to the Issue Date of any Bonds, which (a) determines or prescribes any terms, provisions and other matters relative to those Bonds that are authorized and entrusted by the applicable Series Resolution to be determined or prescribed therein, and (b) as such, constitutes an integral part of such Series Resolution.

"Extraordinary Services" and "Extraordinary Expenses" mean all services rendered and all expenses incurred under the General Bond Resolution other than Ordinary Services and Ordinary Expenses.

"Facilities" means, as provided by State law, the purchase, construction, enlargement or alteration of any buildings or other improvements, including dormitories, dining halls, classrooms, laboratories, libraries, stadiums, administration buildings and any other buildings and appurtenances thereto suitable for use by the University, the acquisition of furniture and equipment for any thereof, the purchase of land, the beautification of grounds and the construction of swimming pools, tennis courts, athletic fields and other facilities for physical education, all for use by the University; and such other capital purposes as may hereafter be authorized or permitted under State law.

"Fiduciaries" means the Trustee, the Registrar and any Paying Agent, and their respective successors and assigns.

"Fiscal Year" means the period of twelve (12) months from October 1st of one year through and including September 30th of the following year, or such other fiscal year as may hereafter be adopted by the Board.

"Funds" means the Bond Fund and any other Fund that may hereafter be established with the Trustee in connection with any series of Bonds, as contemplated in Section 2.4(c)(13) of the General Bond Resolution.

"General Bond Resolution" means Resolution No. 3 adopted by the Board on July 24, 2009, as the same may hereafter be amended or supplemented in accordance with the provisions hereof.

"General Student Fees" means the tuition payable by students attending the University and available for any general purpose authorized or approved by the Board, but excludes Special Student Fees.

"Government Obligations" means (a) direct obligations of the United States of America for the full and timely payment of which the full faith and credit of the United States of America is pledged, or (b) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the United States of America, the full and timely payment of the principal of, premium, if any, and interest on which is fully and unconditionally guaranteed as a full faith and credit obligation by the United States of America.

"Holder" or "Bondholder" means the Person in whose name a Bond is registered on the books kept and maintained by the Registrar for the registration and transfer of Bonds.

"Issue Date" means, as to the Series 2013 Bonds, the date or dates of the initial authentication and delivery thereof.

"Maximum Annual Debt Service" means the maximum amount payable annually in any Fiscal Year as principal of and interest on all outstanding Bonds or Prior Bonds, as the case may be.

"Moody's" means Moody's Investors Service, Inc., New York, New York.

"Net Proceeds", when used with reference to the Series 2013 Bonds, means the face amount of the Series 2013 Bonds, plus accrued interest and premium, if any, less original issue discount and less proceeds deposited in a reserve fund, if any.

"Ordinary Services" and "Ordinary Expenses" mean those services normally rendered and those expenses normally incurred by a trustee or other fiduciary under instruments similar to this General Bond Resolution.

"Outstanding", as applied to Bonds, means all Bonds which have been authenticated and delivered under the General Bond Resolution, except:

(a) Bonds cancelled upon surrender, exchange or transfer, or because of payment or redemption prior to maturity;

(b) Bonds, or any portion thereof, for the payment, redemption or purchase for cancellation of which sufficient moneys have been deposited and credited with the Trustee or any Paying Agents (whether upon or prior to the maturity, purchase or redemption date of those Bonds); provided, that if any of those Bonds are to be redeemed prior to their maturity, notice of that redemption shall have been given or arrangements satisfactory to the Trustee shall have been made for giving notice of that redemption, or waiver by the affected Holders of that notice satisfactory in form to the Trustee shall have been filed with the Trustee; and

(c) Bonds in exchange for or in lieu of which others have been authenticated and delivered under Section 2.8 hereof;

provided, however, that in determining whether the Holders of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Bonds owned by the University, any other obligor with respect to the Bonds or any Affiliate of either of the foregoing shall be disregarded and deemed not to be Outstanding; except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be disregarded. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for such purposes if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the University, any other obligor with respect to the Bonds or any Affiliate of either of the foregoing. The term "Outstanding", when used in this General Bond Resolution with reference to Prior Bonds authenticated and delivered under the Prior Bond Resolution, shall have the same definition and be subject to the same exceptions.

"Paying Agent" means the Trustee and any other bank or trust company designated as a Paying Agent by or in accordance with Section 6.9 of the General Bond Resolution.

"Person" includes natural persons, firms, associations, partnerships, trusts, corporations, limited liability companies and public bodies.

"Prior Bond Resolution" means the resolution adopted by the Board on 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," as modified, amended and supplemented by resolutions supplemental thereto numbered Nos. 1, 9 and 15 adopted by the Board on August 14, 1970, May 30, 1997, and September 10, 2005, respectively.

"Prior Bonds" means the outstanding obligations heretofore issued by the University under and in accordance with the Prior Bond Resolution.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural Person or in any activity carried on by a Person other than a natural person, excluding, however, use by a state or local governmental unit and use as a member of the general public.

"Purchaser" means the original purchaser or purchasers of any series of Bonds.

"Rating Agency" means Moody's or S&P, their respective successors and assigns, and any other nationally recognized securities rating agency.

"Record Date" means, as to any series of Bonds, the 15th day (whether or not a Business Day) next preceding an interest payment date with respect to those Bonds.

"Refunded Bonds" means the Series 2005 Bonds; provided, that the Chancellor and the Treasurer may provide in the Series 2013 Determination Document to amend this definition to not refund the Series 2005 Bonds or to only refund a portion thereof or to refund additional Prior Bonds as provided herein.

"Refunded Bonds Trustee" means Regions Bank as trustee under the Prior Bond Resolution pursuant to which the Refunded Bonds were issued.

"Register" means the books kept and maintained by the Registrar for registration and transfer of Bonds.

"Registrar" means the Trustee.

"Resolution" means a resolution duly adopted by the Board.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

"SEC" means the Securities and Exchange Commission.

"Series Resolution" means, as to the Series 2013 Bonds, this Resolution.

"Series 2005 Bonds" means the University's General Student Fee Revenue Bonds, Series 2005, dated May 1, 2005, and originally issued in the aggregate principal amount of \$8,270,000.

"Series 2009 Bonds" means the University's Facilities Revenue Bonds, Series 2009A, dated September 29, 2009, and originally issued in the aggregate principal amount of \$14,590,000 and Taxable Facilities Revenue Bonds, Series 2009B (Build America Bonds), dated September 29, 2009, and originally issued in the aggregate principal amount of \$48,180,000, collectively.

"Series 2010 Bonds" means the University's Facilities Revenue Bond, Series 2010-A, dated December 14, 2010, and originally issued in the aggregate principal amount of \$19,400,000 and Facilities Revenue Bond, Series 2010-B (Taxable Build America Bond – Direct Payment), dated December 14, 2010, and originally issued in the aggregate principal amount of \$16,080,000, collectively.

"Series 2013 Bonds" means any of the Bonds authorized to be issued hereunder.

"Series 2013 Construction Account" means the account or accounts provided to be established in Section 3.4 hereof.

"Series 2013 Determination Document" means the Determination Document relative to the Series 2013 Bonds, which may have such name or names as the Chancellor and the Treasurer shall determine based on the designation given to the related Series 2013 Bonds.

"Special Record Date" means, with respect to any Bond, the date established by the Trustee in connection with the payment of overdue interest on that Bond pursuant to Section 2.7 hereof.

"Special Student Fees" means all special fees or charges on students or prospective students now or hereafter levied by the University, in the nature of, and including, without limitation, all lab fees, change of course fees, transcript fees, student activity fees, general University fees, application fees, deferred payment fees, registration fees, continuing education fees, pre-college counseling fees, administrative fees, technology fees, withdrawal fees, and all other similar fees or charges (a) apart from and in addition to General Student Fees, and (b) exclusive of Auxiliary Enterprise Revenues.

"Supplemental Resolution" means any resolution of the Board adopted and becoming effective in accordance with the terms of the General Bond Resolution.

"State" means the State of Alabama.

"Tax Compliance Certificate" means a closing certificate of the University, executed by the Chancellor or Treasurer and delivered in connection with Bonds issued or issuable on a Tax-Exempt or Tax-Favored basis, which makes or contains such representations, covenants, elections or designations on the part of the University as Bond Counsel or the Purchaser thereof shall request to evidence the Tax-Exempt or Tax-Favored status, as the case may be, of those Bonds and the commitment of the University to maintain the same.

"Taxable" means, when used in reference to Bonds, that interest thereon is includable in the gross income of any owner thereof for federal income tax purposes and that such Bonds are not Tax-Favored.

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

"Tax-Favored" means, when used in reference to Bonds, that owners thereof are entitled to a credit for federal income tax purposes, or that the University is entitled to a cash subsidy from the federal government, in respect of a portion of the interest thereon, in each case under Section 54AA of the Code.

"Treasurer" means the Treasurer of the University.

"Trustee" means the trustee at the time serving as such under the General Bond Resolution, presently, Regions Bank, Birmingham, Alabama.

"Trustee's Office" means the office from time to time designated by the Trustee, or its successor in trust, as its principal corporate trust office for purposes of discharging its trusts and duties under the General Bond Resolution, which office as of the date hereof is located at 1900 Fifth Avenue North, 25th Floor, Birmingham, Alabama 35203.

"University" means Troy University, a public corporation and instrumentality of the State, its successors and assigns.

Section 1.2 Interpretation. 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.

Section 1.3 Captions and Headings. 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.

[END OF ARTICLE I]

ARTICLE II**FINDINGS, DETERMINATIONS AND REPRESENTATIONS**

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

(a) The Series 2013 Bonds shall be issued to (i) refund the Refunded Bonds; provided that the Chancellor and Treasurer may determine, in consultation with the professional advisors retained by the University with regard to the issuance of the Series 2013 Bonds, and may provide in the Series 2013 Determination Document, not to refund certain of such Refunded Bonds, to refund only a portion thereof and/or to refund additional Prior Bonds, (ii) pay or reimburse all or any part of the cost of certain Facilities, currently expected to consist of and include construction and equipping of a new student housing facility to replace the existing Alumni Hall and to be located on the main campus of the University located in the City of Troy, Alabama; provided, however, that the Chancellor and Treasurer are hereby authorized and entrusted to add to, delete from or otherwise modify the foregoing list of Facilities to be provided from the proceeds of the Series 2013 Bonds and (iii) pay or reimburse the costs and expenses of issuing the Series 2013 Bonds, including the cost of Credit Enhancement, if any, that may be obtained with respect to the Series 2013 Bonds.

(b) The only Bonds currently outstanding under the General Bond Resolution are the University's Facilities Revenue Bonds, Series 2009A, dated September 29, 2009, which are currently outstanding in the aggregate principal amount of \$12,325,000, its Taxable Facilities Revenue Bonds, Series 2009B (Build America Bonds), dated September 29, 2009, which are currently outstanding in the aggregate principal amount of \$46,480,000, its Facilities Revenue Bond, Series 2010-A, dated December 14, 2010, which is currently outstanding in the aggregate principal amount of \$12,735,000 and its Facilities Revenue Bond, Series 2010-B (Taxable Build America Bond – Direct Payment), dated December 14, 2010, which is currently outstanding in the aggregate principal amount of \$14,685,000. The only Prior Bonds currently outstanding under the Prior Bond Resolution are the University's General Student Fee Revenue Bonds, Series 2005, dated May 1, 2005, which are currently outstanding in the aggregate principal amount of \$3,870,000, and General Student Fee Revenue Bonds, Series 2007, dated July 1, 2007, which are currently outstanding in the aggregate principal amount of \$13,000,000. The University expects to refund all of the outstanding Series 2005 Bonds in connection with the issuance of the Series 2013 Bonds, subject to prevailing market conditions when the Series 2013 Bonds are offered for sale.

(c) The University is not presently in default in the payment of the principal of or interest on any Bonds or Prior Bonds now outstanding.

[END OF ARTICLE II]

ARTICLE III**SERIES 2013 BONDS**

Section 3.1 Authorization and Issuance of Series 2013 Bonds. This Resolution constitutes a Series Resolution under the General Bond Resolution in order to provide for the issuance of the Series 2013 Bonds.

Pursuant to the authorization to do so contained in the General Bond Resolution and in Section 16-3-28, Code of Alabama (1975), as amended, the Series 2013 Bonds are hereby authorized to be issued, as one or more series of Bonds under the General Bond Resolution, in an aggregate principal amount currently estimated at \$14,000,000, but not to exceed \$25,000,000. The current expectation is that one series of Bonds in an estimated aggregate principal amount of \$4,000,000 will be issued to refund the Refunded Bonds, and a separate series of Bonds in an estimated aggregate principal amount of \$10,000,000 will be issued to fund the costs of the Facilities described in Section 2.1(a) hereof.

The Series 2013 Bonds shall be issued, if at all, subject to the discretion of the Chancellor and Treasurer, in consultation with the University's financial professionals, based on prevailing market conditions at the time or times of the proposed sale thereof. The issuance of any part, series or sub-series of the Series 2013 Bonds shall in itself conclusively evidence the determination by the Chancellor and the Treasurer that market conditions at that time warranted the issuance of that part or sub-series of the Series 2013 Bonds. The Series 2013 Bonds may be sold by public or private sale at the discretion of the Chancellor and Treasurer, in consultation with the University's financial professionals, and the Chancellor and Treasurer are authorized to take any actions necessary to conduct a private or public sale of the Series 2013 Bonds as they may deem appropriate.

At the time of issuance of the Series 2013 Bonds, the University shall file with the Secretary of the Board and the Trustee the same items that are required, pursuant to Section 2.3 of the General Bond Resolution, to be so filed prior to the issuance of any series of Additional Bonds.

Section 3.2 Certain Terms and Provisions of Series 2013 Bonds.

(a) The Board hereby determines and prescribes the following terms, provisions and other matters relative to the Series 2013 Bonds:

(1) The Series 2013 Bonds shall be issued, subject to the discretion of the Chancellor and Treasurer of the University, in consultation with Bond Counsel and the other professionals advising the University in connection with the issuance of the Bonds, at such time or times, in one or more series or sub-series, and on a Tax-Exempt and/or (if and to the extent required under the Code) Taxable basis. Reference is made to Section 3.3 hereof for certain representations and covenants of the University in respect of any Series 2013 Bonds issued on a Tax-Exempt basis.

(2) The Series 2013 Bonds shall be generally designated "Troy University, Facilities Revenue Bonds, Series 2013", with such other or special designations as to any part, series or sub-series thereof, if any, as the Chancellor and Treasurer are hereby authorized and entrusted to set forth in the Series 2013 Determination Document; and shall be fully registered as to both principal and interest, with each separate series or sub-series thereof numbered consecutively from R-1 upwards.

(3) The University will not fund or provide for a reserve fund for the Series 2013 Bonds, unless the Chancellor and Treasurer determine that a reserve fund is necessary to obtain the most favorable terms for the financing of the 2013 Project (as defined in (4) below).

(4) Because a substantial portion of the proceeds of the Series 2013 Bonds will be applied to pay costs of the Facilities described in Section 2.1(a) (hereinafter referred to, collectively, as the "2013 Project"), the University will establish the Series 2013 Construction Account, more fully described in Section 3.4 hereof.

(5) The proceeds of the Series 2013 Bonds shall be used as provided in Section 2.1(a) hereof, subject to the discretion permitted therein and in the General Bond Resolution.

(b) Subject to the conditions set forth below in this subsection (b), the Board hereby authorizes and entrusts the Chancellor and Treasurer to determine or prescribe, in the Series 2013 Determination Document, which shall constitute an integral part of this Series Resolution, such of the other terms, provisions and other matters relative to the Series 2013 Bonds enumerated in Section 2.4(c) of the General Bond Resolution as they deem necessary or desirable. The net interest cost of

any Series 2013 Bonds issued as a series of Tax-Exempt Bonds shall not exceed 5.50% and the net interest cost of any Series 2013 Bonds issued as a series of Taxable Bonds shall not exceed 7.50%.

Section 3.3 Tax-Related Representations and Covenants. Any reference in this Section 3.3 to the "Series 2013 Bonds" shall be deemed to refer, on a series by series (or sub-series) basis, only to that series or those series (or sub-series) of Series 2013 Bonds issued on a Tax-Exempt basis. The University makes the following representations, warranties and covenants as the basis for its issuance of the Series 2013 Bonds, which representations, warranties and covenants are intended to be relied upon:

(a) The University warrants that the interest on any Tax-Exempt Series 2013 Bonds is and will continue to be excludable from the gross income of the owners thereof for federal income tax purposes. The University will continuously 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 any Tax-Exempt Series 2013 Bonds.

(b) The University will not apply or permit the proceeds of the Series 2013 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. The University shall assure that (i) not in excess of ten percent (10%) of the Net Proceeds of the Series 2013 Bonds is used for Private Business Use if, in addition, the payment of more than ten percent (10%) of the principal or ten percent (10%) of the interest due on the Series 2013 Bonds during the term thereof is, under the terms of the Series 2013 Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the University, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of five percent (5%) of the Net Proceeds of the Series 2013 Bonds are used for a Private Business Use, and (B) an amount in excess of five percent (5%) of the principal or five percent (5%) of the interest due on the Series 2013 Bonds during the term thereof is, under the terms of the Series 2013 Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the University, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said five percent (5%) of Net Proceeds of the Series 2013 Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of a portion of the projects financed with the Net Proceeds and shall not exceed the proceeds used for the governmental use of the portion of such projects to which such Private Business Use is related.

(c) The University shall assure that not in excess of the lesser of five percent (5%) of the Net Proceeds of the Series 2013 Bonds or five million dollars are used, directly or indirectly, to make or finance a loan (other than loans constituting nonpurpose investments (within the meaning of section 148(f)(6)(A) of the Tax Code)) to persons other than state or local government units.

(d) Except to the extent permitted under Section 149(b)(3) of the Code, (i) payment of principal of or interest on the Series 2013 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 2013 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 2013 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 2013 Bonds, so that the Series 2013 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 or Treasurer is hereby authorized to execute and deliver, for inclusion in the transcript of proceedings for the Series 2013 Bonds, a Tax Compliance Certificate relating to and made as of the Issue Date of the Series 2013 Bonds. Such 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 2013 Bonds and the facts and estimates on which those expectations are based, and contain such other and further representations, covenants, designations and elections on the part of the University as Bond Counsel or the Purchaser shall request to evidence the Tax-Exempt status of those of the Series 2013 Bonds issued on a Tax-Exempt basis 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 2013 Bonds.

(h) The University covenants that it will (1) apply the proceeds of the Series 2013 Bonds to the governmental purposes of the borrowing, (2) make timely rebate payments to the United States, if any are required, and (3) maintain books and records and make calculations and reports necessary to make and to evidence sufficient rebate payments.

(i) In the event that the aggregate principal amount of Series 2013 Bonds to be issued during a calendar year together with any other tax-exempt obligations to be issued by the University during such calendar year is equal to or less than the amounts set forth in Section 256(b)(3)(C) and (D) of the Code (as such provisions may be amended), the Chancellor is hereby authorized, upon consultation with Bond Counsel, to designate such Series 2013 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 or the Tax Compliance Certificate for that series or sub-series of Series 2013 Bonds and shall be accompanied by such representations and warranties as are customarily made in connection with such a designation.

Section 3.4 Series 2013 Construction Account.

(a) The University shall open and maintain one or more separate accounts to be known collectively as the "Series 2013 Construction Account" (with such additional designations as may be appropriate to distinguish the accounts, if more than one, from one another), in each case in a bank which is a member of the Federal Deposit Insurance Corporation or any agency which may hereafter succeed to its functions and duties.

(b) The moneys in the Series 2013 Construction Account shall be applied only to pay or reimburse (1) costs of the 2013 Project, including the repayment of any interim or temporary loans or advances made to or by the University for such purpose, and (2) the costs and expenses of issuing the Series 2013 Bonds. Withdrawals may be made by the University from the Series 2013 Construction Account by 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 Trustee shall serve as principal depository of the Series 2013 Construction Account and shall administer withdrawals therefrom in accordance with the aforementioned procedures, but the Trustee shall not be responsible for the application of any moneys so withdrawn from said Account by the University.

(c) Any moneys on deposit in a Series 2013 Construction Account not required for current disbursements shall be invested in Permitted Investments, as hereinafter defined, as directed in writing by the University. Any such investments shall be payable in such amounts and at such times as may be necessary to meet required payments from that Series 2013 Construction Account. The earnings from any such investments shall be deposited in that Series 2013 Construction Account. No investment shall be made which would cause any Tax-Exempt series or sub-series of the Series 2013 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 any Series 2013 Construction Account which shall hold the proceeds of any Tax-Exempt series or sub-series of the Series 2013 Bonds, 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 a timely manner; provided, however, that the furnishing by the Trustee of records or information in addition to standard account records of deposits, withdrawals and investment income shall, at the option of the Trustee, be treated as an Extraordinary Service under the General Bond Resolution.

(d) As used herein, "Permitted Investments" shall mean and include any of the following (unless proscribed by the provider of any Credit Enhancement for all or any part or sub-series of the Series 2013 Bonds):

(1) Cash (insured at all times by the Federal Deposit Insurance Corporation);

(2) Obligations of, or obligations guaranteed as to principal and interest by, the United States of America ("U.S.A.") or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the U.S.A. or repurchase agreements of such obligations;

(3) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the U.S.A. including, without limitation: (i) senior debt obligations issued by the Federal National Mortgage

Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC), (ii) obligations of the Resolution Funding Corporation (REFCORP) and (iii) senior debt obligations of the Federal Home Loan Bank System, or repurchase agreements of such obligations;

(4) Certificates of deposit or other bank deposits (i) issued by, or made with, a bank whose unsecured, long-term obligations are rated by at least one Rating Agency in one of the three highest rating categories assigned by that Rating Agency, or (ii) secured at all times by collateral described in paragraphs (2) and (3) above, which collateral is held by the Trustee or by a third-party custodian or in which the Trustee or such other custodian has a perfected first priority security interest;

(5) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase;

(6) Money market funds holding obligations described in (2) or (3) above rated by at least one Rating Agency in one of the three highest rating categories assigned by that Rating Agency;

(7) Pre-refunded "Municipal Obligations" (herein defined as any bonds or other obligations of any state of the U.S.A. or of any agency, instrumentality or local government unit of any such state) which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (i) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Moody's or S&P or any successor thereto; or (ii) (A) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in clause (2) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such Municipal Obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (B) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on such Municipal Obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate; and

(8) Municipal Obligations rated "Aaa/AAA" by both Moody's and S&P or general obligations of states of the U.S.A. rated "A2/A" or higher by both Moody's and S&P.

Section 3.5 Other Documents Relating to Series 2013 Bonds.

(a) *Official Statement.* The Board authorizes and directs, if necessary and appropriate for the method by which the Series 2013 Bonds will be sold, (1) the preparation by appropriate officials of the University, in consultation with Bond Counsel, the Purchaser and other professional advisers to the University, of a Preliminary Official Statement of the University (the "Preliminary Official Statement"), and subsequent to the sale of the Series 2013 Bonds a final Official Statement of the University (the "Official Statement"), relating to the issuance and sale of the Series 2013 Bonds; (2) the distribution and use of the Preliminary Official Statement and the Official Statement by the Purchaser in the offering and sale of the Series 2013 Bonds; and (3) the Chancellor or Treasurer to "deem final", for purposes and within the meaning of SEC Rule 15c2-12, the Preliminary Official Statement as of its date and to make such other and further representations with respect to the Preliminary Official Statement and Official Statement as may be customary and desirable.

(b) *Bond Purchase Agreement.* The Board authorizes the execution and delivery on behalf of the University by the Chancellor or the Treasurer, of a Bond Purchase Agreement or similar document relating to the Series 2013 Bonds to be entered into between the University and the Purchaser if necessary and appropriate for the method by which the Series 2013 Bonds will be sold (including, if the Series 2013 Bonds are issued in more than one series or sub-series and at different times, a separate such agreement for each later-issued series or sub-series).

(c) *Continuing Disclosure Agreement.* If necessary and appropriate for the method by which the Series 2013 Bonds will be sold, the Board authorizes the Chancellor or Treasurer to execute and deliver, on or prior to the Issue Date of any series or sub-series of the Series 2013 Bonds, a Continuing Disclosure Agreement with respect to the series or sub-series of Series 2013 Bonds issued, as required pursuant to SEC Rule 15c2-12 or by the Purchaser.

(d) *Escrow Trust Agreement.* In connection with the refunding and defeasance of the Series 2005 Bonds (or such portion of the Series 2005 Bonds and/or any other Prior Bonds as the Chancellor and Treasurer may determine should be refunded), the Board hereby authorizes and directs the Chancellor of the University to execute in the name and behalf of the University an Escrow Trust Agreement, between the University and the Refunded Bonds Trustee, and does hereby authorize and direct the Treasurer to attest the same and does further authorize and direct the official seal of the University to be affixed thereon.

(e) *Miscellaneous.* The Board authorizes Bond Counsel to prepare or review such other and further documents, certifications, assignments and instruments as Bond Counsel, the Trustee, the Purchaser or any provider of Credit Enhancement for the Series 2013 Bonds 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 Article III hereof. The Chancellor, Treasurer or any other appropriate officer, employee or agent of the University is hereby authorized and directed to execute and deliver any and all such additional documents or certificates, including without limitation any elections made for any tax-related reason. In addition, the Treasurer or other appropriate officer, employee or agent of the University is expressly authorized and directed to execute and deliver, subsequent to the Issue Date but within such period as is prescribed by the Code, such certifications as may be prepared and/or required to evidence allocations of the proceeds of Series 2013 Bonds issued on a Tax-Exempt basis.

[END OF ARTICLE III]

ARTICLE IV**PLEDGES AND FUNDS**

Section 4.1 Source of Payment of Series 2013 Bonds. The Series 2013 Bonds shall be payable solely from the Bond Fund created in the General Bond Resolution for the exclusive benefit of the Holders from time to time of the Bonds, and shall be secured by (a) an exclusive first lien upon and pledge of the Special Student Fees, (b) a lien upon and pledge of the General Student Fees, subordinated, however, to the lien upon and pledge of the General Student Fees created and made under the Prior Bond Resolution for the benefit of the Prior Bonds, but only so long as any Prior Bonds remain outstanding, and (c) a lien upon and pledge of such other fees or revenues of the University as may hereafter be pledged to secure the payment of some or all Bonds, subject to such limitations as may be set forth in the Supplemental Resolution providing for such lien and pledge.

Neither the Bonds nor any pledge or agreement made in this Resolution or the General Bond Resolution shall be or constitute an obligation or debt of any nature whatsoever of the State, and neither the Bonds nor any obligation arising from any such pledge or agreement shall be payable out of any moneys appropriated by the State to the University. 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, as provided in the General Bond Resolution.

Section 4.2 Pledge Securing Bonds. For the purpose of securing the payment of the principal of and interest on all Bonds, the University hereby pledges and assigns

- (a) the Special Student Fees, and
- (b) the General Student Fees, subordinated, however, to the pledge and assignment of the General Student Fees made under the Prior Bond Resolution for the benefit of the Prior Bonds, but only so long as any Prior Bonds remain outstanding,

and hereby covenants and agrees to collect or cause to be collected said fees, as the same become due and payable, to hold said fees so collected separate and apart from all other fees, revenues and income of the University, and to apply said fees only as provided in the General Bond Resolution (but only to the extent necessary to pay debt service on the Bonds and, in the case of the General Student Fees, the Prior Bonds).

The University warrants, represents and covenants that it is duly authorized by law to pledge the Special Student Fees and the General Student Fees (on the subordinated basis described above) and the Bond Fund purported to be pledged by this Resolution and the General Bond Resolution in the manner and to the extent provided herein and therein; that the Special Student Fees, the Bond Fund and the General Student Fees (other than the first lien pledge in favor of the Prior Bonds) are and shall be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to or of equal rank with the pledge created by this Resolution or the General Bond Resolution; that all corporate action on the part of the University to that end has been duly and validly taken; that the Bonds and the provisions of this Resolution and the General Bond Resolution are and shall be legally enforceable obligations of the University in accordance with their terms and the terms hereof; and that it shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Special Student Fees, the General Student Fees and the Bond Fund pledged under this Resolution and the General Bond Resolution, and all of the rights of the Bondholders hereunder, against all claims and demands of all persons whomsoever.

[END OF ARTICLE IV]

ARTICLE V

COVENANTS OF THE UNIVERSITY

Section 5.1 Affirmation of Covenants in General Bond Resolution. The covenants of the University contained in the General Bond Resolution with regard to the Bonds, including, without limitation, those in Article V thereof, are hereby ratified and affirmed.

[END OF ARTICLE V]

ARTICLE VI**TRUSTEE**

Section 6.1 Trustee's Acceptance and Responsibilities. The Trustee has accepted and agreed to perform the duties imposed on it by the General Bond Resolution and shall be deemed to affirm such acceptance by the authentication and delivery of the Series 2013 Bonds, subject to the terms and conditions set forth in the General Bond Resolution. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Resolution or the due adoption thereof by the Board, nor for or in respect of the recitals contained herein, all of which recitals are made solely by the University.

[END OF ARTICLE VI]

ARTICLE VII**MISCELLANEOUS**

Section 7.1 No Recourse. No recourse shall be had for the payment of the principal of or interest on the Bonds, or for any claim based thereon or on this Resolution or in the General Bond Resolution, against any member of the Board or any officer of the University, past, present or future, or any Person executing the Bonds, all such liability, if any, being expressly waived and released by every Holder by the acceptance of the Bond or Bonds held by it.

Section 7.2 Construction as a Contract. The provisions of this Resolution shall constitute and be construed as a contract, made under and for all purposes governed by and construed in accordance with the laws of the State, between the University and the Holder or Holders from time to time of the Bonds; provided, however, that no agreement, covenant or obligation of the University herein or in the Bonds contained shall be construed as imposing any pecuniary liability on the University or the State except as may be payable solely from the General Student Fees and Special Student Fees and any additional fees or revenues hereafter pledged and the Bond Fund established and provided for. No provision of this Resolution shall be construed to limit or restrict, either expressly or impliedly, the obligations of the University contained in the General Bond Resolution or the powers of the Trustee thereunder, nor shall the provisions of this Resolution be construed in any manner inconsistent with the provisions of the General Bond Resolution.

Section 7.3 Limitation of Rights. With the exception of rights herein or in the General Bond Resolution expressly conferred on the Fiduciaries, nothing expressed or mentioned in or to be implied from this Resolution or the General Bond Resolution or the Bonds is intended or shall be construed to give any Person other than the University and the Holders of the Bonds any legal or equitable right, remedy or claim under or with respect to this resolution or the General Bond Resolution or any covenants, conditions and provisions herein contained; this Resolution and the General Bond Resolution and all of the covenants, conditions and provisions hereof and thereof being intended to be and being for the sole and exclusive benefit of the University and the Holders of the Bonds as herein and therein provided.

Section 7.4 Severability. If any provision of this Resolution shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or Sections in this Resolution contained, shall not affect the remaining portions of this Resolution, or any part thereof.

Section 7.5 Redemption of Prior Bonds. The Board does hereby call for redemption those Prior Bonds so selected pursuant to Section 3.2(a)(5) hereof and does hereby authorize and direct the Chancellor and Treasurer to take all necessary actions to effect such call for redemption on such date or dates as they shall determine, at and for the applicable redemption prices as of their respective redemption dates, including, without limitation, irrevocably directing the Refunded Bonds Trustee to mail and/or publish any notice of such redemptions as may be required under the Prior Bond Resolution or the resolutions authorizing the issuance of such Prior Bonds. In connection with such call for redemption, the Board hereby states that the University is not in default in the payment of the principal of or interest on any Bonds or Prior Bonds now outstanding.

Section 7.6 Declaration of Official Intent. The University hereby declares its official intent to reimburse expenditures to be made prior to the issuance of the Series 2013 Bonds in connection with the Facilities described in Section 2.1(a) hereof (to the extent permitted by Section 1.150-2 of the Income Tax Regulations). The maximum principal amount of Bonds to be issued for such Facilities is \$16,000,000.

[END OF ARTICLE VII]

ENDORSEMENT



Passed by the Board of Trustees of Troy University this 13th day of December, 2013.

President pro tempore of the Board of Trustees

(SEAL)

Attest: _____
Secretary of the Board

o **Resolution No. 2—Alcohol Policy**

On behalf of the Finance Committee, Mr. Vance introduced Resolution No. 2 for approval to the Board. It was noted by Mr. Higgins that Sodexo will apply for the alcohol license.

With no further discussion, the following action was taken.

ACTION: A MOTION TO ADOPT RESOLUTION NO. 2 WAS PROVIDED BY MR. HARRISON. A SECOND TO THE MOTION WAS MADE BY MR. VANCE. MR. HARRISON ADDED THAT THE FINANCE COMMITTEE UNANIMOUSLY RECOMMENDS TO THE BOARD THE ADOPTION OF RESOLUTION NO. 2. WITH NO FURTHER DISCUSSION, THE RESOLUTION WAS ADOPTED BY THE BOARD.

Resolution No. 2

A Resolution to Sell Alcohol at Select Locations on Campus

WHEREAS, the majority of the member institutions of the Sun Belt Conference, of which Troy University is a member, sell alcohol at one or more athletic venues; and

WHEREAS, this issue has been studied at length by the staff of the Troy University Department of Athletics and has resulted in the recommendation for a variety of controls and limitations on the sale of alcohol at TROY athletics venues; and

WHEREAS, Troy University complies with and upholds all federal, state, and local laws that regulate and prohibit the possession, use, and distribution of alcohol, prescription drugs not prescribed by medical personnel, and/or illicit drugs; and

WHEREAS, students, faculty, staff, and employees of Troy University are hereby notified of the University's alcoholic beverages policy and are expected to adhere to the guidelines set forth by the University;

WHEREAS, the University desires to contract with a vendor to sell alcoholic beverages at several sports venues, specifically Riddle- Pace Field, Sartain Hall, Trojan Arena, excluding the Trojan Club suites, and Veterans Memorial Stadium, excluding the Doug Hawkins Tower (Fourth, Fifth and Six Floors).

THEREFORE BE IT RESOLVED that the Board of Trustees authorizes Troy University to contract with Sodexo, Inc., to obtain the necessary and specific license(s) to sell alcoholic beverages on the Troy Campus and only at the above-mentioned locations.

- **Athletic Policy Committee, Honorable Allen Owen**
o **Athletics Report, Mr. John Hartwell**

Mr. Owen called upon Mr. Hartwell to brief the Board on the Athletics Department.

Mr. Hartwell's report focused on the following:

- **Upcoming 2014 NCAA Convention –Restructuring, Reregulation & Reassurance of power of BCS/FBS Institution**
- **Sun Belt Conference Beyond 2013**
- **Bowl Scenarios**
- **Upcoming athletic events**

- **Fall sports recap**

The following highlights for fall sports recap shared as follows:

Football

- Ten players selected to All Sun Belt Team**
- All 12 games were televised live**
- Troy led the Sun Belt Conference in total offense**
- Corey Robinson set TROY and Sun Belt career records of passing TDs, yards, attempts, completions, and offense**

Cross Country

- Hosted first ever Sun Belt Conference Championship
- Men's team won the Coach "O" Invitational
- Women's team finished second in the Coach "O"

Soccer

- Finished tied for fourth, best Sun Belt finish in history
- Earned the National Soccer Coaches Association team academic award
- Posted a 0.60 goals against average in conference play which is the lowest in program history

Volleyball

- Hosted first ever Sun Belt Conference Championship
- Showcased Trojan Arena
- Coach Kirkpatrick won his 100th game at Troy University
- Defeated No. 1 seed Western Kentucky University to advance to semifinals

In conclusion, Mr. Hartwell shared the Sun Belt Conference schedule beyond 2013-2014 as well as other on-going activities. Football opponents include Appalachian State, Arkansas Little Rock, Arkansas State, Georgia Southern, Georgia State, Idaho New Mexico State, Texas at Arlington Texas State, Louisiana Lafayette and Louisiana Monroe.

- **Executive Committee, Honorable Gerald Dial**
 - **Resolution No. 3—Naming Softball Complex Building**

As noted in the Chancellor's Report earlier in the Board meeting, the Chair called for a motion to adopt the resolution. The following action was taken:

ACTION: ON A MOTION BY DR. DOUG HAWKING TO ADOPT RESOLUTION NO. 3 AND WITH A SECOND PROVIDED BY MRS. KAREN CARTER, RESOLUTION NO. 3 WAS ADOPTED.

Resolution No. 3

Naming of the Mike and Cindy Dodds Center at the Trojan Softball Complex

WHEREAS, Troy University began competing in intercollegiate fast-pitch softball in the spring of 1986; and

WHEREAS, Troy University softball has enjoyed great success under the leadership of Melanie Davis, whose teams have won more than 750 games during her tenure as the Trojans' coach; and

WHEREAS, Troy University began a complete renovation of its softball facility in the fall of 2013; and

WHEREAS, Mike and Cindy Dodds of Troy, Alabama, have been steadfast supporters of Troy University athletics in general and have a particular passion for supporting TROY softball with their time and treasure; and

WHEREAS, the Dodds' support will enable Troy University to build a modern practice facility, to include a locker room, player lounge, and training room;

THEREFORE BE IT RESOLVED, that this new practice facility bear the name of the "Mike and Cindy Dodds Center" in honor of these outstanding Trojans.

o **Resolution No. 4—Honoring of retirees**

Senator Dial introduced Resolution No. 4 honoring 2013 retirees. He called for a motion to adopt Resolution No. 3.

ACTION: DR. D. HAWKINS PROVIDED A MOTION TO ADOPT RESOLUTION NO. 4 HONORING 2013 RETIREES. MRS. CARTER SECONDED THE MOTION. THERE BEING NO DISCUSSION, THE MOTION PASSED.

Resolution No. 4

WHEREAS, the following Troy University faculty and staff members retired in 2013:

Mrs. Sheryl Alifarhani, Mary K. Astone, Kang Bai, Frederick McKee Beatty, Khamis M. Bilbeisi, Mary Irene Bryant, William Borders, Gary Buchanan, Christine S. Burge, Andrew Anthony Cox, Deborah Wilkinson Davis, David Felix, Keith Frakes, Regina Gaillard, Marci Goldstein, Imani C. Goodwin, Rodolph Donald Hardy, Dot Helms, Eddie Mae James, Robert O. Joslin, Kack Kirkland, Donald D. Maestri, Matthew Mariano, Saramma T. Mathew, Tammy McGee, Edward T. Merkel, Charles R. Miller, Janice Nelson, Josephine N. Norris, Jack Garland Phillips, Rebecca S. Phillips, Elizabeth J. Roberts, Ellen Rosell, Glenda P. Sears, Louis F. Tomasi, William Welch, Frederick Westfall, Alicia Whatley and Lillian Ann Wise.

THEREFORE, BE IT RESOLVED that this Board express to these faculty and staff members sincere appreciation for loyal and conscientious service to the university and wish them health and happiness in their retirement.

BE IT FURTHER RESOLVED, that an appropriate certificate be sent to the aforementioned as evidence of this recognition of his/her service to the university.

o **Resolution No. 5—Congratulating the Honorable Roy Drinkard**

Senator Dial introduced Resolution No. 5 congratulating Board member Mr. Roy Drinkard for being selected the guest of honor at a "roast" to benefit Victims Services of Cullman, Alabama. Senator Dial added that Mr. Drinkard is an asset to his community, the state and the nation and the Board is pleased to honor him.

Resolution No. 5

**ACTION: SENATOR DIAL MADE A MOTION TO ADOPT RESOLUTION NO. 5.
SECONDED BY MR. HIGGINS, RESOLUTION NO 5 WAS ADOPTED BY THE TROY
UNIVERSITY BOARD OF TRUSTEES.**

Resolution No. 5

Resolution Congratulating the Honorable Roy Drinkard

WHEREAS, the Honorable Roy Henry Drinkard is a successful businessman, community leader, and an asset to his city, state, and nation; and

WHEREAS, the Honorable Mr. Drinkard is a member of the "Greatest Generation," having served with honor and valor as a United States Marine during World War II; and

WHEREAS, the Honorable Mr. Drinkard was appointed to the Troy University Board of Trustees in 2000 and has since earned the respect, admiration, and love of the Troy University family for his devotion to and support of TROY, and

WHEREAS, The Honorable Mr. Drinkard was honored recently by the citizens of Cullman as the guest of honor in a "roast" to benefit Victims Services of Cullman, which illustrates this gentleman's sense of civic responsibility and illustrates the affection and admiration of him by an entire community;

THEREFORE BE IT RESOLVED, that the Troy University Board of Trustees commends the Honorable Roy H. Drinkard for this recognition and the positive reflection it provides upon Troy University and its Board of Trustees.

V. Old Business

- By-laws Committee Report

Senator Dial called upon Mr. Higgins to report on the Bylaws Committee.

Mr. Higgins advised that the Bylaws Committee met electronically and he provided a handout and stated that the committee was seeking to, based upon input from Board members, try to reduce the number of committees each Board members serves on. The Bylaws Committee is working to accomplish this and to incorporate the Governmental Affairs Committee into the standing committee structure. The handout provided, as reflected below, was shared to be discussed at the next meeting. The proposal presented today deals with renaming the Long Range Planning Committee to the Institutional Advancement Committee. Institutional Advancement Committee will operate on the same structure but two sub-committees will be added: (1) Development Sub-Committee and the (2) Governmental Affairs Sub-Committee. The Bylaws Committee will continue to review the proposal to ensure they are ready to carry it forward at the next meeting.

Mr. Higgins asked the Board members to review the proposed document provided. He thanked the Bylaws committee members Karen Carter and Forrest Latta for their services as they try to bring this to closure to present to the full Board.

The following reflects the text of the document shared by Mr. Higgins:

Proposed Amendment to the Troy University Board By-Laws

Amend Article IV, Section 6 by deleting Section 6 and inserting the following:

1. **Section 6: Institutional Advancement Committee:** The Institutional Advancement Committee shall be responsible for **reviewing** long-range and strategic plan recommendations; ~~review~~; resources required for new academic programs; ~~develop~~ ~~and review~~ long term goals and mission statements to assure alignment with the University's role and scope; ~~recommend~~ ~~planning~~ for facility master plan for the expansion of the University's programs, facilities, and campuses; ~~The Committee shall~~ provide assistance and recommendations for the advancement of institutional development and governmental relations. Two sub-committees shall operate under the auspices of the committee: Development and Governmental Affairs. The Development Sub-Committee shall review and assist in fundraising, alumni relations, capital campaigns and special projects, programs and events to increase membership, visibility, cooperation and support among University stakeholders. The Governmental Affairs Sub-Committee shall assist the University as needed in governmental relations on the local, state and federal levels; review and make recommendations regarding **strategy relations to** the State Educational Budget, State Capital Bond Issues, the implementation of FTE Equity Funding and additional governmental funding opportunities and legislative goals as developed by the Board and the Administration.

Following Mr. Higgins report, Senator Dial called upon Student Government Association President Cody Farrill who made brief comments. He advised the Board that he would provide an expanded update at the March Joint Retreat.

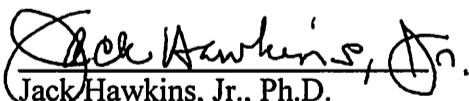
VI. Executive Session

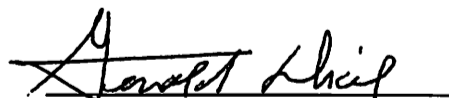
Before entering into Executive Session, Senator Dial called for any other business to come before the Board. There being none Senator Dial called for a motion to go into Executive Session.

ACTION: ACTION: A MOTION WAS MADE BY MR. OWEN AND SECONDED BY MRS. CARTER TO ADJOURNMENT FOLLOWING EXECUTIVE. ON A MOTION FROM MR. OWEN, SECONDED BY MRS. CARTER, THE BOARD ENTERED INTO EXECUTIVE SESSION.

VII. Adjournment

The meeting adjourned following Executive Session.


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


Gerald Dial
President pro tempore,
Board of Trustees
Troy University