

**MINUTES
BOARD OF TRUSTEES' MEETING
APRIL 16, 2004**

I. Call to Order

The Troy State University Board of Trustees met at 3:00 p.m. on April 16, 2004, in the Civic Room on the Troy University, Montgomery campus in 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: Dr. Doug Hawkins, Dr. James R. Andrews, Senator Gerald O. Dial, Mr. Roy H. Drinkard, Mr. John D. Harrison, Mr. Lamar P. Higgins, Mr. Milton E. McGregor, Mr. Allen E. Owen, Mr. C. Charles Nailen, and Mr. Nick Abraham, SGA President (non-voting member). Absent Dr. Joe Morton, State Superintendent of Education, and Mr. F. Allen Tucker.

III. Approval of Minutes (March 1, 2003)

Governor Riley stated that a copy of the draft minutes was mailed to Board members prior to the meeting. There being no changes, the Governor called for a motion to suspend the reading of the minutes and motion for approval

ACTION: On a motion by Senator Dial to suspend the reading of the Minutes for the September 27, 2003 and approve as presented, a second was provided by Mr. Owen. 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

Chancellor Hawkins expressed appreciation to the Governor for chairing the Board meeting and added that it is a special day for the university to have him join us.

The following is a summary of the Chancellor's report:

“One Great University”

Chancellor Hawkins began his report by providing an update on the university's move toward “One Great University.” He added that later in the meeting the board will hear more about the progress being made in this regard. He stated that in 2000 the Board charged the university administration to unify the system and three objectives were set forth. The objectives were (1) to improve service to students by removing barriers created by independent accreditation of campuses, (2) to improve academics by devising uniform policies, and (3) to create “brand identity.” The university will consolidate its three separately accredited campuses to create an institution with an enrollment of more than 25,000 students on seven campuses and locations in Alabama, as well as in 45 other states and in countries around the world.

Points of Pride

Chancellor Hawkins also commented on points of pride throughout the university. The last accreditation review by the Southern Association of College and Schools was the most successful review ever experienced. The university has received the reaccreditation of its nursing program and social work program. Also, the university was very pleased to learn that Moody's upgraded the bond rating from “stable” to “positive.” Another point of pride will be the completion of the Children's Annex of the Rosa Parks Museum with a projected completion date for December 2005. The science center in Dothan was recently dedicated, and a School of Accountancy has been created within the College of Business. The quad project will be dedicated next week and the university has celebrated the creation of international sites in India, Thailand and Vietnam. Enrollment is at an all-time high with 24,000 students around the world. The university's Distance Learning program is second to none, and plans are underway to create the *eCampus* Web-based state-of-the-art teaching and learning enterprise, which will pull all of the university's distance learning programs together.

Grants and Contracts

In 1989 the university generated a quarter of a million dollars in contracts and grants and this year ten million has been generated.

Goals for 2008

Dr. Hawkins discussed briefly future goals for the university. In the area of advancement, the university plans to launch a \$50 million dollar capital campaign by 2008. Another goal is that 30,000 students will study with the university by 2008, and in Grants and Contracts the goal is to double the number of faculty and staff seeking grants and double the dollar amount to \$20M. Over the next four years the goal is to have 80% of faculty with the terminal degree, and another goal is to offer a doctoral degree. Chancellor Hawkins reported that this year University College generated \$45M around the world to help our programs in Alabama, while receiving no support from state dollars. Our goal by 2008 is to hit \$100,000,000 for University College.

Chancellor Hawkins stated that the bottom line is: **Quality + efficiency + increased enrollments = SUCCESS**,

In conclusion, Chancellor Hawkins called upon Mr. Nick Abraham, Student Government Association President, to make a presentation.

B. SGA President's Report

Mr. Abraham expressed his appreciation to the Board for its support of the student body. He highlighted several activities that the SGA has been involved in throughout the year. He reported that the SGA helped promote the Tax Reform and Accountability Rally and hosted a Freshman Forum as well as an international student Thanksgiving dinner. The SGA co-sponsored this year for the first time with the Phi Beta Sigma Fraternity a Black History Month "Step Show" which was a great event. Other initiatives of the SGA included recognition of outstanding female leadership, which included State Treasurer Kay Ivey coming to campus to speak to the university community. Numerous pep rallies were sponsored throughout the year which promoted a great opportunity to support the athletic teams. Higher Education Day held in Montgomery was supported by the many students attending the rally. The SGA conducted a fund raiser to benefit local fire victims, as well as supporting "Spring Break Safety Week." "Night Walks" were conducted on campus throughout the year with university representatives to look at safety issues. "Feedback from the Front" was another very beneficial program that allowed students to bring to the administration ideas and issues of concern of the students, and it served as a great communication channel. The annual Easter Egg Hunt sponsored by the SGA was a wonderful event to round out the year's activities.

Mr. Abraham introduced the incoming SGA President, Ryan Spry.

C. Committee Reports

- o Executive, Dr. Doug Hawkins
 - Resolution No. 1 – University Name

Governor Riley called upon Dr. Doug Hawkins, president pro tem, to give the Executive Committee report. Dr. D. Hawkins called upon Chancellor Hawkins to provide a report on the proposed name change.

Chancellor Hawkins talked briefly about the process that has taken place since the board challenged the administration in 2000 to become "One Great University." In the process since then, the question of "brand" and "brand identity" has been addressed. It was within the context of that review that a recommendation was made that since the name for the Dothan and Montgomery campuses would be changed now would be the time to review a name change. It was noted that in the history of the university since 1887, the name has been changed five times. Each time the name has been changed it has been commensurate and consistent with a change of mission. Chancellor Hawkins asked Dr. Cameron Martindale, Senior Vice Chancellor for

Advancement and External Relations and President of the Montgomery Campus, to provide additional information on the review process.

Dr. Martindale stated that approximately eight months ago the university began working with a marketing higher education firm, Stamats Incorporated, to develop a marketing plan as we launch our "One Great University." It was at that time the university began to hear from Stamats about the name Troy State University and whether it was truly descriptive of the new model of higher education that we were developing. Dr. Martindale invited Mr. Scott Linzey, Stamats principal consultant who has worked with the university on this project, to make some comments.

Mr. Linzey stated that on the surface Stamats felt that, "State" confines boundaries and appears in contrast to the national and international reach of the university. He added that in many cases, institutions whose name contains the word "State" without also containing the name of the state in which they are located are perceived as second tier institutions. These schools cater to very regionally defined populations and are perceived as convenient, inexpensive places to get a degree. Mr. Linzey said that the TSU acronym is not unique; however, "Troy" is very distinctive. He added that in a poll conducted of institutions recently dropping "State" from their names have all experienced increases in applications, annual giving, and broader recognition. Mr. Linzey added that international markets polled were primarily neutral on the issue of eliminating the word "State" but focused far more heavily on the word "University." Mr. Linzey concluded his report by stating that based on research conducted over the last eight months Stamats is recommending that the university will be better served by changing the name to Troy University. Mr. Linzey thanked the board for the opportunity to make a presentation.

Chancellor Hawkins introduced several individuals who made comments on the proposed name change. The following individuals spoke briefly:

Mr. Harrel McKinney, Chairman of The Troy State University Foundation

As Chairman of the Foundation Board, Mr. McKinney reported that at the Foundation's February board meeting, the board unanimously supported the name change from Troy State University to Troy University.

Mr. Sammy Carr, President of The Troy State University National Alumni Association

Mr. Carr reported that the National Alumni Association, at a meeting in February, voted to unanimously support the name change to Troy University.

Dr. Suzie Stokes, on behalf of the Faculty Council

Dr. Stokes said that Troy State University is blessed to have a diverse faculty. This wide range of perspectives is important for the excellence in the academic programs that we provide. She added that over the past week, she had asked at least one faculty member from each department, Phenix City, and University College, to let her know their feelings about the University's name change. She stated that she wasn't disappointed with the emotion that was shown in their responses. Overall, more than two-thirds of the faculty that shared their opinions, pro or con, supported changing the name of Troy State University to Troy University.

Mr. Nick Abraham, speaking on behalf of the students

Mr. Abraham reported that the Student Government Association passed a resolution supporting of the name change.

In conclusion, Dr. Doug Hawkins added that the Executive Committee, in deliberations regarding the name change, decided that it is very important that we have a name that will "reach

out” and the Executive Committee unanimously recommends to the full board approval of the name change to Troy University..

RESOLUTION 1

ACTION: The chair called for a motion for Resolution No. 1. Dr. Doug Hawkins made a motion for adoption of Resolution No. 1 to change the university’s name to Troy University. A second was provided by Mr. Drinkard. There being no further comments or discussion, the motion to adopt Resolution No. 1 was approved unanimously.

Authorizing a Name Change for Troy State University

WHEREAS, Troy State University, since its founding in 1887, has undergone five name changes to reflect the role and scope of its mission to include: State Normal School, Troy State Normal College, Troy State Teachers College and Troy State College; and

WHEREAS, the University is currently combining three separately accredited institutions into One Great University; and

WHEREAS, Troy State University’s system of independently accredited institutions will cease to exist with the creation of one university; and the name of this new One Great University should reflect the role and scope of the changes taking place; and

WHEREAS, the administration has conducted an extensive review of universities similar to Troy State University that have the word “state” in their names; and it has found numerous institutions that have removed the word “state” and enjoyed very favorable outcomes; and

WHEREAS, the idea of removing the word “state” from the name of the new university has been discussed with faculty, students, staff, alumni, state officials and agencies, donors to the University and other leaders around the state of Alabama; and

WHEREAS, finding overwhelming support for removing the word “state” from the name of the new institution; and senior leadership among all institutions involved has shown support for this change; and

WHEREAS, the proposed name “Troy University” is supported by the Board of Trustees Executive Committee, the TSU Foundation Board, the TSU National Alumni Association Board, TSU Faculty Council and the TSU Student Government Association as well as by the Chancellor, Dr. Jack Hawkins, Jr.;

THEREFORE BE IT RESOLVED THAT, by the Board of Trustees on the 16th of April, 2004, the name of the one University emerging from the consolidation of Troy State University, Troy State University Dothan and Troy State University Montgomery shall be changed from the Troy State University System to Troy University fully effective August 1, 2005.

▪ Resolution No. 2 – Mission Statement

Dr. Doug Hawkins called upon Dr. Ed Roach, Executive Vice Chancellor and Provost, to provide comments on Resolution No. 2 dealing with the Mission Statement.

Dr. Roach provided a brief overview of the process in bringing the proposed Mission Statement to the Board.

RESOLUTION 2

ACTION: **Dr. Doug Hawkins made a motion to approve Resolution No. 2. Senator Dial provided a second for the motion. There being no further discussion, the motion was approved unanimously.**

Mission Statement for Troy University

WHEREAS, Troy University since its founding in 1887 has undergone five name changes to reflect the role and scope of its mission to include: State Normal School, Troy State Normal College, Troy State Teachers College and Troy State College; and

WHEREAS, the University is currently combining three separately accredited institutions into One Great University; and

WHEREAS, the new institution will be more than the sum of its parts by meeting state, national and international expectations with a new mission reflecting the name, role and scope of the changes taking place; and

WHEREAS, universities undertaking significant change in a variety of vital characteristics should review mission, scope and name relative to the amount of change taking place; and

WHEREAS, the administration has carefully reviewed and discussed the wording of the mission statement consistent with the move to One Great University; and

WHEREAS, the administration has distributed various drafts of the proposed mission statement widely and throughout the Troy State University System and asked for comment and critique of the proposed mission statement; and has carefully considered the input and suggestions for the wording of the One Great University Mission Statement; and

WHEREAS, the Board of Trustees on this date of the 16th April, 2004, has approved the name of the 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 Chancellor is authorized to review the needs of the University in relation to the One Great University concept and to organize and reorganize various units, and to title and re-title positions as necessary to efficiently and effectively promote and accomplish the mission of Troy University;

THEREFORE BE IT RESOLVED THAT, by the Board of Trustees on the 16th of April, 2004, that this Board of Trustees hereby approves the following Mission Statement for One Great University effective August 1, 2005, and to read as follows:

Troy University is a public institution comprised of a network of campuses throughout Alabama and worldwide. International in scope, Troy University provides a variety of educational programs at the undergraduate and graduate levels for a diverse student body in traditional, nontraditional, and emerging electronic formats. Academic programs are supported by a variety of student services which promote the welfare of the individual

student. Troy University's dedicated faculty and staff promote discovery and exploration of knowledge and its application to life-long success through effective teaching, service, creative partnerships, scholarship and research.

- Resolution No. 3 – Commitment to Equal Opportunity
Dr. Doug Hawkins called upon Dr. Cameron Martindale to make brief comments.

Dr. Martindale provided comments about the desegregation law suit that the university has been under for many years. In 1991 the university came under a Consent Decree with the Justice Department. She added that the Board of Trustees has been very supportive in helping us to do all we can to diversify our institution. The university is proud of the success it has had over these last years and we have increased the number of full time faculty and staff by 255%, the number of adjunct faculty by 164%, and we are known in Montgomery as the most diverse university in Alabama. There are 15 African-American Fellows who have either graduated from our program or are in the process of doing so and this gives us a great pipeline for faculty that can serve throughout the university system. Several years ago the Board passed a resolution to support this effort. Dr. Martindale said that, as chair of the Consent Decree Monitoring Committee, the Board's endorsement of Resolution No. 3 would be greatly appreciated.

RESOLUTION 3

ACTION: Dr. Doug Hawkins made a motion to approve Resolution No. 3. Seconded by Mr. Higgins, the motion was approved unanimously with no further discussion. Mr. Higgins added that he would like to thank the Board for its commitment to equal opportunity, and thank the staff as well. He said we are still not where we need to be but we are increasing every day and he appreciates the commitment of the Board to make sure that the diversity of our faculty and staff are representative of the student body.

Reaffirming Commitment to Equal Opportunity

WHEREAS, the Troy State University System is committed to its policy of providing equal employment opportunities to all employees and applicants for employment regardless of race, color, religion, sex, national origin, disability or veteran status; and

WHEREAS, the TSU System has continued to make good-faith efforts to follow the provisions of the Desegregation Lawsuits of the December 27, 1991 Consent Decree and the August 1, 1995 Remedial Decree resulting in progress in increasing African-American employees; and

WHEREAS, significant progress has been made in hiring African-American faculty and staff, with a 255% increase in African-American full-time faculty and staff and a 164% increase in adjunct faculty since 1991 which indicates material improvement; and

WHEREAS, the Board recognizes more can be done and encourages a renewed and sustained effort be made by all levels of System employees to increase African-American employees; and

THEREFORE, BE IT RESOLVED by the Board of Trustees on this 16th day of April, 2004, that the Board reaffirms its commitment, on behalf of the System, to equal employment opportunities to all employees and applicants for employment.

- Finance, Mr. John Harrison

Before beginning his financial report, Mr. Harrison recognized Mr. Harrel McKinney, chairman of the TSU Foundation, to make a special report on behalf of the Foundation. Mr. McKinney reported that the goal of the Foundation is to provide the resources which will transform a "good" university into one which is characterized as "excellent." He said that the Foundation believes the combination of state appropriations, combined with tuition, will help us achieve "good." Financial support, provided by the private sector, will enable us to reach our potential as a university. He said "excellence" is our goal. On behalf of the Board of Directors

of the TSU Foundation, **Mr. McKinney said it was his pleasure to transfer to the university ownership of three properties financed by the Foundation. These improvements were made as a result of gifts from the private sector totaling \$2,937,222. Mr. McKinney submitted the following properties for transfer: (1) Davis Field House addition, (2) Baseball facilities, and (3) ROTC building. He said the transfer of these assets from the TSU Foundation to Troy University was approved by the TSU Foundation Board of Directors in February 2004.**

- Finance Report

Mr. Harrison called upon Mr. Jim Bookout, Vice Chancellor for Financial Affairs to make presentations on the annual budget, the TSU System Audit Results as well as Resolutions 4, 5, and 6. Once reports are finished, Mr. Harrison said that he would like to come back for the vote on the above referenced resolutions.

- Budget Report

In terms of budgets for 2004, Mr. Bookout provided a representation of each campus budget. The figures shared represented a growth of 33% in the last two years. Graphic displays were shared to show sources of revenue. Tuition and fees represent 56% of the \$161,000,000 and state appropriations represent 22%. An analysis of revenues and expenditures was shared and it was noted that the university is on target with the percent of actual budget to date.

Mr. Bookout reported that in 2004 the Governmental Accounting Standards Board (GASB 39) will be implemented for the first time. This will require the university, in terms of reporting, to include the TSU Foundation within the university's statements. It will also require the Foundation auditor to complete an audit on December 15, 2004.

In regard to financial reports for FY ending September 30, 2003, Mr. Bookout reported that total assets increased by 13% with capital assets increasing by 21%. Accounts receivable showed a growth of over \$5 million. Operating and non-operating revenues both showed an increase for 2003. A breakout of revenues and expenses for 2002-2003 was shared.

- TSU System Audit Results

Mr. Bookout shared information on the audit results for FY ending September 30, 2002. He noted that for 2002, the university received an "unqualified opinion" which is the highest opinion that can be received by the examiners. There were two reporting comments from the examiners and corrective actions were recommended and have been taken. Mr. Bookout elaborated on the two corrective actions.

- Resolution No. 4 – Bond Issue

Mr. Bookout provided a summary on the bond issue resolution. He noted that the Series 2004 Bond Issue achieved a net cash flow at issuance as a result of interest rate difference and the present value of reduced future interest payments.

RESOLUTION 4

Mr. Harrison reported that the Finance Committee met and unanimously recommends that Resolution No. 4 be approved.

ACTION: Mr. Harrison made a motion that Resolution No. 4 be approved. A second was provided by Mr. Owen. There being no further discussion, Resolution No. 4 was unanimously approved.

RESOLUTION RATIFYING AND APPROVING ACTIONS TAKEN AND DETERMINATIONS MADE BY THE CHANCELLOR AND TREASURER OF THE UNIVERSITY IN CONNECTION WITH (1) THE ISSUANCE BY THE UNIVERSITY OF ITS GENERAL STUDENT FEE REVENUE BONDS, SERIES 2003, (2) THE ISSUANCE BY THE UNIVERSITY OF ITS GENERAL STUDENT FEE REVENUE BONDS, SERIES 2004, AND (3) THE

OBTAINING OF INSURANCE ON THE UNIVERSITY'S GENERAL STUDENT FEE REVENUE BONDS, SERIES 2002; AND AMENDING THE PROVISIONS OF THE RESOLUTIONS AUTHORIZING ISSUANCE OF THE FOREGOING BONDS TO PERMIT GREATER LIBERALITY IN THE INVESTMENT OF THE CONSTRUCTION ACCOUNTS CREATED UNDER SAID RESOLUTIONS.

WHEREAS, the Board of Trustees of the Troy State University System (the "University") heretofore on September 27, 2003 adopted a resolution (the "9/27/03 Resolution") authorizing the issuance by the University of (1) approximately \$7,750,000 (but not to exceed \$8,500,000) in principal amount of Series 2003-A Bonds, as defined in the 9/27/03 Resolution (herein, the "Series 2003 Bonds"), and (2) approximately \$5,400,000 (but not to exceed \$5,600,000) in principal amount of Series 2003-B Bonds, as defined in the 9/27/03 Resolution (herein, the "Series 2004 Bonds"); and

WHEREAS, the 9/27/03 Resolution entrusted to the discretion of the Chancellor and Treasurer of the University the taking of various actions and the making of various determinations on behalf of the Board in connection with the timing of issuance, number of series, the Taxable or Tax-Exempt nature of the interest thereon (said term and others used but not otherwise defined herein having the meanings given to them in the 9/27/03 Resolution), the method of interest rate calculation (whether fixed or variable), the basic terms and provisions, securitization, pricing and application of proceeds of the Series 2003 Bonds and the Series 2004 Bonds, such actions and determinations to be commemorated in a Determination Document for each such series of Bonds; and

WHEREAS, the 9/27/03 Resolution further entrusted to the discretion of the Chancellor and Treasurer the negotiation and, if satisfactory, the obtaining of a municipal bond insurance policy and/or a debt reserve surety bond in respect of the University's Series 2002 Bonds, and authorized the Chancellor and Treasurer to execute and deliver any and all documents necessary to consummate the obtaining of such a policy and surety bond; and

WHEREAS, with respect to the Series 2003 Bonds, the Chancellor and Treasurer have taken the actions and made the determinations so entrusted to them, and have jointly executed a Determination Document on and as of December 8, 2003, a true and complete copy of which has been attached hereto as Annex A (the "Series 2003 Determination Document"); and

WHEREAS, with respect to the Series 2004 Bonds, the Chancellor and Treasurer have taken the actions and made the determinations so entrusted to them, and have jointly executed a Determination Document on and as of January 22, 2004, a true and complete copy of which has been attached hereto as Annex B (the "Series 2004 Determination Document"); and

WHEREAS, by the terms of the 9/27/03 Resolution, each of the Series 2003 Determination Document and the Series 2004 Determination Document, upon its execution, became and shall be construed as an integral part of the 9/27/03 Resolution; and

WHEREAS, because it was determined to be desirable and satisfactory to obtain both a Policy and Reserve Credit Facility in respect of the Series 2002 Bonds, the Series 2003 Determination Document also supplements and constitutes an integral part of this Board's resolution adopted March 5, 2002 which authorized the issuance of the Series 2002 Bonds (as heretofore supplemented, the "Series 2002 Resolution"); and

WHEREAS, Ambac Assurance Corporation ("Ambac"), the provider of the Policies for the Series 2002 Bonds, the Series 2003 Bonds and the Series 2004 Bonds, permits greater latitude in investing the moneys held in the Construction Accounts created under the Series 2002 Resolution and the 9/27/03 Resolution than was initially contemplated under those Resolutions, of which latitude the University is desirous to avail itself.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF TROY STATE UNIVERSITY SYSTEM, that the actions heretofore taken and the determinations heretofore made by the Chancellor and Treasurer of the University in connection with the Series 2003 Bonds, as heretofore authorized in the 9/27/03 Resolution and commemorated in the Series 2003 Determination Document, be and the same are hereby ratified and approved in all respects.

BE IT FURTHER RESOLVED, that the actions heretofore taken and the determinations heretofore made by the Chancellor and Treasurer of the University in connection with the Series

2004 Bonds, as heretofore authorized in the 9/27/03 Resolution and commemorated in the Series 2004 Determination Document, be and the same are hereby ratified and approved in all respects.

BE IT FURTHER RESOLVED, that the actions heretofore taken and the determinations heretofore made by the Chancellor and Treasurer of the University relative to obtaining a Policy and Reserve Credit Facility in respect of the Series 2002 Bonds, as heretofore authorized in the 9/27/03 Resolution and commemorated in the Series 2003 Determination Document, and the supplementation and amendment of the Series 2002 Resolution effected by the Series 2003 Determination Document in connection with the foregoing, be and the same are hereby ratified and approved in all respects.

BE IT FURTHER RESOLVED, that in accordance with Section 12.1(d) of the Bond Resolution, and in keeping with the permitted investment guidelines promulgated by Ambac, Section 5.4 of the Series 2002 Resolution and Section 5.4 of the 9/27/03 Resolution be and the same are hereby amended such that they shall be replaced in their entirety by the new Section 5.4 appearing as Annex C hereto (in the case of the Series 2002 Resolution) and as Annex D hereto (in the case of the 9/27/03 Resolution), thereby permitting greater liberality in (and ideally a higher rate of return on) the investments pending disbursement of the Construction Accounts created under both said Resolutions. Because this Resolution amends two previous Supplemental Resolutions under and as defined in the Bond Resolution, this Resolution shall constitute Supplemental Resolution No. 15 to the Bond Resolution.

Passed by the Board of Trustees of Troy State University System this 16th day of April,
2004.

President pro tempore of the Board
of Trustees

(S E A L)

Attest: _____
Secretary of the Board
of Trustees

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ANNEX A

SERIES 2003 DETERMINATION DOCUMENT

Troy State University System
General Student Fee Revenue Bonds
Series 2003

DETERMINATION DOCUMENT

The undersigned officers of Troy State University System (the "University"), a public corporation and instrumentality duly created and validly existing under the laws of the State of Alabama (the "State"), hereby acknowledge the express authorization given to them in the resolution adopted by the Board of Trustees of the University (the "Board") on September 27, 2003 (the "Series 2003 Resolution"), which authorized the issuance by the University of the above-captioned obligations, to make certain determinations relative to said obligations. Terms used but not otherwise defined herein shall have the meanings given to them in the Series 2003 Resolution, of which (by the terms of the Series 2003 Resolution) this document shall constitute an integral part. The undersigned note that, if and to the extent the determinations so entrusted to be made by them are not made herein, they shall be hereafter made in the Closing Certificate of the University to be executed and delivered by them on the Issue Date (the "Closing Certificate"). Subject to the foregoing, the following determinations are hereby made:

1. The undersigned have heretofore determined, as authorized pursuant to Section 3.1(b) of the Series 2003 Resolution, that prevailing market conditions warranted proceeding with the sale and issuance of the Series 2003-A Bonds (hereinafter, the "Bonds"), but not (for the present) the Series 2003-B Bonds. (As is implicit in the Series 2003 Resolution, the undersigned retain the authorization to reconsider from time to time whether changing market conditions hereafter warrant proceeding with the sale and issuance of the Series 2003-B Bonds.) As such, and as authorized pursuant to Section 5.1(a) of the Series 2003 Resolution, the POS of the University relative to the Bonds was prepared and distributed by the Underwriter. As further authorized pursuant to said Section 5.1(a), that POS dated December 2, 2003 is hereby "deemed final" as of its date, for purposes of SEC Rule 15c2-12.

2. As authorized pursuant to Section 3.1(c) of the Series 2003 Resolution, the undersigned have heretofore determined that the Bonds shall be issued in a single series on a Tax-Exempt basis.

3. The purposes to which the proceeds of the Bonds shall be applied are:

(A) that purpose described in clause (i) of Section 2.1(a) of the Series 2003 Resolution; and

(B) in place of the purpose described in clause (ii) of said Section 2.1(a), and as the undersigned are authorized by said Section 2.1(a)(iii) to determine, the construction of a new, approximately 40,000-square foot, three-story classroom building on the Troy campus of the University, adjacent to existing McCartha Hall, together with such other Improvements to the Troy campus of the University as may hereafter appear necessary or desirable.

4. As authorized pursuant to the following numbered clauses of Section 3.1(d) of the Series 2003 Resolution, the undersigned hereby make the following determinations with respect to the terms and provisions of the Bonds:

(i) The precise aggregate principal amount of the Bonds will be \$7,880,000, and the Bonds will be issuable in denominations of \$5,000 and any integral multiple thereof.

(ii) The dated date of the Bonds shall be December 1, 2003.

(iii) The Bonds shall bear interest at the fixed rates shown below, payable semi-annually on May 1 and November 1 of each year commencing May 1, 2004 (each, an "Interest Payment Date").

(iv) Because the Series 2003-B will be issued, if at all, after December 31, 2003, the precise designation of the Bonds shall be "Troy State University System, General Student Fee Revenue Bonds, Series 2003" and the Bonds shall be numbered consecutively from R-1 upwards.

(v) The Bonds shall mature on November 1 in the years and principal amounts and bear interest at the per annum rates set forth in the following table:

<u>Year</u>	<u>Interest Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Interest Amount</u>	<u>Rate</u>
2004	\$290,000	1.10%	2014	\$385,000	3.70%
2005	295,000	3.00	2015	400,000	3.80
2006	305,000	1.90	2016	415,000	3.85
2007	310,000	2.10	2017	430,000	3.95
2008	315,000	2.45	2018	450,000	4.05
2009	325,000	2.75	2019	470,000	4.15
2010	335,000	3.00	2020	485,000	4.20
2011	345,000	3.25	2021	510,000	4.25
2012	360,000	3.50	2022	530,000	4.30
2013	370,000	3.60	2023	555,000	4.35

(vi) Bonds maturing on and after November 1, 2012 are subject to optional redemption at par on November 1, 2011. The Bonds are not subject to mandatory redemption and are not subject to tender.

5. As authorized pursuant to Section 5.2 of the Series 2003 Resolution, the undersigned hereby determine that the purchase price at which the Bonds shall be sold to the Underwriter shall be (a) 99.1% of the aggregate principal amount thereof, or \$7,809,080, less (b) original issue discount in the aggregate amount of \$60,692.60, plus (c) the sum of \$11,554.06, representing accrued interest on the Bonds from their date to December 16, 2003, being the intended Issue Date, for a total price of \$7,759,941.46.

6. As authorized pursuant to Section 9.2 of the Series 2003 Resolution, the undersigned hereby designate the Bonds as "qualified tax-exempt obligations" within the meaning and for purposes of Section 265(b)(3)(B) of the Code. The University hereby represents and warrants, as to itself, all subordinate entities, all entities which issue obligations on behalf of the University and all entities (if any) on behalf of which the University is deemed to issue obligations (within the meaning of Section 265(b)(3) of the Code and the Regulations and rulings promulgated thereunder), that the total amount of all tax-exempt obligations heretofore issued (including for this purpose the Bonds) and reasonably anticipated to be issued by the University and such other entities during calendar year 2003 will not exceed \$10,000,000.

7. Having successfully concluded negotiations with AMBAC, the correct full name of which is Ambac Assurance Corporation (hereinafter, "Ambac Assurance"), the undersigned officers, as authorized pursuant to Section 10.1 of the Series 2003 Resolution, have determined to accept from Ambac Assurance three commitments, for the issuance by Ambac Assurance of (a) a financial guaranty insurance policy covering the payment of debt service on the Bonds (the "2003 Policy"), (b) a financial guaranty insurance policy covering the payment of debt service on the Series 2002 Bonds (the "2002 Policy"), and (c) a Reserve Credit Facility in face amount at least equal to the increase in the Maximum Annual Debt Service Requirement attributable to the Series 2002 Bonds and the Bonds. Attached hereto as Appendix I and hereby made a part hereof and of the Series 2003 Resolution (as authorized by Section 10.1 thereof), are the provisions, supplemental to and designated as and constituting "Article XII" of the Series 2003 Resolution, required by Ambac Assurance in connection with the issuance of the 2003 Policy. As further authorized by Section 10.1 of the Series 2003 Resolution, attached hereto as Appendix II and hereby made a part hereof and of the resolution which authorized issuance of the Series 2002 Bonds (herein, the "Series 2002 Resolution") are the provisions, supplemental to and designated as and constituting "Article XI" of the Series 2002 Resolution (as contemplated by Section 9.1 thereof), required by Ambac Assurance in connection with the issuance of the 2002 Policy.

8. Upon receipt by the Depository of the Reserve Credit Facility referenced in Section 7 hereof, the Depository is hereby authorized and directed to transfer the sum of \$1,031,200.00, deposited in the Reserve Fund at the time of issuance of the Series 2002 Bonds, together with any investment earnings thereon, into the Series 2002 Construction Account created under the Series 2002 Resolution, for disbursement in accordance with the provisions thereof.

IN WITNESS WHEREOF, we have hereunto set our hands and the seal of Troy State University System, this 8th day of December, 2003.

[S E A L] /s/ Jack Hawkins, Jr.
Chancellor of the University and
Secretary of the Board of Trustees

/s/ James M. Bookout
Treasurer and Vice Chancellor for
Financial Affairs of the University

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APPENDIX I

PROVISIONS RELATING TO THE 2003 POLICY

ARTICLE XII

PROVISIONS RELATING TO THE POLICY

The provisions of this Article XII are adopted and entered into as a condition to the issuance by Ambac Assurance of the financial guaranty insurance policy covering the payment of debt service on the Series 2003 Bonds (the "Policy"), and shall remain in effect so long as the Series 2003 Bonds remain Outstanding within the meaning of the Bond Resolution and this Resolution.

Section 12.1 Payment Procedure Pursuant to the Policy.

(a) At least one (1) day prior to all payment dates on the Series 2003 Bonds, the Depository will determine whether there will be sufficient funds in the Funds to pay the principal of or interest on the Series 2003 Bonds on such payment date. If the Depository determines that there will be insufficient funds in such Funds, the Depository shall so notify Ambac Assurance. Such notice shall specify the amount of the anticipated deficiency, the Series 2003 Bonds to which such deficiency is applicable and whether such Bonds will be deficient as to principal or interest, or both. If the Depository has not so notified Ambac Assurance at least one (1) day prior to a payment date, Ambac Assurance will make payments of principal or interest due on the Series 2003 Bonds on or before the first (1st) day next following the date on which Ambac Assurance shall have received notice of nonpayment from the Depository.

(b) The Depository shall, after giving notice to Ambac Assurance as provided in (a) above, make available to Ambac Assurance and, at Ambac Assurance's direction, to The Bank of New York, in New York, New York, as insurance trustee for Ambac Assurance or any successor insurance trustee (the "Insurance Trustee"), the registration books of the University maintained by the Depository and all records relating to the Funds maintained under the Bond Resolution.

(c) The Depository shall provide Ambac Assurance and the Insurance Trustee with a list of registered owners of Series 2003 Bonds entitled to receive principal or interest payments from Ambac Assurance under the terms of the Policy, and shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the registered owners of Series 2003 Bonds entitled to receive full or partial interest payments from Ambac Assurance and (ii) to pay principal of Series 2003 Bonds surrendered to the Insurance Trustee by the registered owners of Series 2003 Bonds entitled to receive full or partial principal payments from Ambac Assurance.

(d) The Depository shall, at the time it provides notice to Ambac Assurance pursuant to (a) above, notify registered owners of Series 2003 Bonds entitled to receive the payment of principal thereof or interest thereon from Ambac Assurance (i) as to the fact of such entitlement, (ii) that Ambac Assurance will remit to them all or a part of the interest payments next coming due upon proof of bondholder entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the registered owner's right to payment, (iii) that should they be entitled to receive full payment of principal from Ambac Assurance, they must surrender their Series 2003 Bonds (along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to permit ownership of such Bonds to be registered in the name of Ambac Assurance) for payment to the Insurance Trustee, and not the Depository, and (iv) that should they be entitled to receive partial payment of principal from Ambac Assurance, they must surrender their Series 2003 Bonds for payment thereon first to the Depository, who shall note on such Bonds the portion of the principal paid by the Depository, and then, along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee, to the Insurance Trustee, which will then pay the unpaid portion of principal.

(e) In the event that the Depository has notice that any payment of principal of or interest on a Series 2003 Bond which has become Due for Payment (as defined in the Policy) and which is made to a bondholder by or on behalf of the University has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Depository shall, at the time Ambac Assurance is notified pursuant to (a) above, notify all registered owners that in the event that any registered owner's payment is so recovered, such registered owner will be entitled to payment from Ambac Assurance to the extent of such recovery if sufficient funds are not otherwise available, and the Depository shall furnish to Ambac Assurance its records evidencing the payments of principal of and interest on the Series 2003 Bonds which have been made by the Depository and subsequently recovered from registered owners and the dates on which such payments were made.

(f) In addition to those rights granted Ambac Assurance under this Resolution, Ambac Assurance shall, to the extent it makes payment of principal of or interest on Series 2003 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Depository shall note Ambac Assurance's rights as subrogee on the registration books of the University maintained by the Depository upon receipt from Ambac Assurance of proof of the

payment of interest thereon to the registered owners of the Series 2003 Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Depository shall note Ambac Assurance's rights as subrogee on the registration books of the University maintained by the Depository upon surrender of the Series 2003 Bonds by the registered owners thereof together with proof of the payment of principal thereof.

Section 12.2 Notices, Etc.

(a) While the Policy is in effect, the University shall furnish to Ambac Assurance (to the attention of the Surveillance Department, unless otherwise indicated), upon request, the following: (i) a copy of any financial statement, audit and/or annual report of the University; (ii) a copy of any notice to be given to the registered owners of the Series 2003 Bonds, including without limitation notice of any redemption of or defeasance of Series 2003 Bonds, and any certificate rendered pursuant to the Bond Resolution or this Resolution relating to the security for the Series 2003 Bonds; and (iii) such additional information as it may reasonably request.

(b) The Depository shall notify Ambac Assurance of any failure of the University to provide relevant notices, certificates, etc.

(c) The University will permit Ambac Assurance to discuss the affairs, finances and accounts of the University or any information Ambac Assurance may reasonably request regarding the security for the Series 2003 Bonds with appropriate officers of the University. The Depository and the University, as applicable, will permit Ambac Assurance to have access to the Improvements and to have access to and make copies of all books and records relating to the Series 2003 Bonds at any reasonable time.

(d) Notwithstanding any other provision of this Resolution, the Depository shall immediately notify Ambac Assurance if at any time there are insufficient moneys to make any payments of principal and/or interest as required and immediately upon the occurrence of any default hereunder or under the Bond Resolution.

(e) Ambac Assurance shall be included as a party to be notified with respect to the University's Continuing Disclosure Agreement set forth in Article VII hereof.

(f) Ambac Assurance shall receive prior written notice of any resignation on the part of the Depository.

(g) Upon receipt of any notice pursuant to (d) above, Ambac Assurance shall have the right to direct an accounting by and at the expense of the University, and the University's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from Ambac Assurance shall be deemed a default under this Resolution; provided, however, that if the accounting cannot be completed within such period, then such period will be extended so long as the accounting is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any registered owner of the Series 2003 Bonds.

(h) All notices required to be given to Ambac Assurance under this Resolution shall be in writing and shall be sent by first-class mail, postage prepaid, addressed to Ambac Assurance Corporation, One State Street Plaza, New York, New York 10004, to the attention of the Surveillance Department, unless otherwise indicated.

Section 12.3 Consents; Remedies.

(a) Any provision of this Resolution expressly recognizing or granting rights in or to Ambac Assurance may not be amended in any manner which affects the rights of Ambac Assurance hereunder without the prior written consent of Ambac Assurance.

(b) Unless otherwise provided in this Section 12.3, Ambac Assurance's consent shall be required, in addition to the consent of the holders of Bonds, when required, for the following purposes: (i) execution and delivery of any Supplemental Resolution or any amendment, supplement or change to or modification of this Resolution; (ii) removal of the Depository and selection and appointment of any successor to the Depository; and (iii) initiation or approval of any action not described in clauses (i) or (ii) hereof which would require consent of the holders of Bonds.

(c) Any reorganization or liquidation plan with respect to the University must be acceptable to Ambac Assurance. In the event of any reorganization or liquidation, Ambac Assurance shall have the right to vote on behalf of all holders who hold Ambac Assurance-insured Series 2003 Bonds absent a default by Ambac Assurance under the Policy.

(d) Anything in this Resolution to the contrary notwithstanding, upon the occurrence and continuance of a default, Ambac Assurance shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of Series 2003 Bonds or the Depository for the benefit of such holders under the Bond Resolution.

(e) Ambac Assurance reserves the right to charge the University a fee for any consent or amendment to the Bond Resolution or this Resolution while the Policy is outstanding.

Section 12.4 Miscellaneous.

(a) To the extent that this Resolution confers upon or gives or grants to Ambac Assurance any right, remedy or claim under or by reason of this Resolution, Ambac Assurance is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

(b) Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the University, the Depository, Ambac Assurance and the registered owners of the Series 2003 Bonds, any right, remedy or claim under or by reason of this Resolution or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Resolution contained by and on behalf of the University shall be for the sole and exclusive benefit of the University, the Depository, Ambac Assurance and the registered owners of the Series 2003 Bonds.

(c) Notwithstanding any other provision of this Resolution, in determining whether the rights of the holders of the Series 2003 Bonds will be adversely affected by any action taken pursuant to the terms and provisions of the Bond Resolution or this Resolution, the Depository shall consider the effect on such holders as if there were no Policy.

(d) Notwithstanding anything herein to the contrary, in the event that the principal and/or interest on the Series 2003 Bonds shall be paid by Ambac Assurance pursuant to the Policy, the Series 2003 Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not considered paid by the University, and the assignment and pledge of the General Student Fees and the Funds and all covenants, agreements and other obligations of the University to the registered owners of the Series 2003 Bonds shall continue to exist and shall run to the benefit of Ambac Assurance, and Ambac Assurance shall be subrogated to the rights of such registered owners.

(e) No removal, resignation or termination of the Depository shall take effect until a successor, acceptable to Ambac, shall have been appointed in accordance with the provisions of the Bond Resolution. In addition to the requirements set forth in the Bond Resolution, any successor Depository shall be a trust company or bank in good standing located in or incorporated under the laws of the State of Alabama, duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than \$75,000,000 and acceptable to Ambac Assurance.

APPENDIX II

PROVISIONS RELATING TO THE 2002 POLICY

ARTICLE XI

PROVISIONS RELATING TO THE POLICY

The provisions of this Article XI are adopted and entered into as a condition to the issuance by Ambac Assurance of the financial guaranty insurance policy covering the payment of debt service on the Series 2002 Bonds (the "Policy"), and shall remain in effect so long as the Series 2002 Bonds remain Outstanding within the meaning of the Bond Resolution and this Resolution.

Section 12.1 Payment Procedure Pursuant to the Policy.

(a) At least one (1) day prior to all payment dates on the Series 2002 Bonds, the Depository will determine whether there will be sufficient funds in the Funds to pay the principal of or interest on the Series 2002 Bonds on such payment date. If the Depository determines that there will be insufficient funds in such Funds, the Depository shall so notify Ambac Assurance. Such notice shall specify the amount of the anticipated deficiency, the Series 2002 Bonds to which such deficiency is applicable and whether such Bonds will be deficient as to principal or interest, or both. If the Depository has not so notified Ambac Assurance at least one (1) day prior to a payment date, Ambac Assurance will make payments of principal or interest due on the Series 2002 Bonds on or before the first (1st) day next following the date on which Ambac Assurance shall have received notice of nonpayment from the Depository.

(b) The Depository shall, after giving notice to Ambac Assurance as provided in (a) above, make available to Ambac Assurance and, at Ambac Assurance's direction, to The Bank of New York, in New York, New York, as insurance trustee for Ambac Assurance or any successor insurance trustee (the "Insurance Trustee"), the registration books of the University maintained by the Depository and all records relating to the Funds maintained under the Bond Resolution.

(c) The Depository shall provide Ambac Assurance and the Insurance Trustee with a list of registered owners of Series 2002 Bonds entitled to receive principal or interest payments from Ambac Assurance under the terms of the Policy, and shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the registered owners of Series 2002 Bonds entitled to receive full or partial interest payments from Ambac Assurance and (ii) to pay principal of Series 2002 Bonds surrendered to the Insurance Trustee by the registered owners of Series 2002 Bonds entitled to receive full or partial principal payments from Ambac Assurance.

(d) The Depository shall, at the time it provides notice to Ambac Assurance pursuant to (a) above, notify registered owners of Series 2002 Bonds entitled to receive the payment of principal thereof or interest thereon from Ambac Assurance (i) as to the fact of such entitlement, (ii) that Ambac Assurance will remit to them all or a part of the interest payments next coming due upon proof of bondholder entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the registered owner's right to payment, (iii) that should they be entitled to receive full payment of principal from Ambac Assurance, they must surrender their Series 2002 Bonds (along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to permit ownership of such Bonds to be registered in the name of Ambac Assurance) for payment to the Insurance Trustee, and not the Depository, and (iv) that should they be entitled to receive partial payment of principal from Ambac Assurance, they must surrender their Series 2002 Bonds for payment thereon first to the Depository, who shall note on such Bonds the portion of the principal paid by the Depository, and then, along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee, to the Insurance Trustee, which will then pay the unpaid portion of principal.

(e) In the event that the Depository has notice that any payment of principal of or interest on a Series 2002 Bond which has become Due for Payment (as defined in the Policy) and which is made to a bondholder by or on behalf of the University has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Depository shall, at the time Ambac Assurance is notified pursuant to (a) above, notify all registered owners that in the event that any registered owner's payment is so recovered, such registered owner will be entitled to payment from Ambac Assurance to the extent of such recovery if sufficient funds are not otherwise available, and the Depository shall furnish to Ambac Assurance its records evidencing the payments of principal of and interest on the Series 2002 Bonds which have been made by the Depository and subsequently recovered from registered owners and the dates on which such payments were made.

(f) In addition to those rights granted Ambac Assurance under this Resolution, Ambac Assurance shall, to the extent it makes payment of principal of or interest on Series 2002 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Depository shall note Ambac Assurance's rights as subrogee on the registration books of the University maintained by the Depository upon receipt from Ambac Assurance of proof of the payment of interest thereon to the registered owners of the Series 2002 Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Depository shall note Ambac Assurance's rights as subrogee on the registration books of the University maintained by the Depository upon surrender of the Series 2002 Bonds by the registered owners thereof together with proof of the payment of principal thereof.

Section 12.2 Notices, Etc.

(a) While the Policy is in effect, the University shall furnish to Ambac Assurance (to the attention of the Surveillance Department, unless otherwise indicated), upon request, the following: (i) a copy of any financial statement, audit and/or annual report of the University; (ii) a copy of any notice to be given to the registered owners of the Series 2002 Bonds, including without limitation notice of any redemption of or defeasance of Series 2002 Bonds, and any certificate rendered pursuant to the Bond Resolution or this Resolution relating to the security for the Series 2002 Bonds; and (iii) such additional information as it may reasonably request.

(b) The Depository shall notify Ambac Assurance of any failure of the University to provide relevant notices, certificates, etc.

(c) The University will permit Ambac Assurance to discuss the affairs, finances and accounts of the University or any information Ambac Assurance may reasonably request regarding the security for the Series 2002 Bonds with appropriate officers of the University. The Depository and the University, as applicable, will permit Ambac Assurance to have access to the Improvements and to have access to and make copies of all books and records relating to the Series 2002 Bonds at any reasonable time.

(d) Notwithstanding any other provision of this Resolution, the Depository shall immediately notify Ambac Assurance if at any time there are insufficient moneys to make any payments of principal and/or interest as required and immediately upon the occurrence of any default hereunder or under the Bond Resolution.

(e) Ambac Assurance shall be included as a party to be notified with respect to the University's Continuing Disclosure Agreement set forth in Article VII hereof.

(f) Ambac Assurance shall receive prior written notice of any resignation on the part of the Depository.

(g) Upon receipt of any notice pursuant to (d) above, Ambac Assurance shall have the right to direct an accounting by and at the expense of the University, and the University's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from Ambac Assurance shall be deemed a default under this Resolution; provided, however, that if the accounting cannot be completed within such period, then such period will be extended so long as the accounting is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any registered owner of the Series 2002 Bonds.

(h) All notices required to be given to Ambac Assurance under this Resolution shall be in writing and shall be sent by first-class mail, postage prepaid, addressed to Ambac Assurance Corporation, One State Street Plaza, New York, New York 10004, to the attention of the Surveillance Department, unless otherwise indicated.

Section 12.3 Consents; Remedies.

(a) Any provision of this Resolution expressly recognizing or granting rights in or to Ambac Assurance may not be amended in any manner which affects the rights of Ambac Assurance hereunder without the prior written consent of Ambac Assurance.

(b) Unless otherwise provided in this Section 12.3, Ambac Assurance's consent shall be required, in addition to the consent of the holders of Bonds, when required, for the following purposes: (i) execution and delivery of any Supplemental Resolution or any amendment, supplement or change to or modification of this Resolution; (ii) removal of the Depository and selection and appointment of any successor to the Depository; and (iii) initiation or approval of any action not described in clauses (i) or (ii) hereof which would require consent of the holders of Bonds.

(c) Any reorganization or liquidation plan with respect to the University must be acceptable to Ambac Assurance. In the event of any reorganization or liquidation, Ambac Assurance shall have the right to vote on behalf of all holders who hold Ambac Assurance-insured Series 2002 Bonds absent a default by Ambac Assurance under the Policy.

(d) Anything in this Resolution to the contrary notwithstanding, upon the occurrence and continuance of a default, Ambac Assurance shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of Series 2002 Bonds or the Depository for the benefit of such holders under the Bond Resolution.

(e) Ambac Assurance reserves the right to charge the University a fee for any consent or amendment to the Bond Resolution or this Resolution while the Policy is outstanding.

Section 12.4 Miscellaneous.

(a) To the extent that this Resolution confers upon or gives or grants to Ambac Assurance any right, remedy or claim under or by reason of this Resolution, Ambac Assurance is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

(b) Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the University, the Depository, Ambac Assurance and the registered owners of the Series 2002 Bonds, any right, remedy or claim under or by reason of this Resolution or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Resolution contained by and on behalf of the University shall be for the sole and exclusive benefit of the University, the Depository, Ambac Assurance and the registered owners of the Series 2002 Bonds.

(c) Notwithstanding any other provision of this Resolution, in determining whether the rights of the holders of the Series 2002 Bonds will be adversely affected by any action taken pursuant to the terms and provisions of the Bond Resolution or this Resolution, the Depository shall consider the effect on such holders as if there were no Policy.

(d) Notwithstanding anything herein to the contrary, in the event that the principal and/or interest on the Series 2002 Bonds shall be paid by Ambac Assurance pursuant to the Policy, the Series 2002 Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not considered paid by the University, and the assignment and pledge of the General Student Fees and the Funds and all covenants, agreements and other obligations of the University to the registered owners of the Series 2002 Bonds shall continue to exist and shall run to the benefit of Ambac Assurance, and Ambac Assurance shall be subrogated to the rights of such registered owners.

(e) No removal, resignation or termination of the Depository shall take effect until a successor, acceptable to Ambac, shall have been appointed in accordance with the provisions of the Bond Resolution. In addition to the requirements set forth in the Bond Resolution, any successor Depository shall be a trust company or bank in good standing located in or incorporated under the laws of the State of Alabama, duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than \$75,000,000 and acceptable to Ambac Assurance.

ANNEX B

SERIES 2004 DETERMINATION DOCUMENT

Troy State University System
General Student Fee Revenue Bonds
Series 2004

DETERMINATION DOCUMENT

The undersigned officers of Troy State University System (the "University"), a public corporation and instrumentality duly created and validly existing under the laws of the State of Alabama (the "State"), hereby acknowledge the express authorization given to them in the resolution adopted by the Board of Trustees of the University (the "Board") on September 27, 2003 (the "Series 2004 Resolution"), which authorized the issuance by the University of the above-captioned obligations, to make certain determinations relative to said obligations. Terms used but not otherwise defined herein shall have the meanings given to them in the Series 2004 Resolution, of which (by the terms of the Series 2004 Resolution) this document shall constitute an integral part. The undersigned note that, if and to the extent the determinations so entrusted to be made by them are not made herein, they shall be hereafter made in the Closing Certificate of the University to be executed and delivered by them on the Issue Date (the "Closing Certificate"). Subject to the foregoing, the following determinations are hereby made:

1. The undersigned have heretofore determined, as authorized pursuant to Section 3.1(b) of the Series 2004 Resolution, that prevailing market conditions warranted proceeding with the sale and issuance of the Series 2003-B Bonds (hereinafter, the "Bonds"). (The University has already proceeded with the sale and issuance, on December 16, 2003, of the Series 2003-A Bonds, based on the favorableness of then-prevailing market conditions.) As such, and as authorized pursuant to Section 5.1(a) of the Series 2004 Resolution, the POS of the University relative to the Bonds was prepared and distributed by the Underwriter. As further authorized pursuant to said Section 5.1(a), that POS dated January 19, 2004 is hereby "deemed final" as of its date, for purposes of SEC Rule 15c2-12.

2. As authorized pursuant to Section 3.1(c) of the Series 2004 Resolution, the undersigned have heretofore determined that the Bonds shall be issued in a single series on a Tax-Exempt basis.

3. The purposes to which the proceeds of the Bonds shall be applied are:

(A) that purpose described in Section 2.1(b) of the Series 2004 Resolution, being the advance refunding of the University's Series 1996 Bonds; and

(B) as the undersigned are authorized by Section 2.1(a)(iii) of the Series 2004 Resolution to determine, the renovation of Smith Hall, which is located on the Troy Campus of the University and which houses the University's English Department.

Pursuant to Section 5.3(b) of the Series 2004 Resolution, the undersigned hereby determine that, of the proceeds of the Bonds, the sum of \$5,172,830 shall be deposited with the Escrow Trustee for application, pursuant to the terms and provisions of the Escrow Agreement, to the purpose described in clause (A) above.

4. As authorized pursuant to the following numbered clauses of Section 3.1(d) of the Series 2004 Resolution, the undersigned hereby make the following determinations with respect to the terms and provisions of the Bonds:

(i) The precise aggregate principal amount of the Bonds will be \$5,475,000, and the Bonds will be issuable in denominations of \$5,000 and any integral multiple thereof.

(ii) The dated date of the Bonds shall be January 1, 2004.

(iii) The Bonds shall bear interest at the fixed rates shown below, payable semi-annually on May 1 and November 1 of each year commencing May 1, 2004 (each, an "Interest Payment Date").

(iv) Because the Bonds are being issued after December 31, 2003, the precise designation of the Bonds shall be "Troy State University System, General Student Fee Revenue Bonds, Series 2004" and the Bonds shall be numbered consecutively from R-1 upwards.

(v) The Bonds shall mature on November 1 in the years and principal amounts and bear interest at the per annum rates set forth in the following table:

<u>Year</u>	<u>Interest</u>		<u>Year</u>	<u>Interest</u>	
	<u>Amount</u>	<u>Rate</u>		<u>Amount</u>	<u>Rate</u>
2004	\$370,000	1.000%	2009	\$ 405,000	2.125%
2005	150,000	1.250	2010	415,000	2.500
2005	220,000	2.000	2011	420,000	2.750
2006	180,000	1.400	2012	435,000	3.000
2006	200,000	1.500	2013	450,000	3.200
2007	110,000	1.650	2014	465,000	3.300
2007	275,000	2.250	2015	485,000	3.500
2008	295,000	2.000	2016	500,000	3.600
2008	100,000	2.750			

(vi) Bonds maturing on and after November 1, 2010 are subject to optional redemption at par on November 1, 2009. The Bonds are not subject to mandatory redemption and are not subject to tender.

5. As authorized pursuant to Section 5.2 of the Series 2004 Resolution, the undersigned hereby determine that the purchase price at which the Bonds shall be sold to the Underwriter shall be (a) 99.1% of the aggregate principal amount thereof, or \$5,425,725, less (b) original issue discount in the aggregate amount of \$28,736, plus (c) the sum of \$12,874.47, representing accrued interest on the Bonds from their date to February 4, 2004, being the intended Issue Date, for a total price of \$5,409,863.47.

6. As authorized pursuant to Section 9.2 of the Series 2004 Resolution, the undersigned hereby designate the Bonds as "qualified tax-exempt obligations" within the meaning and for purposes of Section 265(b)(3)(B) of the Code. The University hereby represents and warrants, as to itself, all subordinate entities, all entities which issue obligations on behalf of the University and all entities (if any) on behalf of which the University is deemed to issue obligations (within the meaning of Section 265(b)(3) of the Code and the Regulations and rulings promulgated thereunder), that the total amount of all tax-exempt obligations heretofore issued (including for this purpose the Bonds) and reasonably anticipated to be issued by the University and such other entities during calendar year 2004 will not exceed \$10,000,000.

7. Having successfully concluded negotiations with AMBAC, the correct full name of which is Ambac Assurance Corporation (hereinafter, "Ambac Assurance"), the undersigned officers, as authorized pursuant to Section 10.1 of the Series 2004 Resolution, have determined to accept from Ambac Assurance a commitment for the issuance by Ambac Assurance of a financial guaranty insurance policy covering the payment of debt service on the Bonds (the "2004 Policy"). Attached hereto as Appendix I and hereby made a part hereof and of the Series 2004 Resolution (as authorized by Section 10.1 thereof), are the provisions, supplemental to and designated as and constituting "Article XIII" of the Series 2004 Resolution, required by Ambac Assurance in connection with the issuance of the 2004 Policy.

8. Pursuant to and for the purposes specified in Section 6.4 of the Series 2004 Resolution, the undersigned hereby select and engage The Arbitrage Group, Inc., Tuscaloosa/Buhl, Alabama, as the Accountant in connection with the issuance of the Bonds.

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IN WITNESS WHEREOF, we have hereunto set our hands and the seal of Troy State University System, this 22nd day of January, 2004.

[S E A L] /s/ Jack Hawkins, Jr.
Chancellor of the University and
Secretary of the Board of Trustees

/s/ James M. Bookout
Treasurer and Vice Chancellor for
Financial Affairs of the University

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APPENDIX I

PROVISIONS RELATING TO THE 2004 POLICY

ARTICLE XIII

PROVISIONS RELATING TO THE POLICY

The provisions of this Article XIII are adopted and entered into as a condition to the issuance by Ambac Assurance of the financial guaranty insurance policy covering the payment of debt service on the Series 2004 Bonds (the "Policy"), and shall remain in effect so long as the Series 2004 Bonds remain Outstanding within the meaning of the Bond Resolution and this Resolution.

Section 13.1 Payment Procedure Pursuant to the Policy.

(a) At least one (1) day prior to all payment dates on the Series 2004 Bonds, the Depository will determine whether there will be sufficient funds in the Funds to pay the principal of or interest on the Series 2004 Bonds on such payment date. If the Depository determines that there will be insufficient funds in such Funds, the Depository shall so notify Ambac Assurance. Such notice shall specify the amount of the anticipated deficiency, the Series 2004 Bonds to which such deficiency is applicable and whether such Bonds will be deficient as to principal or interest, or both. If the Depository has not so notified Ambac Assurance at least one (1) day prior to a payment date, Ambac Assurance will make payments of principal or interest due on the Series 2004 Bonds on or before the first (1st) day next following the date on which Ambac Assurance shall have received notice of nonpayment from the Depository.

(b) The Depository shall, after giving notice to Ambac Assurance as provided in (a) above, make available to Ambac Assurance and, at Ambac Assurance's direction, to The Bank of New York, in New York, New York, as insurance trustee for Ambac Assurance or any successor insurance trustee (the "Insurance Trustee"), the registration books of the University maintained by the Depository and all records relating to the Funds maintained under the Bond Resolution.

(c) The Depository shall provide Ambac Assurance and the Insurance Trustee with a list of registered owners of Series 2004 Bonds entitled to receive principal or interest payments from Ambac Assurance under the terms of the Policy, and shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the registered owners of Series 2004 Bonds entitled to receive full or partial interest payments from Ambac Assurance and (ii) to pay principal of Series 2004 Bonds surrendered to the Insurance Trustee by the registered owners of Series 2004 Bonds entitled to receive full or partial principal payments from Ambac Assurance.

(d) The Depository shall, at the time it provides notice to Ambac Assurance pursuant to (a) above, notify registered owners of Series 2004 Bonds entitled to receive the payment of principal thereof or interest thereon from Ambac Assurance (i) as to the fact of such entitlement, (ii) that Ambac Assurance will remit to them all or a part of the interest payments next coming due upon proof of bondholder entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the registered owner's right to payment, (iii) that should they be entitled to receive full payment of principal from Ambac Assurance, they must surrender their Series 2004 Bonds (along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to permit ownership of such Bonds to be registered in the name of Ambac Assurance) for payment to the Insurance Trustee, and not the Depository, and (iv) that should they be entitled to receive partial payment of principal from Ambac Assurance, they must surrender their Series 2004 Bonds for payment thereon first to the Depository, who shall note on such Bonds the portion of the principal paid by the Depository, and then, along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee, to the Insurance Trustee, which will then pay the unpaid portion of principal.

(e) In the event that the Depository has notice that any payment of principal of or interest on a Series 2004 Bond which has become Due for Payment (as defined in the Policy) and which is made to a bondholder by or on behalf of the University has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Depository shall, at the time Ambac Assurance is notified pursuant to (a) above, notify all registered owners that in the event that any registered owner's payment is so recovered, such registered owner will be entitled to payment from Ambac Assurance to the extent of such recovery if sufficient funds are not otherwise available, and the Depository shall furnish to Ambac Assurance its records evidencing the payments of principal of and interest on the Series 2004 Bonds which have been made by the Depository and subsequently recovered from registered owners and the dates on which such payments were made.

(f) In addition to those rights granted Ambac Assurance under this Resolution, Ambac Assurance shall, to the extent it makes payment of principal of or interest on Series 2004 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Depository shall note Ambac Assurance's rights as subrogee on the registration books

of the University maintained by the Depository upon receipt from Ambac Assurance of proof of the payment of interest thereon to the registered owners of the Series 2004 Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Depository shall note Ambac Assurance's rights as subrogee on the registration books of the University maintained by the Depository upon surrender of the Series 2004 Bonds by the registered owners thereof together with proof of the payment of principal thereof.

Section 13.2 Notices, Etc.

(a) While the Policy is in effect, the University shall furnish to Ambac Assurance (to the attention of the Surveillance Department, unless otherwise indicated), upon request, the following: (i) a copy of any financial statement, audit and/or annual report of the University; (ii) a copy of any notice to be given to the registered owners of the Series 2004 Bonds, including without limitation notice of any redemption of or defeasance of Series 2004 Bonds, and any certificate rendered pursuant to the Bond Resolution or this Resolution relating to the security for the Series 2004 Bonds; and (iii) such additional information as it may reasonably request.

(b) The Depository shall notify Ambac Assurance of any failure of the University to provide relevant notices, certificates, etc.

(c) The University will permit Ambac Assurance to discuss the affairs, finances and accounts of the University or any information Ambac Assurance may reasonably request regarding the security for the Series 2004 Bonds with appropriate officers of the University. The Depository and the University, as applicable, will permit Ambac Assurance to have access to the Improvements and to have access to and make copies of all books and records relating to the Series 2004 Bonds at any reasonable time.

(d) Notwithstanding any other provision of this Resolution, the Depository shall immediately notify Ambac Assurance if at any time there are insufficient moneys to make any payments of principal and/or interest as required and immediately upon the occurrence of any default hereunder or under the Bond Resolution.

(e) Ambac Assurance shall be included as a party to be notified with respect to the University's Continuing Disclosure Agreement set forth in Article VII hereof.

(f) Ambac Assurance shall receive prior written notice of any resignation on the part of the Depository.

(g) Upon receipt of any notice pursuant to (d) above, Ambac Assurance shall have the right to direct an accounting by and at the expense of the University, and the University's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from Ambac Assurance shall be deemed a default under this Resolution; provided, however, that if the accounting cannot be completed within such period, then such period will be extended so long as the accounting is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any registered owner of the Series 2004 Bonds.

(h) All notices required to be given to Ambac Assurance under this Resolution shall be in writing and shall be sent by first-class mail, postage prepaid, addressed to Ambac Assurance Corporation, One State Street Plaza, New York, New York 10004, to the attention of the Surveillance Department, unless otherwise indicated.

Section 13.3 Consents; Remedies.

(a) Any provision of this Resolution expressly recognizing or granting rights in or to Ambac Assurance may not be amended in any manner which affects the rights of Ambac Assurance hereunder without the prior written consent of Ambac Assurance.

(b) Unless otherwise provided in this Section 13.3, Ambac Assurance's consent shall be required, in addition to the consent of the holders of Bonds, when required, for the following purposes: (i) execution and delivery of any Supplemental Resolution or any amendment, supplement or change to or modification of this Resolution; (ii) removal of the Depository and selection and appointment of any successor to the Depository; and (iii) initiation or approval of any action not described in clauses (i) or (ii) hereof which would require consent of the holders of Bonds.

(c) Any reorganization or liquidation plan with respect to the University must be acceptable to Ambac Assurance. In the event of any reorganization or liquidation, Ambac Assurance shall have the right to vote on behalf of all holders who hold Ambac Assurance-insured Series 2004 Bonds absent a default by Ambac Assurance under the Policy.

(d) Anything in this Resolution to the contrary notwithstanding, upon the occurrence and continuance of a default, Ambac Assurance shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of Series 2004 Bonds or the Depository for the benefit of such holders under the Bond Resolution.

(e) Ambac Assurance reserves the right to charge the University a fee for any consent or amendment to the Bond Resolution or this Resolution while the Policy is outstanding.

Section 13.4 Miscellaneous.

(a) To the extent that this Resolution confers upon or gives or grants to Ambac Assurance any right, remedy or claim under or by reason of this Resolution, Ambac Assurance is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

(b) Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the University, the Depository, Ambac Assurance and the registered owners of the Series 2004 Bonds, any right, remedy or claim under or by reason of this Resolution or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Resolution contained by and on behalf of the University shall be for the sole and exclusive benefit of the University, the Depository, Ambac Assurance and the registered owners of the Series 2004 Bonds.

(c) Notwithstanding any other provision of this Resolution, in determining whether the rights of the holders of the Series 2004 Bonds will be adversely affected by any action taken pursuant to the terms and provisions of the Bond Resolution or this Resolution, the Depository shall consider the effect on such holders as if there were no Policy.

(d) Notwithstanding anything herein to the contrary, in the event that the principal and/or interest on the Series 2004 Bonds shall be paid by Ambac Assurance pursuant to the Policy, the Series 2004 Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not considered paid by the University, and the assignment and pledge of the General Student Fees and the Funds and all covenants, agreements and other obligations of the University to the registered owners of the Series 2004 Bonds shall continue to exist and shall run to the benefit of Ambac Assurance, and Ambac Assurance shall be subrogated to the rights of such registered owners.

(e) No removal, resignation or termination of the Depository shall take effect until a successor, acceptable to Ambac, shall have been appointed in accordance with the provisions of the Bond Resolution. In addition to the requirements set forth in the Bond Resolution, any successor Depository shall be a trust company or bank in good standing located in or incorporated under the laws of the State of Alabama, duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than \$75,000,000 and acceptable to Ambac Assurance.

ANNEX C

**AMENDED SECTION 5.4 OF THE
SERIES 2002 RESOLUTION**

Section 5.4 (a) For each separate series of Series 2002 Bonds determined to be issued, the University shall open and maintain a separate account to be known as the Series 2002 Construction Account (with such additional designation as may be appropriate to distinguish the proceeds of the various series from one another), 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.

(b) The moneys in each Series 2002 Construction Account shall be applied only to pay the cost of acquiring, constructing and installing those of the Improvements to which the Chancellor and Treasurer shall have determined the proceeds of that series of Series 2002 Bonds should be applied, including the repayment of any interim or temporary loans or advances made to the University for such purpose, and the expenses incurred in connection with the issuance of the Series 2002 Bonds. Withdrawals may be made by the University from each Series 2002 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 any Series 2002 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.

(c) Any moneys on deposit in a Series 2002 Construction Account not required for current disbursements shall be invested in Permitted Investments, as hereinafter defined. Any such investments shall be payable in such amounts and at such times as may be necessary to meet required payments from that Series 2002 Construction Account. The earnings from any such investments shall be deposited in that Series 2002 Construction Account. No investment shall be made which would cause any Tax-Exempt series of the Series 2002 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 2002 Construction Account in which shall be held the proceeds of any Tax-Exempt series of the Series 2002 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 full and timely manner, in accordance with Section 8.1(h) hereof.

(d) As used herein, "Permitted Investments" shall mean and include any of the following:

(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., including (i) U.S.A. treasury obligations, (ii) all direct or fully guaranteed obligations, (iii) Farmers Home Administration, (iv) General Services Administration, (v) Guaranteed Title XI financing, (vi) Government National Mortgage Association (GNMA), and (vii) State and Local Government Series;

(3) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the U.S.A., including: (i) Export-Import Bank, (ii) Rural Economic Community Development Administration, (iii) U.S.A. Maritime Administration, (iv) Small Business Administration, (v) U.S.A. Department of Housing & Urban Development (PHAs), (vi) Federal Housing Administration, and (vii) Federal Financing Bank;

(4) 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.: (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), (iii) senior debt obligations of the Federal Home Loan Bank System, and (iv) senior debt obligations of other Government Sponsored Agencies approved by Ambac;

(5) U.S.A. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short-term certificates of deposit on the date of purchase of "P-1" by Moody's Investors Service, Inc. ("Moody's") and "A-1" or "A-1+" by Standard & Poor's Ratings Services ("S&P") and maturing not more than 360 calendar days after the date of purchase (note that ratings on holding companies are not considered as the rating of the bank in question);

(6) 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;

(7) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P;

(8) 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;

(9) 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;

(10) Investment Agreements approved in writing by Ambac (supported by appropriate opinions of counsel); and

(11) other forms of investments (including repurchase agreements) approved in writing by Ambac.

ANNEX D

**AMENDED SECTION 5.4 OF THE
9/27/03 RESOLUTION**

Section 5.4 (a) For each separate series of Series 2003 Bonds determined to be issued, the University shall open and maintain a separate account to be known as the Series 2003 Construction Account (with such additional designation as may be appropriate to distinguish the proceeds of the various series from one another), 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.

(b) The moneys in each Series 2003 Construction Account shall be applied only to pay the cost of acquiring, constructing and installing those of the Improvements to which the Chancellor and Treasurer shall have determined the proceeds of that series of Series 2003 Bonds should be applied, including the repayment of any interim or temporary loans or advances made to the University for such purpose, and the expenses incurred in connection with the issuance of the Series 2003 Bonds. Withdrawals may be made by the University from each Series 2003 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 any Series 2003 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.

(c) Any moneys on deposit in a Series 2003 Construction Account not required for current disbursements shall be invested in Permitted Investments, as hereinafter defined. Any such investments shall be payable in such amounts and at such times as may be necessary to meet required payments from that Series 2003 Construction Account. The earnings from any such investments shall be deposited in that Series 2003 Construction Account. No investment shall be made which would cause any Tax-Exempt series of the Series 2003 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 2003 Construction Account in which shall be held the proceeds of any Tax-Exempt series of the Series 2003 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 full and timely manner, in accordance with Section 9.1(h) hereof.

(d) As used herein, "Permitted Investments" shall mean and include any of the following:

(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., including (i) U.S.A. treasury obligations, (ii) all direct or fully guaranteed obligations, (iii) Farmers Home Administration, (iv) General Services Administration, (v) Guaranteed Title XI financing, (vi) Government National Mortgage Association (GNMA), and (vii) State and Local Government Series;

(3) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the U.S.A., including: (i) Export-Import Bank, (ii) Rural Economic Community Development Administration, (iii) U.S.A. Maritime Administration, (iv) Small Business Administration, (v) U.S.A. Department of Housing & Urban Development (PHAs), (vi) Federal Housing Administration, and (vii) Federal Financing Bank;

(4) 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.: (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), (iii) senior debt obligations of the Federal Home Loan Bank System, and (iv) senior debt obligations of other Government Sponsored Agencies approved by Ambac;

(5) U.S.A. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short-term certificates of deposit on the date of purchase of "P-1" by Moody's Investors Service, Inc. ("Moody's") and "A-1" or "A-1+" by Standard & Poor's Ratings Services ("S&P") and maturing not more than 360 calendar days after the date of purchase (note that ratings on holding companies are not considered as the rating of the bank in question);

(6) 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;

(7) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P;

(8) 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;

(9) 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;

(10) Investment Agreements approved in writing by Ambac (supported by appropriate opinions of counsel); and

(11) other forms of investments (including repurchase agreements) approved in writing by Ambac.

▪ Resolution No. 5 – Tuition, Room & Board

Mr. Harrison called upon Mr. Bookout to introduce Resolution No. 5. Mr. Bookout gave a brief overview of projections for other universities. In an analysis of a tuition increase for the university, Mr. Bookout stated that two categories of expenses have been identified that we will need to recover for the next year. The first category is “Uncontrollable Expenditure Increases” which are the types of costs that are mandated. Another category is projected salary increase. The total amount of additional revenue needed to offset the increase in uncontrollable expenses identified and to provide a salary increase to employees total approximately \$4,600,000. Projections in the percent of tuition increase were shared by Mr. Bookout, but he emphasized that the figures represent projections only at this time.

RESOLUTION 5

Following Mr. Bookout’s report, Mr. Harrison stated Resolution 5 states only that there may be a tuition increase and if that is the case we would come back with a resolution later to specify the amount of the increase.

ACTION: Based on a recommendation from the Finance Committee, Mr. Harrison made a motion to approve Resolution No. 5. Mr. Higgins provided a second. The Governor called for comments. Senator Dial commented that it is very disturbing that in Alabama and in other states, we are soon going to make a quality education for middle income Alabamians unaffordable. He added that we are all conscientious of this and we all have to work on it. All were in agreement with Senator Dial. With a motion and a second on the table, the Governor Riley called for a vote. Resolution No. 5 was approved unanimously.

Tuition and Room and Board
2004 - 2005

WHEREAS, tuition continues to increase on the national level as a result of decreased state funding for higher education; and

WHEREAS, Troy State University has received only a 5.5 % total increase in its state allocations over the last four years; and

WHEREAS, Troy State University personnel have not had a salary increase in two years, and have experienced substantial increases in the cost of health insurance; and

WHEREAS, institutional expenses for operating dormitories and food service continue to increase;

THEREFORE, BE IT RESOLVED by the Board of Trustees, that the attached increases for Room and Board are approved for the 2004 – 05 academic year; and

BE IT FURTHER RESOLVED, that the Chancellor is authorized to review the needs of the University and the legislative allocation of 2004 – 05 and to recommend a tuition increase proportionate to these items and that the final tuition recommendation be presented to the Board of Trustees in a mail resolution prior to June 1, 2004.

Room and Board Price Comparisons

Below are some price comparisons between Troy State University and other institutions in the state. These other institutions have a variety of housing options just as TSU does. The comparison is on a traditional style room and the basic meal plan (equivalent to the TSU 19+ meal plan)

Auburn University has set pricing for next year. Other Alabama campuses are all expecting between a 3% to 8% increase in room and board rates.

Institution	Present Room Rate	Proposed Room Rate	Present Meal Rate	Proposed Meal Rate	Notes on Meal Plans
TSU	1120.00	1150.00	1220.00	1256.00	19 meal plan/50 bonus dollars
Auburn	1250.00	1430.00	1225.00		19 meal plan/no bonus dollars
U of A	1295.00		1176.00		20 meal plan/no bonus dollars
USA	1118.00		885.00		12 meal plan/no bonus dollars
UNA	1960.00 (Two 8 week terms)		1156.00		20 meal plan/no bonus dollars
JSU	814.00		1069.00		19 meal plan/no bonus dollars

**Room and Board Rate Proposal
2004-2005**

Room

Type of Room	Present Rate	Proposed Rate	Dollar Difference	Percentage Increase
Traditional Room	1120.00	1150.00	+30.00	2.6%
Cowart/Clements/Hill Crest/Sorority	1325.00	1355.00	+30.00	2.2%
Dill Hall				
One bedroom	1450.00	1480.00	+30.00	2.0%
One bedroom- efficiency*	1560.00	1560.00	0.00	0%
Two bedroom	1365.00	1395.00	+30.00	2.2%
Two bedroom-deluxe	1525.00	1555.00	+30.00	2.0%
Pace Hall				
One bedroom-one resident	1550.00	1580.00	+30.00	2.0%
One bedroom-two residents	1425.00	1455.00	+30.00	2.1%
Two bedroom-two residents	1550.00	1580.00	+30.00	2.0%
Two bedroom-four residents	1345.00	1375.00	+30.00	2.2%
Shackelford				
Single	1515.00	1545.00	+30.00	2.0%
One bedroom-two residents	1400.00	1430.00	+30.00	2.1%
Two bedroom-four	1325.00	1355.00	+30.00	2.2%

residents				
University Apartments				
One bedroom-lower	300.00	310.00	+10.00	3.3%
One bedroom-upper	310.00	320.00	+10.00	3.2%
Two bedroom-lower	325.00	335.00	+10.00	3.0%
Two bedroom-upper	335.00	345.00	+10.00	3.0%

All costs above are for a semester with the exception of the University Apartments which are leased on a monthly basis.

*The Dill Hall efficiency unit was not increased due to size of the unit. There are only two units of this size in the complex.

Meal Plans/Board (Revised)

Type of Plan	Present Rate	Proposed Rate	Dollar Difference	Percentage Increase
19 meal plan + 50 points	1220.00	1256.00	+36.00	3.0%
12 meal plan + 150 points	1220.00	1256.00	+36.00	3.0%
9 meal plan + 300 points	1220.00	1256.00	+36.00	3.0%
6 meal plan + 450 points	1220.00	1256.00	+36.00	3.0%

**Please note that meal plan/board prices do not include sales tax.

▪ Resolution No. 6 – Commercial Credit Card Account

Mr. Harrison asked Mr. Bookout to provide an overview of Resolution 6. Mr. Bookout reported that it is the university’s intent to initiate a commercial credit card program on a three-month pilot basis. Various departments within the university will be selected to kickoff the pilot program to evaluate its success. The purchasing card program is designed to provide flexibility to departments to facilitate purchase of small dollar items. It was noted that restrictions can be placed on cards.

Mr. Higgins inquired whether there is an Alabama bank that provides this service. Mr. Bookout responded that a comprehensive “Request for Proposal” was sent out that included Alabama banks. He noted that one component of the program is the requirement to interface with our Datatel accounting system. Mr. Bookout added that, to his knowledge, there is not an Alabama bank that uses Datatel in its accounting information system. MBNA has experience interfacing with Datatel which means that all of our transactions imported and exported from MBNA directly into Datatel would be a big cost savings in order to accomplish this requirement.

RESOLUTION 6

ACTION: Following Mr. Bookout’s report, Mr. Harrison, based on the recommendation of the Finance Committee, made a motion to adopt Resolution 6. A second was provided by Senator Dial. The Governor called for discussion. Mr. Drinkard said he felt that given time he thought some Alabama banks could provide this service. Chancellor Hawkins spoke to Mr. Drinkard’s concern and added that it has been the philosophy of the university to support local businesses. Since this is a pilot program, the Chancellor asked that, with the chairman of the Finance Committee’s direction, let’s us go forward with the pilot program, making the commitment to Mr. Drinkard that if the business can be done best with an Alabama-based institution, it will be. The Governor added that this three-

month pilot program will allow the university to see how it works and would give an opportunity to contact Alabama-based institutions if they would like to make a proposal. The Governor said that there is a motion on the table with a second for Resolution 6. He called for the vote which reflected that Resolution 6 passed with Mr. Drinkard voting against approval. The Governor stated that the motion to approve carried but will be readdressed at a later date.

Commercial Credit Card Account

WHEREAS, the Troy State University System desires to implement a Purchasing Card Program to be issued to certain faculty and staff; and

WHEREAS, the purpose of the Purchasing Card is to facilitate small dollar purchasing for supply items, flexibility with travel arrangements, reduce the need for petty cash funds, preclude the need for travel reimbursements and achieve tax savings on exempt transactions; and

WHEREAS, the Troy State University System has chosen MBNA America, N.A., as the System's Purchasing Card Commercial Card Account Provider; and

WHEREAS, the Troy State University System desires to obtain or continue credit from MBNA, extended through the issuance of Commercial Credit Cards, and to open one or more commercial credit accounts with MBNA, to name and request the issuance of credit cards to employees; and

WHEREAS, the Troy State University System will engage in business transactions of all nature and kind and/or to enter into all manner of contractual relationships with MBNA relating to or in connection with the Commercial Credit Cards;

THEREFORE, the Board of Trustees on this 16th day of April, 2004, agrees to execute and endorse all documents necessary or required by MBNA to evidence or consummate any extension of such credit to the Troy State University System.

In conclusion of the Finance Committee report, Mr. Harrison expressed appreciation to Dr. Patterson and Mr. Jim Bookout on behalf of the Finance Committee for the outstanding work they do in guiding the financial direction of Troy University. Governor Riley commended the university of the audit report as outlined today.

- Academic Affairs, Senator Gerald Dial

Senator Dial advised that Resolution No. 7 was a ratification of a mail resolution approving the award of an honorary degree to Mr. Hugh O'Brian.

- Resolution No. 7 — (ratification) Honorary Degree

RESOLUTION 7

ACTION: **Senator Dial made a motion to ratify Resolution No. 7. Seconded by Dr. Andrews, the motion passed.**

Honorary Degree – Mr. Hugh O'Brian

WHEREAS, Mr. Hugh O'Brian, a native of Rochester, N.Y., distinguished himself in service to his country as the youngest drill instructor in U.S. Marine Corps history and then pursued a career in acting in order to finance his college education;

WHEREAS, Mr. O'Brian enjoyed a successful career on stage and screen, and is best known as portraying frontier marshal Wyatt Earp in his long-running television series "Life and Legend of Wyatt Earp;"

WHEREAS, Mr. O'Brian's passion for cultural diversity, evidenced by the rich and varied roles he assumed as an actor, led him to develop the Hugh O'Brian Youth Leadership (HOBY) in

1958, an organization dedicated to cultivating and nurturing that same awareness in today's emerging young leaders of America;

WHEREAS, Mr. O'Brian, inspired by the efforts of humanitarian Dr. Albert Schweitzer, developed HOBY into an organization that would "seek out, recognize and develop leadership potential" in high school students during their sophomore year, the time at which Mr. O'Brian was aided by his parents in realizing his personal growth as a figure of leadership;

WHEREAS, Hugh O'Brian Youth Leadership (HOBY) has grown into a nationwide organization with leadership seminars taking place in all 50 states, and has benefited countless thousands of current and past Troy State University students;

AND WHEREAS, Mr. Hugh O'Brian has honored Troy State University by serving as its commencement speaker for fall semester of 2003, bringing his message of responsible leadership to hundreds of future leaders for Alabama, the nation, and the world;

THEREFORE BE IT RESOLVED, that the Honorary Degree of Doctor of Fine Arts is hereby awarded to Mr. Hugh O'Brian for his role in fostering leadership in young persons across this nation and that this degree be awarded at Troy State University's fall commencement exercises on December 12, 2003.

▪ Resolution No. 8 — (ratification) School of Accountancy

Senator Dial stated that Resolution No. 8 was for the ratification of a mail resolution. He called upon Dr. Tom Ratcliffe, Sorrell College of Business Dean, to give a brief report. Dr. Ratcliffe provided an overview of the accounting program at the university and cited several accomplishments of the program and our graduates.

RESOLUTION 8

ACTION: **Following Dr. Ratcliffe's report, Senator Dial made a motion to ratify mail Resolution 8. Seconded by Mr. Drinkard, Resolution No. 8 was approved.**

School of Accountancy

WHEREAS, the profession of public accountancy has experienced widespread reforms and sweeping changes in the wake of several high-profile corporate scandals; and

WHEREAS, recently enacted regulations and legislation mandate a continuous upgrading of topical coverage within each class taught in the curriculum to comply with new guidelines promulgated on virtually a weekly basis by the Securities and Exchange Commission, the Public Company Accountancy Oversight Board, the Department of Labor, the General Accounting Office and various State Boards of Accountancy; and

WHEREAS, it is both necessary and desirable to maintain a state-of-the-art accounting program which bridges the gap between textbook education and the practitioner's role in society; and

WHEREAS, it is also both necessary and desirable to recruit excellent students and faculty as we compete for them against established schools of accounting; and

WHEREAS, in conjunction with the formation of "One Great University," it shall become necessary to provide direction and leadership to continue the tradition of excellence with regard to certified public accounting examinations;

THEREFORE, BE IT RESOLVED that the Board of Trustees does hereby unanimously endorse the establishment of the Troy State University School of Accountancy.

▪ Resolution No. 9 — Commendation of Mr. Nick Abraham

Senator Dial read Resolution No. 9 commending Mr. Nick Abraham, and following adoption of the resolution, the Board presented a framed copy of the resolution to Mr. Abraham.

RESOLUTION 9

ACTION: Senator Dial made a motion to adopted Resolution No. 9. Seconded by Mr. Higgins, Resolution 9 was approved.

Commending Nick Abraham

WHEREAS, Nick Abraham has served as President of the Troy State University Student Government Association for the 2003-2004 academic year; and

WHEREAS, Mr. Abraham has shown outstanding leadership qualities and has played an integral role in the progress of Troy State University; and

WHEREAS, Mr. Abraham's administration has made great strides toward improving Trojan spirit, especially in regards to promoting widespread student support of Troy State University intercollegiate athletics; and

WHEREAS, Mr. Abraham has done an outstanding job of representing the student body on the Board of Trustees, among the faculty and staff and in the greater community; and

WHEREAS, Mr. Abraham's term as SGA President will end during spring semester 2004;

THEREFORE BE IT RESOLVED, that the Board of Trustees hereby recognizes Nick Abraham for hard work and exemplary leadership and wishes him the best for future success.

▪ Resolution No. 10 – Commending Retirees

Senator Dial introduced Resolution 10 stating that is commends retiring faculty and staff members.

RESOLUTION 10

ACTION: Senator Dial moved for adoption of Resolution No. 10. Seconded by Dr. D. Hawkins, Resolution No. 10 was approved.

Commending Retiring Faculty and Staff Members

WHEREAS, the following Troy State University faculty and staff members retired or will retire on the specified date:

FACULTY:

Fred B. Davis, Provost, Troy State University, January 1, 2004; **Patricia P. Fritchie**, Professor, Troy State University Dothan, January 1, 2004; **Joyce W. Jenkins**, Assistant Professor, ASN Program-Montgomery, Troy State University, January 1, 2004; **Thomas D. Moffett**, Associate Professor, School of Music, Troy State University, May 1, 2004; **Pariz Parsa**, Professor, College of Business, Troy State University Dothan, August 1, 2004; **Brenda J. Riley**, Professor/Director, School of Nursing, Troy State University, January 1, 2004; and **Ronald M. Robinson**, Lecturer, Troy State University Ft. Benning, December 1, 2003.

STAFF:

Teresa S. Galloway, Departmental Secretary, School of Nursing, Troy State University Montgomery, April 1, 2004; **Eva M. Green**, Departmental Secretary, Department of Art and Design, Troy State University, December 1, 2003; **Anne S. Hall**, Supervisor of Admissions, Troy State University Florida Region, January 1, 2004; **Laura Ann Hart**, Director, Admissions and Records, ASN Program, Troy State University Montgomery, February 1, 2004; **Michael E. Higgins**, Computer Operator Analyst, Troy State University Dothan, December 1, 2003; **Steve D. Sanders**, Building Maintenance Worker, Physical Plant, Troy State University, February 1, 2004; **Elizabeth Ann Starks**, Custodial Worker, Physical Plant, Troy State University, April 1, 2004; **Alma Jean Thompson**, Custodial Worker, Physical Plant, Troy State University, May 1,

2004; **Dasie Mae Williamson**, Custodial Worker, Physical Plant, Troy State University, April 1, 2004; and **Myrtle L. Wingard**, Custodial Worker, Physical Plant, Troy State University, May 1, 2004.

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.

- Update on At-Large position

Senator Dial mentioned to the Governor that although it was not on the agenda, he would like to report that the bill to create an at-large trusteeship has passed the Senate and gone to the House. It should come out of committee next week.

- Athletics, Mr. Allen Owen

Mr. Owen said that there are a number of exciting upcoming events and he called on Mr. Johnny Williams, Athletics Director, to provide a report. Mr. Williams stated that the university is excited about the stadium and what it means to our athletic program, the city, and to the university. Our first game this fall against Missouri will be moved to a Thursday night and will be televised nationally by ESPN. Plans are to complete the remaining three floors of the press box that will enable the university to have a complete academic center, a new training floor for the athletes and the sports medicine program will be housed on one of the floors as well. This fall the university will enter into the Sun Belt Conference. Recruiting efforts are going very well. The basketball program was profiled in the Final Four game program, and featured a story on Greg Davis. Women's rodeo program won their first collegiate championship recently. Academically, our student athletes are doing very well and 79.4% have at least a 3.0 overall GPA which puts Troy University number one in our league. Coach Melanie Davis became the all-time winning coach at the university with 435 wins. Our baseball team is having a good season and our women's tennis team will be playing in the championship round tomorrow against Central Florida for the Atlanta Sun Conference championship.

Dr. Andrews applauded the university for the great average we had on the basketball team, but he said it's important to point out that of the number of Division I basketball teams in the NCAA statistics show that greater than 50% of those basketball programs have not graduated a minority basketball player in the last ten years. Dr. Andrews said he thinks the university needs to track our program to determine the graduation rate we have and concentrate on it. Mr. Williams said that he will make a special effort at the summer board meeting to bring forth our graduation rates. He indicated that he thinks everyone will be quite pleased.

V. Election of Officers

- Nominating Committee Report, Mr. Allen Owen

Mr. Owen expressed his appreciation to Mr. Higgins and Mr. McGregor for serving on the nominating committee. Mr. Owen, reporting on behalf of the committee, said the committee unanimously recommends the re-nomination of Dr. Doug Hawkins as president pro tem and re-nominates Senator Gerald Dial as vice president pro tem.

ACTION: **Dr. Andrews made a motion to approve the nominating committee's recommendations as referenced above. Seconded by Mr. Nailen, the motion passed unanimously.**

VI. Adjournment

Prior to adjourning, a video was viewed by the board promoting Troy University.

On a motion by Mr. Owen, seconded by Dr. D. Hawkins, 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