

**MINUTES
BOARD OF TRUSTEES' MEETING
TROY UNIVERSITY
TROY, ALABAMA
July 24, 2009**

The Troy University Board of Trustees met at 1:30 p.m. on July 24, 2009, in Hawkins Hall Conference Room on the Troy University Campus in Troy, Alabama.

I. Call to Order

Dr. Doug Hawkins, President pro tempore of the Board, called the meeting to order.

II. Roll Call

Upon roll call, the following members, comprising a quorum, answered present: Dr. R. Douglas Hawkins, Mr. Gerald O. Dial, Mrs. Karen E. Carter, Mr. Edward F. Crowell, Mr. Roy H. Drinkard, Mr. John D. Harrison, Mr. Lamar P. Higgins, Mr. Forrest Latta, Mr. Allen E. Owen, III, and Mr. Jonathan Davis, SGA President (non-voting member). Absent: Governor Bob Riley, State Superintendent of Education Dr. Joe Morton, and Mr. Milton McGregor.

III. Approval of Minutes (May 8, 2009)

A draft copy of the May 8, 2009, minutes was mailed to Board members prior to the meeting. There being no additions or corrections, Dr. D. Hawkins called for a motion to approve the minutes as presented.

ACTION: MR. GERALD DIAL MADE A MOTION TO APPROVE THE MINUTES AS PRESENTED FOR THE MAY 8, 2009, MEETING. A SECOND TO THE MOTION WAS MADE BY MR. LAMAR HIGGINS. HAVING RECEIVED A MOTION AND SECOND, THE MINUTES (COPIES OF WHICH WERE MAILED TO BOARD MEMBERS PRIOR TO THE MEETING) WERE APPROVED AS PRESENTED.

IV. Reports

A. Chancellor

Chancellor Hawkins stated that agenda items to be considered today include the following:

- Finance—Contractual Arrangements and the budget
- Academic Affairs—An enrollment report and updates on the Southern Association of Colleges and Schools (SACS) and the Doctorate of Nursing Practice (DNP)
- Athletics report

In regard to SACS, Chancellor Hawkins highlighted the four challenges the University faces—(1) certifying qualified faculty in compliance with SACS policy and some international sites, (2) hiring additional full-time faculty, (3) revising and streamlining the Quality Enhancement Plan (QEP), and (4) updating our system of institutional effectiveness. The Chancellor further stated that in preparing for the response to SACS, ten guiding principles were established. He shared the ten steps as follows:

1. We are tuition driven.
2. We must attract quality students.
3. Hire more full-time faculty,
4. Our full-time faculty must focus on quality teaching and research.
5. We will cut costs.
6. If you CANNOT DOCUMENT PROGRESS, PROGRESS DIDN'T OCCUR.
7. Distance Learning is here to stay.
8. We will freeze all on-ground expansion in Global Campus while we conduct a review of our academic programs, financial viability, and value to the university.
9. Every academic program we offer must also be available online.

10. Create a paperless University.

The Chancellor talked about the Strategic Plan 2015 and stated that we will continue our precedent of in the 2010 plan in developing an ambitious strategic plan built upon bold goals. Some of the bold goals include new academic programs to include doctoral programs, a professional school—the first for Troy University, more stringent academic standards, specific goals for study-abroad by colleges, new facilities at all Alabama campuses, establish an Honors College and initiate a new model for research.

Chancellor Hawkins touched on work in progress in regard to facility improvements. He talked about the renovation of Bibb Graves Hall, which will be a two-year project to restore a signature building. It was noted that the Center for International Business and Economic Development and the Confucius Institute will be housed in Bibb Graves. There will be a groundbreaking on September 19th in conjunction with the football game vs. UAB.

Other works in progress include a new dining facility, Smith Hall renovations nearing completion, new fraternity housing, a new maintenance building and new water tower project on the Dothan Campus, and plans for the old Executive Office Building in Montgomery.

Chancellor Hawkins spoke about several initiatives that are underway to serve students in new markets which include the following:

- eConnections program with 15 partner schools in the two-year college system
- We are now serving home-school students and private school students thru ACCELERATE
- eCampus dual enrollment program
- Military veterans—we are among the first universities in Alabama to agree to participate in the Yellow Ribbon Program under the new G.I. Bill
- First international students on the Montgomery Campus
- Start up of DNP classes

The Chancellor also mentioned that in regard to the economic picture the past two years have been challenging ones for American higher education. The economic downturn in the economy affected many institutions. He added that one of the most important caveats of our “One Great University” initiative was that no one would lose their job or suffer financial harm during that process. He further stated that we have kept that promise because we are a family at Troy University. The most important thing we do is serve students. The second most important thing we do is hire good people. He continued by saying that the University has a deep-seated sense of responsibility to those we teach and to those who teach them. Our goal is to continue to keep that promise, even during these tough times.

In closing, Chancellor Hawkins talked about an initiative to move toward a tobacco-free campus. It was noted that 305 institutions across the country have already declared that they will be tobacco-free. He said that this is a sensitive subject and one that will require a lot of attention and input, but it’s one that we think needs to be reviewed. We will work with the SGA and other student groups over the next several months and will then bring back to the Board a proposal if the process yields that. Chancellor Hawkins called upon Dr. Toni Taylor, Director of University Relations, to speak on this process and she will help craft this policy.

Dr. Taylor spoke about details on how the policy will be written as well as proposals on how to implement. She stated that the proposal will include a recommendation that the tobacco-free policy take effect in the fall of 2010 and Dr. Taylor outlined several ways in which this policy could be communicated to the public.

Chancellor Hawkins advised that the official trustee away football game will be October 16th at Florida International University.

B. Committee Reports

o Finance, Mr. John Harrison

Mr. Harrison called upon Mr. Jim Bookout, Senior Vice Chancellor for Finance and Business Affairs, to brief the board on the financial picture. Mr. Bookout introduced guests, Mr. Bill Wallace and Ms. Cathy Gerachis from Goodwyn Mills, & Caywood Architectural Firm, the firm selected to design

the multi-purpose sports complex. Mr. Jim Ford, who will be working with Goodwyn Caywood & Mills, and Mr. Alex Whaley, Jr. of Whaley Construction were also introduced.

Mr. Bookout said that his report would cover four key points:

1. Fiscal Year 2008 Audit Results
2. Fiscal Year 2009 Progress
3. Fiscal Year 2010 Budget
4. Facilities Update

FY 2008 Audit Findings

Mr. Bookout said the FY 2008 ended on a good note. There were only two findings on the audit. Finding #1: The University limited the bid responses by requesting bids for a Crown Victoria, and excluded other makes and models.

- Response: The University will ensure all bids contain the appropriate wording “equivalent to or equal to.”

Finding #2: Troy University did not receive performance bonds for eight of the twelve bids tested. Performance bonds are required by Sections 41-16-38 and 39-1-1 or the *Code of Alabama*.

- The University has revised the bid process to ensure that a performance bond is obtained as required by the *Code of Alabama*.

Fiscal Year 2008 Year End and FY 2009 Progress

Mr. Bookout shared a condensed statement of net assets and noted that the University ended the FY 2008 with total assets over \$310 million. In terms of the net assets, he focused primarily on the bottom line of net assets at the end of the year. He added that net assets have increased by over \$20 million in the last four years.

In talking about Troy’s financial performance and to show how Troy stacks up within its own financial environment, Mr. Bookout shared financial ratios showing a comparison with Auburn and Alabama. He focused on net operating revenues saying that this is critical and shows a strong financial position of Troy in comparison. One particular area of comparison noted was that of State Appropriations per Student—Troy’s reflects \$2,945 compared to Auburn at 13,237 and Alabama 8,345. Several other areas were mentioned which showed that we are extremely financially strong compared to those institutions.

According to Mr. Bookout, FY 2009, as of June 30th, numbers show that we are on a good track. Rather than going over all of the numbers by line item, Mr. Bookout focused on just the totals. It was noted that in 2008 we achieved 78% of our target revenue, and to date in 2009 we have achieved 75% which shows that we are on target with the prior year. In expenses, we have spent 64% of our planned expenditure last year and we have spent 66% this year to date. We are on target with where we are this year compared to 2008.

Fiscal Year 2010 Budget

In terms of the 2010 proposed operating budget, Mr. Bookout pointed out that the 2010 budget reflects and 10% reduction in non-salaried expenses. He added that there is a contingency plan should we encounter additional reductions through proration. It was noted that the 2010 budget is \$236 million. Highlights of the budget include: (1) Global Campus revenue which represents at 16.9% increase, (2) an ETF appropriations decrease of \$6,313,237, (3) tuition rate change per credit hour charge which yields \$5.2 million, and (4) an increase in debt service of \$4,150,000.

Mr. Bookout’s presentation covered highlights to the revenue and expenditure sections along with comparisons to historical data. A detailed analysis of revenue and expenditure increases was given. He added that preparation of the 2010 budget has improved from years past, and this is the fifth year of using the Budget Management Module. He further stated that we continue to track costs by campus locations, but we have eliminated the individuality of separate campus budgets. Effective communication, he said, at all levels of authority has been the key to our success.

Facilities Update

Mr. Bookout said that the University is now looking at issuing a Series 2009 General Student Fees Revenue Bond and today a resolution is being presented to the Board for consideration. He added

that the University has received an upgraded rating from Moody's. Mr. Bookout provided a thorough analysis of the advantages of issuing a Series 2009 General Student Fees Revenue Bond.

In regard to facilities, Mr. Bookout reported that the University is in the process of renovating Smith Hall (West Wing), with an expected completion date of August 2009. The construction contract totals \$959,000 and is 100% funded by the Public School & College authority Bonds.

The renovation of Bibb Graves began in June with an expected completion date of January 2011, with a total project cost of \$10M. The renovation will include a new addition on the rear of the current building. The newly renovated facility will house the College of Business and The Center for International Business and Economic Development. The Confucius Institute will also be a part of the new addition.

Mr. Bookout reported that a new dining facility is currently in the planning stage with architects and a projected start date is January 2010, with an expected completion date of July 2011. A final rendering has been completed, and the site for the new dining facility is the west and south side of the Hall of Honor. The new dining facility will have a seating capacity of 1,100. Projected budget is \$10M will also be funded through the bond issue being considered today. It was noted that this project will be 100% funded by the 2009 General Fee Revenue Bond.

Also, according to Mr. Bookout, new fraternity housing is currently in the planning stages. It was noted that this project will be 100% funded by the 2009 General Fee Revenue Bond.

Mr. Bookout talked about a multi-purpose sports complex and he said that Bill Wallace's architectural firm has been selected for the project. Visits have been made to several arenas in order to review design concepts. Mr. Bookout provided an overview of proposed plans.

RESOLUTION No. 1

Following Mr. Bookout's presentation, Mr. Harrison expressed his appreciation to Mr. Bookout. Mr. Harrison introduced the following resolution for approval. He provided a brief explanation of the purpose of the resolution. Mr. Harrison reported that the Finance Committee had discussed the resolution and on behalf of the committee, he recommended approval.

- Resolution No 1 – Contractual Arrangements

ACTION: Mr. Harrison made a motion to adopt Resolution No. 1. A second to the motion was made by Mr. Drinkard. There was no further discussion and Resolution No. 1, which follows, was adopted as presented.

RESOLUTION NO. 1

Authority to Enter Into Contractual Arrangements

WHEREAS, the Board of Trustees has delegated certain authority to enter into contracts to the Chancellor of Troy University; and

WHEREAS, such authority allows for the contracting with individuals and organizations to do business for and with Troy University in the furtherance of the university's mission;

THEREFORE BE IT RESOLVED by the Board of Trustees on the 24th day of July, 2009, that the Chancellor of Troy University shall be the only Troy University official with the authority to approve contracts and that his authority shall be limited to contracts covering a period of no more than four years for personnel and no more than five years for leases, goods and services, and other non-personnel contracts. The Chancellor may assign this responsibility to other executives for lower-level contracts.

BE IT FURTHER RESOLVED that any contract exceeding four years for personnel and five years for goods and services shall require the approval of the Board of Trustees.

RESOLUTION No. 2

Mr. Harrison stated that Resolution No. 2 is to approve the 2009-2010 budget and to give the Chancellor the authority and flexibility to make changes from time to time as may be necessary. He said that the Finance Committee met and discussed the proposed budget for 2009-2010 and on behalf of the committee Mr. Harrison recommended adoption of Resolution No. 2.

- Resolution No. 2 – Approving the 2009-2010 Budget

ACTION: A motion to adopt Resolution No.2 was made by Mr. Harrison. A second was provided by Mr. Drinkard. There being no further discussion, Resolution No. 2, which follows, was adopted.

RESOLUTION NO. 2

Approving the 2009 - 2010 Budget

WHEREAS, the administration of Troy University has developed and recommended the Troy University budget for FY 2009-2010; and

WHEREAS, as the Chancellor has reviewed the revenues and expenditures within the proposed budget and has determined that the proposed budget is fiscally sound; and

WHEREAS, the Board members were briefed on various new revenues during the annual Board retreat in March of 2009; and

THEREFORE, BE IT RESOLVED by the Board of Trustees on the 24th day of July 2009 that the budget for 2009-2010 fiscal year is approved with the understanding that the Chancellor is authorized to make such changes from time to time as, in his judgment, may be necessary; and

BE IT FURTHER RESOLVED that the Board of Trustees, due to the decrease in State Appropriations and certain budgeted cost considerations, authorizes the flexibility for the Chancellor to adjust compensation to faculty, staff and classified employees of the university should it be determined funds will be available for the forthcoming year; such determination shall be concluded at a later date.

- Resolution No. 3 – Bond Issue

Board members were provided the following summary of Resolution No. 3 in advance of the meeting with the agenda packet. This summary document is provided for informational purposes and the full text of Resolution No. 3, which was adopted by the Board, follows the summary.

SUMMARY OF SALIENT PROVISIONS:
PROPOSED NEW GENERAL BOND RESOLUTION
TROY UNIVERSITY FACILITIES REVENUE BONDS

On May 8, 2009, the Board of Trustees of Troy University (the "University") authorized the Chancellor and Treasurer to **explore alternative methods for the University's issuance of bonded indebtedness**, other than pursuant to the General Student Fee Bond Resolution adopted August 15, 1969, as amended (the "Prior Bond Resolution"). Such exploration proved fruitful and advantageous.

At the meeting of **July 24, 2009**, the Board will be asked to consider and approve **a new General Bond Resolution providing for the issuance by the University of Facilities Revenue Bonds generally and authorizing the issuance of Facilities Revenue Bonds, Series 2009 in an aggregate principal amount not to exceed \$70,000,000** (the "Series 2009 Bonds"), the proceeds of which will be applied to (a) **the construction and equipping at the Troy campus of a new multipurpose sports complex, a new dining facility, and new multiple-unit fraternity houses**, (b) **the current refunding of the University's General Student Fee Revenue Bonds, Series 2002, currently outstanding in the principal amount of \$11,600,000**, and (c) the payment of the costs of issuance in respect of the Series 2009 Bonds.

The new General Bond Resolution provides a modernized vehicle for the University's debt issuance. **Facilities Revenue Bonds will be secured by (1) a first-lien pledge of Special Student Fees, and (2) a pledge of General Student Fees subordinated to the pledge thereof securing bonds heretofore issued under the Prior Bond Resolution.** No new bonds will be issued under the Prior Bond Resolution, including the bonds authorized by the Board on May 8, 2009; hence, as outstanding bonds issued under the Prior Bond Resolution are retired, **Facilities Revenue Bonds will ultimately be secured by a unified first lien pledge of all Student Fees, General and Special.**

The Series 2009 Bonds will be authorized to be issued, **subject to the discretion of the Chancellor and Treasurer of the University**, in one or more series, on a federally tax-exempt and/or other tax-favored basis, subject, among other things, to the approving legal opinion of Roy S. Goldfinger, P.C., Montgomery, Alabama ("Bond Counsel"). The new General Bond Resolution will further **entrust to the determination of the Chancellor and Treasurer the terms and provisions of the Series 2009 Bonds and of the sale thereof**, including the precise aggregate principal amount, the purposes, the principal amortizations, the interest rates and interest-rate bases (tax-exempt and/or other tax-favored mode) and the redemption provisions thereof, as well as the sale price and the initial purchaser or purchasers thereof. Finally, the new General Bond Resolution will authorize the Chancellor and Treasurer to apply for and, if cost effective, to obtain a **municipal bond insurance policy and/or other form of credit enhancement** covering all or any part of the Series 2009 Bonds, such that the Series 2009 Bonds will trade as securities with a credit rating superior to that of the University on a stand-alone basis.

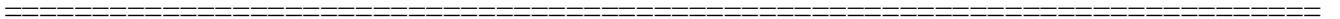
RESOLUTION NO. 3

Mr. Harrison introduced Resolution No. 3, which follows. He said that Mr. Bookout covered thoroughly Resolution No. 3 in his report. It is a new bond issue for 2009 and through the new bond issue the University will refinance part of the 2002 Bond Issue, as well as cover the new dining facility, fraternity housing, and multi-purpose sports complex for a total of \$70M.

RESOLUTION NO. 3

ACTION: Mr. Harrison said that, with the approval of the Finance Committee of the Board, he recommended that Resolution No. 3, which follows, be adopted by the Board. Mr. Drinkard provided a second to the motion. The chair called for discussion. There being none, Resolution No. 3 was adopted by the Board.

**TROY UNIVERSITY
FACILITIES REVENUE BONDS
GENERAL BOND RESOLUTION**



**FACILITIES REVENUE BONDS
GENERAL BOND RESOLUTION**

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**RESOLUTION PROVIDING FOR THE ISSUANCE BY TROY
UNIVERSITY OF FACILITIES REVENUE BONDS
GENERALLY AND AUTHORIZING THE ISSUANCE OF UP
TO \$70,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF
FACILITIES REVENUE BONDS, SERIES 2009**

WHEREAS, for the past 40 years, Troy University has issued most of its bonded indebtedness pursuant to the provisions of a resolution of this Board adopted August 15, 1969, as amended (as more fully described herein, the "Prior Bond Resolution"); and

WHEREAS, the Prior Bond Resolution contained provisions and requirements that have become antiquated, superfluous and inefficient in light of the changes in financial practices and opportunities that have occurred in the ensuing 40 years; and

WHEREAS, on May 8, 2009, this Board adopted a resolution which authorized the Chancellor and Treasurer of the University, working in conjunction with the University's financial professionals and the rating agencies, to explore alternative methods for the University's issuance of bonded indebtedness; and

WHEREAS, such exploration has resulted in the determination that it would be feasible and desirable for the University to adopt this new General Bond Resolution, which will enable the University to issue bonded indebtedness (a) secured by a pledge of General Student Fees (said term and all others used but not defined in these Recitals having the meanings given to them in Article I hereof) subordinated to the pledge thereof securing Prior Bonds under the Prior Bond Resolution, and (b) further secured by a first-lien pledge of Special Student Fees.

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

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. In addition to the words and terms elsewhere defined in this General Bond Resolution or by reference to other documents, unless the context or use clearly indicates another or different meaning or intent:

"Additional Bonds" means any Bonds issued in accordance with Section 2.3 hereof.

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

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

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

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

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

"Bond Fund" means the Bond Fund which is created and established by Section 4.3 hereof.

"Bonds" means the Series 2009 Bonds and any Additional Bonds hereafter issued pursuant to the provisions hereof.

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

"Chancellor" means the Chancellor of the University.

"Code" means the Internal Revenue Code of 1986, as amended. References to the Code and Sections thereof include relevant applicable temporary, proposed or final regulations thereunder and under any predecessor provisions of the Internal Revenue Code of 1954, as amended.

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

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

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

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

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

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

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

"General Bond Resolution" means this Resolution, as the same may hereafter be amended or supplemented in accordance with the provisions hereof.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Predecessor Bond" of any particular Bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by the particular Bond. For the purposes of this definition, any Bond authenticated and delivered under Section 2.8 hereof in lieu of a lost, stolen or destroyed Bond shall be deemed to evidence the same debt as the lost, stolen or destroyed Bond.

"Prior Bond Resolution" means the resolution adopted by the Board on August 15, 1969 entitled "A RESOLUTION PROVIDING FOR THE CONSTRUCTION OF IMPROVEMENTS TO THE STADIUM AT THE CAMPUS OF TROY STATE UNIVERSITY, AT TROY,

ALABAMA, FOR THE FINANCING THEREOF BY THE ISSUANCE OF REVENUE BONDS IN THE PRINCIPAL AMOUNT OF \$70,000, PAYABLE FROM STUDENT FEES FOR THE SECURING OF THE PAYMENT OF THE PRINCIPAL OF AND THE INTEREST ON SUCH BONDS; RESERVING THE RIGHT TO ISSUE ADDITIONAL BONDS PAYABLE FROM SUCH FEES ON A PARITY OF LIEN WITH SUCH BONDS, AND MAKING PROVISIONS INCIDENT THERETO," as modified, amended and supplemented by resolutions supplemental thereto numbered Nos. 1, 9 and 15 adopted by the Board on August 14, 1970, May 30, 1997, and September 10, 2005, respectively.

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

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

"Ratification Resolution" means a resolution of the Board ratifying and confirming, subsequent to the Issue Date thereof, all terms, provisions and other matters relative to any one or more series or sub-series of Bonds, where any such terms, provisions or other matters have been determined and prescribed in a Determination Document.

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

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

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

"Registrar" means the Trustee.

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

"SEC" means the Securities and Exchange Commission.

"Series Resolution" means (a) as to the Series 2009 Bonds, this General Bond Resolution, in particular Article III hereof, and (b) as to any Additional Bonds, the Supplemental Resolution authorizing the issuance thereof and determining or providing for the terms, provisions and other matters relative thereto.

"Series 2009 Bonds" means any of the Bonds authorized to be issued under Article III hereof.

"Series 2009 Construction Account" means the account or accounts provided to be established in Section 3.5 hereof.

"Series 2009 Determination Document" means the Determination Document relative to the Series 2009 Bonds.

"Series 2006 Bonds" means the \$22,410,000 Dormitory Revenue Bonds (Troy University Housing, LLC Project) Series 2006 dated September 1, 2006 and issued by The Troy Public Educational Building Authority to finance dormitory facilities which are leased to the University.

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

"Special Student Fees" means all special fees or charges on students or prospective students now or hereafter levied by the University, in the nature of, and including, without limitation, all lab fees, change of course fees, transcript fees, student activity fees, general University fees, application fees, deferred payment fees, registration fees, continuing education fees, pre-college counseling

fees, administrative fees, technology fees, withdrawal fees, and all other similar fees or charges (a) apart from and in addition to General Student Fees, and (b) exclusive of Auxiliary Enterprise Revenues.

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

"State" means the State of Alabama.

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

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

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

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

"Treasurer" means the Treasurer of the University.

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

"Trustee's Office" means the office from time to time designated by the Trustee, or its successor in trust, as its principal corporate trust office for purposes of discharging its trusts and duties under this General Bond Resolution, which office as of the date hereof is located at 1901 Sixth Avenue North, 28th Floor, Birmingham, Alabama.

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

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

Section 1.3 Captions and Headings. The captions and headings in this General Bond Resolution are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Articles, Sections, subsections, paragraphs, subparagraphs or clauses hereof.

[END OF ARTICLE I]

ARTICLE II

BONDS IN GENERAL

Section 2.1 In General. At any time and from time to time while the University is not in default in the payment of principal of and interest on any of the Bonds or Prior Bonds then outstanding, and for any one or more of the purposes specified in Section 2.2 hereof, the University shall have the right and privilege of issuing Additional Bonds secured on a parity with the Series 2009 Bonds and any Additional Bonds theretofore issued and then outstanding, upon compliance with the provisions of this Article II. Upon the issuance of any Additional Bonds in accordance with the provisions of this Article II, all applicable provisions of this General Bond Resolution referring to Bonds shall be construed to refer both to outstanding Bonds and such Additional Bonds, and the moneys in the Bond Fund may be applied for the payment and benefit of both outstanding Bonds and such Additional Bonds to the extent and in the manner herein provided, all to the end that any Additional Bonds issued in accordance with the provisions of this Article II may be secured in all respects on a parity with the Series 2009 Bonds and any Additional Bonds theretofore issued and then outstanding.

All Bonds issued under this General Bond Resolution shall be designated "Troy University, Facilities Revenue Bonds", with such other or special designations as to any part, series or sub-series thereof, if any, as may be specified pursuant to Section 2.4(c)(2) hereof. Interest on Bonds (unless an alternative interest rate structure has been specified for a given series of Bonds) shall be computed on the basis of a 360-day year composed of twelve 30-day months, and shall be payable from the most recent date to which interest shall have been paid or provided for or, if no interest shall have been paid or provided for, from their dated date.

Section 2.2 Authorized Purposes. The University may issue Bonds under this General Bond Resolution for any one or more of the following purposes:

(a) to pay or reimburse all or any part of the cost of Facilities, including the repayment of any interim or temporary loans or advances made to or by the University for such purpose;

(b) to refund any Bonds theretofore issued pursuant to this General Bond Resolution, including the payment of any redemption premium and any accrued and unpaid interest on the Bonds to be refunded;

(c) to refund any Prior Bonds theretofore issued pursuant to the Prior Bond Resolution, including the payment of any redemption premium and any accrued and unpaid interest on the Prior Bonds to be refunded;

(d) to pay or reimburse all or any part of the costs and expenses of issuing Bonds, including for this purpose the cost of procuring or replacing any Credit Enhancement which the University may have elected to obtain;

(e) to fund any reasonably required reserve which the University may have elected to provide for any Bonds, or to fund or replace (or reimburse itself for funding) any reserve requirement in respect of Prior Bonds (including for this purpose the Series 2006 Bonds); and

(f) for any other lawful purpose.

Section 2.3 Additional Bonds. Prior to the issuance of any Additional Bonds, the University shall file with the Secretary of the Board and the Trustee the following:

(a) the Series Resolution relative to such Bonds, certified by the Secretary of the Board;

(b) the Determination Document, if any, relative to such Bonds;

(c) a certificate signed by the Treasurer certifying that the Maximum Annual Debt Service on all outstanding Bonds (other than any Bonds to be refunded) and of such Additional Bonds, does not exceed fifty per cent (50%) of the sum of (1) (A) the General Student Fees collected by the University during the preceding Fiscal Year, less (B) the Maximum Annual Debt Service on all outstanding Prior Bonds (other than any Prior Bonds to be refunded), plus (2) the Special Student Fees collected by the University during the preceding Fiscal Year, plus (3), if the University has pledged any other fees or revenues to the payment of such Additional Bonds, the amount of such fees or revenues collected or received during the preceding Fiscal Year;

(d) an opinion of Bond Counsel to the effect that the Additional Bonds to be issued have been authorized in accordance with this General Bond Resolution and the applicable Series Resolution and that, when and as issued, such Additional Bonds will be the valid obligations of the University payable as provided in this General Bond Resolution and will be entitled to the benefit and security of the pledge provided in this General Bond Resolution in like manner and to the same extent as Bonds theretofore issued; and

(e) such other opinions, certificates and other documents as may reasonably be required by the Trustee, Bond Counsel, the Purchaser of such Bonds or the provider or providers of any Credit Enhancement in respect of such Bonds.

Section 2.4 Series Resolutions.

(a) *Authorization of Bonds.* Each Series Resolution shall authorize the issuance of the Bonds described therein and shall set forth the estimated aggregate principal amount thereof, together with the maximum aggregate principal amount of the Bonds so authorized. Notwithstanding the foregoing, upon the request of the Chancellor and Treasurer, the finance committee of the Board is hereby authorized to approve the issuance of an aggregate principal amount of Bonds up to but not more than ten percent (10%) greater than the amount set forth in the Series Resolution.

(b) *Findings.* Each Series Resolution shall make and contain findings as to (1) the purpose or purposes for which the Bonds shall be issued, (2) the then outstanding principal amounts, by series, of any theretofore issued Bonds and Prior Bonds, indicating where applicable any amounts of such Bonds or Prior Bonds proposed to be refunded by the Bonds to be issued, and (3) the fact that the University is not then in default in the payment of the principal of or interest on any Bonds or Prior Bonds then outstanding.

(c) *Terms and Provisions of Bonds.* Each Series Resolution shall determine or prescribe, as to the Bonds thereby authorized (and if those Bonds are to be issued in multiple sub-series, as to each such sub-series), the terms, provisions and other matters relative to those Bonds, including those enumerated and described below; provided, however, that the omission of any such item from the Series Resolution or Determination Document relative to any series of Bonds shall not affect the legality, validity, binding effect or enforceability of those Bonds.

(1) The aggregate principal amount and authorized denominations thereof.

(2) The series designation and numbers thereof.

(3) The dated date or (if those Bonds are to be issued at more than one time) dates thereof.

(4) The interest rate or rates (fixed, variable or any combination thereof or any alternative rate structure) to be borne thereby, and the interest payment dates thereof.

(5) The years and principal amounts in which, and the date or dates on which, they shall mature.

(6) The redemption and, if applicable, tender provisions thereof.

(7) The basis or bases (Tax-Exempt, Taxable or Tax-Favored, or any combination thereof) on which those Bonds are to be issued, together with (if any such Bonds are issued on a Tax-Exempt or Tax-Favored basis) such representations, covenants, designations or elections as shall be necessary or desirable to assure the attainment and maintenance of such status; provided, however, that any such representations, covenants, designations or elections may be made either in a Determination Document or in a Tax Compliance Certificate relative to such Bonds.

(8) The form of those Bonds, and whether they are to be issued in certificated and/or book-entry mode.

(9) The Purchaser, purchase price and any other terms of purchase thereof.

(10) The provisions for the defeasance of those Bonds.

(11) Whether other fees or revenues of the University (in addition to General Student Fees and Special Student Fees) are to be pledged to the payment of those Bonds, and if so, a description of such fees or revenues and of such pledge, and whether such pledge pertains to those Bonds only, to certain specified series of Bonds, or to all Bonds.

(12) Whether the University elects to provide any reasonably required reserve for those Bonds, and if so, the amount and provisions for the funding (including any option for furnishing a reserve fund surety bond or similar instrument in lieu of cash), use and replenishment thereof.

(13) Any other Funds or accounts to be established, with the Trustee or otherwise, relative to those Bonds, and the permitted investments thereof.

(14) The disposition or allocations of the proceeds of those Bonds.

(15) If required pursuant to SEC Rule 15c2-12, a continuing disclosure undertaking, or authorization to execute and deliver such an undertaking on or prior to the Issue Date of those Bonds.

(16) Whether the University elects to obtain any Credit Enhancement for those Bonds, and if so, any provisions reasonably required by the provider or providers thereof.

(17) The place or places where those Bonds are payable, including if applicable any special payment arrangements (such as, by way of example, by wire transfer) available to Holders of large principal amounts of those Bonds.

(18) Any other terms, provisions or matters necessary or desirable in connection with those Bonds.

(d) *Determination Document.* A Series Resolution may authorize and entrust any or all of the findings, determinations and other matters relative to those Bonds specified in subsections (b) and (c) of this Section 2.3, as well as any other pertinent matters, to be made in a Determination Document relative to those Bonds. Subsequent to the issuance of those Bonds, the Board may consider a Ratification Resolution with respect to the findings and determinations made in that Determination Document; provided, however, that failure to consider or adopt such a Ratification Resolution shall not affect the legality, validity, binding effect or enforceability of those Bonds.

Section 2.5 Execution of Bonds. The Bonds shall be executed for and on behalf of the University by the manual or facsimile signature of the Chancellor and attested by the manual or facsimile signature of the Treasurer, and the corporate seal of the University shall be affixed to each Bond by imprinting thereon said seal or a facsimile thereof. In the event that any officer whose

manual or facsimile signature appears on any of the Bonds shall cease to be such officer before the authentication, registration, and delivery of such Bonds, or in the event that the seal imprinted manually or in facsimile on any of the Bonds shall cease to be an accurate representation of the seal of the University, such Bonds may, upon the request of the University, be authenticated, registered, and delivered, as herein provided, as though the Person who signed such Bonds had not ceased to be such officer of the University or as though the University had not altered its corporate seal prior to the delivery of such Bonds.

Section 2.6 Authentication of Bonds. None of the Bonds shall be valid or obligatory for any purpose or shall be entitled to any right or benefit hereunder unless there shall have been endorsed thereon a certificate of authentication and registration duly executed by the Trustee, and such certificate of the Trustee upon any Bond executed on behalf of the University shall be conclusive evidence and the only evidence that the Bond so authenticated has been duly issued, registered in the name of the Holder thereof, and that said Holder is entitled to the benefit of this General Bond Resolution. The Trustee's certificate of authentication and registration on any Bond shall be deemed to have been executed by it if manually signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication and registration on all of the Bonds.

Section 2.7 Payment and Ownership of Bonds. Principal of and interest on the Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Trustee or any Paying Agent. Subject to the provisions of Section 2.11 hereof, or to such special payment arrangements as may be made available in a Series Resolution pursuant to Section 2.4(c)(17) hereof, the principal of and any redemption premium on any Bond shall be payable when due to a Holder upon presentation and surrender of such Bond at the Trustee's Office or at the office, designated by the Trustee, of any other Paying Agent; and interest on any Bond shall be paid on each interest payment date specified with respect thereto by check or draft which the Trustee shall cause to be mailed by first-class mail on that date to the Person in whose name that Bond (or one or more Predecessor Bonds) is registered, at the close of business on the Record Date applicable to that interest payment date, on the Register at the address appearing therein or at such other address furnished by such Holder to the Trustee in writing by not later than that Record Date. If and to the extent, however, that the University shall fail to make payment or provision for payment of interest on any Bond on any interest payment date specified with respect thereto, whenever moneys become available for payment of that overdue interest and any subsequently accruing interest, the Trustee shall establish a Special Record Date for the payment of that interest which shall be not more than 15 nor fewer than ten days prior to the date of the proposed payment, and the Trustee shall cause notice of the proposed payment and of the Special Record Date to be mailed by first class mail, postage prepaid, to each Holder at its address as it appears on the Register not fewer than ten days prior to the Special Record Date; and thereafter, interest shall be payable to the Persons who are the Holders of the Bonds (or their respective Predecessor Bonds) at the close of business on the Special Record Date.

The Holder of any Bond shall be deemed and regarded as the absolute owner thereof for all purposes of this General Bond Resolution; payment of or on account of the principal of and interest on any Bond shall be made only to or upon the order of that Holder or its duly authorized attorney in the manner prescribed or permitted by this General Bond Resolution; and neither the University, the Trustee, nor any other Paying Agent shall, to the extent permitted by law, be affected by any notice to the contrary. All of those payments shall be valid and effective to satisfy and discharge the liability upon that Bond, including without limitation, the interest thereon, to the extent of the amount or amounts so paid.

Section 2.8 Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen or destroyed, the University shall execute and the Trustee shall authenticate a new Bond of like tenor, date, number and denomination to the Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the University and the Trustee evidence of such loss, theft or destruction satisfactory to them together with indemnity satisfactory to them. In the event any such Bond shall have matured, instead of issuing a new Bond the University may direct the Trustee to pay the same without surrender. The University and the Trustee may charge the Holder of a mutilated, lost, stolen or

destroyed Bond their reasonable fees and expenses incurred in connection with investigating said claim and taking the other actions specified in this Section.

Section 2.9 Transfer and Exchange of Bonds. Bonds shall be fully registered as to both principal and interest in the name of the Holder thereof, on the Register to be maintained and kept by the Trustee, as Registrar. Any Bond shall be transferable, subject to any restrictions on transferability therein contained, only upon the Register by the Holder thereof in person or by his duly authorized attorney, upon surrender thereof to the Registrar with a written instrument of transfer satisfactory to the Registrar duly executed by the Holder or his duly authorized attorney. Upon the registration of transfer, the University shall issue in the name of the transferee one or more new Bonds of the same aggregate principal amount as the surrendered Bond.

Bonds of a series may be exchanged, at the option of their Holder, for Bonds of any authorized denominations for said series, in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate as, the Bonds being exchanged. The exchange shall be made upon presentation and surrender of the Bonds being exchanged at the designated office of the Registrar, together with an assignment duly executed by the Holder or its duly authorized attorney in any form which shall be satisfactory to the Registrar.

In all cases in which the privilege of exchanging or transferring Bonds is exercised, the University shall execute and the Trustee shall authenticate and deliver new Bonds in accordance with the provisions hereof. The new Bonds shall be issued upon the surrender of the old Bonds in such manner that no gain or loss of interest results from said transfer or exchange.

No charge shall be made to any Holder for the privilege of transfer or exchange hereinabove granted, but any Holder requesting any such transfer or exchange shall pay any tax or other governmental charge required to be paid with respect thereto. No exchange or transfer of a Bond is required to be made if that Bond has been selected for redemption, in whole or in part, nor shall any such exchange or transfer be required during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption as to those Bonds and ending at the close of business on the day of such mailing.

Section 2.10 Cancellation of Bonds. Any Bond surrendered pursuant to this Article II for the purpose of payment or retirement, or for exchange, replacement or transfer, shall be cancelled upon presentation and surrender thereof to the Trustee or any other Paying Agent. Any Bond cancelled by any Paying Agent other than the Trustee shall be transmitted promptly to the Registrar. The University may at any time deliver to the Registrar for cancellation any Bonds previously authenticated and delivered hereunder, which the University may have acquired in any manner whatsoever.

All Bonds so delivered or transmitted shall be promptly cancelled and destroyed by the Registrar by shredding or incineration. Certification of such surrender, cancellation and destruction (describing the manner thereof) shall be made to the University by the Registrar at least once each calendar year.

Section 2.11 Issuance in Book-Entry Mode. In the event the University shall determine that any Bonds shall be initially issued in book-entry mode, certain of the foregoing provisions of this Article II, such as those pertaining to payment and ownership of Bonds, transfer and exchange of Bonds, and the like, shall be deemed modified to the extent necessary to comport with any applicable requirements of The Depository Trust Company ("DTC") or other book-entry depository, as such requirements are set forth in such letter of representations or other agreement or instrument as may be entered into between the University and DTC or such other book-entry depository, in order to induce DTC or other depository to accept such Bonds as eligible for deposit therewith. In the event of any conflict between the terms and provisions of this General Bond Resolution or any Series Resolution (including for this purpose any Determination Document authorized by a Series Resolution) and the terms and provisions of such letter of representations or other agreement with DTC or such other book-entry depository, the terms and provisions of such letter of representations or other agreement shall be controlling, with respect to any Bonds during any period that such Bonds are deposited or intended to be or remain eligible for deposit with DTC or such other book-entry depository.

[END OF ARTICLE II]

ARTICLE III

SERIES 2009 BONDS

Section 3.1 Authorization and Issuance of Series 2009 Bonds. This Article III of this General Bond Resolution constitutes a Series Resolution in order to provide for the issuance of the Series 2009 Bonds.

Pursuant to the authorization to do so contained in this General Bond Resolution and in Section 16-3-28, Code of Alabama 1975, as amended, the Series 2009 Bonds are hereby authorized to be issued, as a series of Bonds under this General Bond Resolution, in an aggregate principal amount currently estimated at \$63,200,000, but not to exceed \$70,000,000.

The Series 2009 Bonds shall be issued, if at all, subject to the discretion of the Chancellor and Treasurer, in consultation with the University's financial professionals and the Purchaser, based on prevailing market conditions at the time or times of the proposed sale thereof. The issuance of any part or sub-series of the Series 2009 Bonds shall in itself conclusively evidence the determination by the Chancellor and the Treasurer that market conditions at that time warranted the issuance of that part or sub-series of the Series 2009 Bonds.

At the time of issuance of the Series 2009 Bonds, the University shall file with the Secretary of the Board and the Trustee the same items that are required, pursuant to Section 2.3 hereof, to be so filed prior to the issuance of any series of Additional Bonds.

Section 3.2 Findings. The Board, upon evidence duly submitted to and considered by it, has ascertained and found and does hereby declare, represent and state that:

(a) The Series 2009 Bonds shall be issued for the following purposes:

(1) refunding, on a current refunding basis, the entire outstanding principal amount of the University's \$12,890,000 General Student Fee Revenue Bonds, Series 2002, heretofore issued under the Prior Bond Resolution and now outstanding in the principal amount of \$11,600,000 (herein, the "Series 2002 Prior Bonds");

(2) paying or reimbursing all or part of the cost of Facilities, consisting of and including (A) a new multipurpose sports complex, (B) new dining facilities, and (C) new multiple-unit fraternity houses, all at the Troy campus of the University; provided, however, that the Chancellor and Treasurer are hereby authorized and entrusted to add to, delete from or otherwise modify the foregoing list of Facilities in the Series 2009 Determination Document;

(3) paying or reimbursing the costs and expenses of issuing the Series 2009 Bonds; and

(4) such other authorized purpose or purposes, if any, as are hereby authorized and entrusted to be set forth in the Series 2009 Determination Document.

(b) There are at this time no outstanding Bonds under this General Bond Resolution. The Prior Bonds heretofore issued under the Prior Bond Resolution and now outstanding are: the University's General Student Fee Revenue Bonds, Series 1998, dated September 1, 1998, now outstanding in the principal amount of \$5,655,000; its General Student Fee Revenue Bonds, Series 2001, dated August 1, 2001, now outstanding in the principal amount of \$7,655,000; the Series 2002 Prior Bonds (which are proposed to be refunded with proceeds of the Series 2009 Bonds); its General Student Fee Revenue Bonds, Series 2003, dated December 1, 2003, now outstanding in the principal amount of \$6,365,000; its General Student Fee Revenue Bonds, Series 2004, dated January 1, 2004, now outstanding in the principal amount of \$3,575,000; its General Student Fee Revenue Bonds, Series 2005, dated May 1, 2005, now outstanding in the principal amount of \$6,495,000; and its General Student Fee Revenue Bonds, Series 2007, dated July 1, 2007, now outstanding in the principal amount of \$13,000,000.

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

Section 3.3 Certain Terms and Provisions of Series 2009 Bonds.

(a) The Board hereby determines and prescribes the following terms, provisions and other matters relative to the Series 2009 Bonds:

(1) The Series 2009 Bonds shall be issued, subject to the discretion of the Chancellor and Treasurer of the University, in consultation with Bond Counsel, in one or more sub-series, on a Tax-Exempt and/or Tax-Favored and (if and to the extent required under the Code) Taxable basis. Reference is made to Section 3.4 hereof for certain representations and covenants of the University in respect of any Series 2009 Bonds issued on a Tax-Exempt or Tax-Favored basis.

(2) The Series 2009 Bonds shall be generally designated "Troy University, Facilities Revenue Bonds, Series 2009", with such other or special designations as to any part or sub-series thereof, if any, as the Chancellor and Treasurer are hereby authorized and entrusted to set forth in the 2009 Determination Document; and shall be fully registered as to both principal and interest, with each separate sub-series thereof numbered consecutively from R-1 upwards.

(3) The University will not fund or provide for a reserve fund for the Series 2009 Bonds.

(4) Because a substantial portion of the proceeds of the Series 2009 Bonds will be applied to pay costs of the Facilities described in Section 3.2(a)(2) (hereinafter referred to, collectively, as the "2009 Project"), the University will establish the Series 2009 Construction Account, more fully described in Section 3.5 hereof.

(b) The Board hereby authorizes and entrusts the Chancellor and Treasurer to determine or prescribe, in the Series 2009 Determination Document, such of the other terms, provisions and other matters relative to the Series 2009 Bonds enumerated in Section 2.3(c) hereof as they deem necessary or desirable.

Section 3.4 Tax-Related Representations and Covenants. Any reference in this Section 3.4 to the "Series 2009 Bonds" shall be deemed to refer, on a sub-series by sub-series basis, only to that sub-series or those sub-series of Series 2009 Bonds issued on a Tax-Exempt or Tax-Favored basis. The University makes the following representations, warranties and covenants as the basis for its issuance of the Series 2009 Bonds, which representations, warranties and covenants are intended to be relied upon:

(a) The University warrants that the interest on any Tax-Exempt Series 2009 Bonds is and will continue to be excludable from the gross income of the owners thereof for federal income tax purposes. The University will continuously comply with all requirements imposed by the Code as conditions to the exclusion from gross income for federal income tax purposes of the interest on any Tax-Exempt Series 2009 Bonds. The University warrants that any Tax-Favored Series 2009 Bonds do and will throughout the life of the issue continue to meet all requirements imposed by the Code to be and remain Tax-Favored.

(b) The University will not apply or permit the proceeds of the Series 2009 Bonds to be applied in a manner that would cause any of them to be deemed "private activity bonds" within the meaning of Section 141 of the Code. There are and will be no leases from the University to any person or any other arrangement, express or implied, that would result, in the aggregate, in (1) the use, directly or indirectly, for any "private business use", within the meaning of Section 141(b) of the Code, of more than five percent (5%) of (A) the 2009 Project (as defined in Section 3.2(a)(2) hereof) financed with the proceeds of the Series 2009 Bonds, (B) the Facilities financed with the proceeds of the Series 2002 Prior Bonds, or (C) the proceeds of the Series 2009 Bonds; or (2) the payment of debt service on more than

5% of the proceeds of the Series 2009 Bonds being directly or indirectly (A) secured by any interest in property used or to be used for any such "private business use" or in payments in respect of such property or (B) derived, directly or indirectly, from payments (whether or not to the University) in respect of property or borrowed money used or to be used for any such "private business use"; provided, however, that the 5% limit set forth in clause (1) and/or (2) may be exceeded if Bond Counsel opines that that will not cause interest on the Series 2009 Bonds to cease to be Tax-Exempt or (if applicable) that that will not cause the Series 2009 Bonds to cease to be Tax-Favored.

(c) The University will not use (directly or indirectly) any of the proceeds of the Series 2009 Bonds to make or finance loans to any Persons.

(d) Except to the extent permitted under Section 149(b)(3) of the Code, (i) payment of principal or interest on the Series 2009 Bonds is not directly, indirectly or otherwise guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof), and (ii) none of the proceeds of the Series 2009 Bonds will be used to make loans the payment of principal or interest with respect to which is to be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof).

(e) The University covenants that it will restrict the use and investment of the proceeds of the Series 2009 Bonds in such manner and to such extent, if any, and take or refrain from taking such other actions, all as may be necessary, after taking into account reasonable expectations at the time of the delivery of and payment for the Series 2009 Bonds, so that the Series 2009 Bonds will not constitute "arbitrage bonds" within the meaning of Section 148 of the Code or "hedge bonds" within the meaning of Section 149(g) of the Code.

(f) The Chancellor or Treasurer is hereby authorized to execute and deliver, for inclusion in the transcript of proceedings for the Series 2009 Bonds, a Tax Compliance Certificate relating to and made as of the Issue Date of the Series 2009 Bonds. Such Tax Compliance Certificate shall, among other things, reaffirm as of its date the continuing accuracy, completeness and correctness of the tax-related representations herein contained, set forth the reasonable expectations of the University regarding the amount and use of all the proceeds of the Series 2009 Bonds and the facts and estimates on which those expectations are based, and contain such other and further representations, covenants, designations and elections on the part of the University as Bond Counsel or the Purchaser shall request to evidence the Tax-Exempt or Tax-Favored status, as the case may be, of the Series 2009 Bonds and the commitment of the University to maintain the same. The University hereby agrees to perform any such covenants contained in the Tax Compliance Certificate.

(g) The University will make such informational reports as may be required under the Code, and in particular Section 149(e) thereof, with respect to the issuance of the Series 2009 Bonds.

(h) The University covenants that it will (1) apply the proceeds of the Series 2009 Bonds to the governmental purposes of the borrowing, (2) make timely rebate payments to the United States, if any are required, and (3) maintain books and records and make calculations and reports necessary to make and to evidence sufficient rebate payments.

(i) In the event that the aggregate principal amount of Series 2009 Bonds issued during calendar year 2009 or 2010 is equal to or less than \$30,000,000, the Chancellor is hereby authorized, upon consultation with Bond Counsel, to designate such Series 2009 Bonds as "qualified tax-exempt obligations" within the meaning and for purposes of Section 265(b)(3)(B) of the Code. Such designation, if made, shall be made in the Determination Document or the Tax Compliance Certificate for that sub-series of Series 2009 Bonds and shall be accompanied by such representations and warranties as are customarily made in connection with such a designation.

Section 3.5 Series 2009 Construction Account.

(a) The University shall open and maintain one or more separate accounts to be known collectively as the "Series 2009 Construction Account" (with such additional designation as may be appropriate to distinguish the accounts, if more than one, from one another), in each case in a bank which is a member of the Federal Deposit Insurance Corporation or any agency which may hereafter succeed to its functions and duties.

(b) The moneys in the Series 2009 Construction Account shall be applied only to pay or reimburse (1) costs of the 2009 Project, including the repayment of any interim or temporary loans or advances made to or by the University for such purpose, and (2) the costs and expenses of issuing the Series 2009 Bonds. Withdrawals may be made by the University from the Series 2009 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 Trustee shall serve as principal depository of the Series 2009 Construction Account and shall administer withdrawals therefrom in accordance with the aforementioned procedures, but the Trustee shall not be responsible for the application of any moneys so withdrawn from said Account by the University.

(c) Any moneys on deposit in a Series 2009 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 2009 Construction Account. The earnings from any such investments shall be deposited in that Series 2009 Construction Account. No investment shall be made which would cause any Tax-Exempt or Tax-Favored sub-series of the Series 2009 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 2009 Construction Account in which shall be held the proceeds of any Tax-Exempt or Tax-Favored sub-series of the Series 2009 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 3.4(h) hereof; provided, however, that the furnishing by the Trustee of records or information in addition to standard account records of deposits, withdrawals and investment income shall, at the option of the Trustee, be treated as an Extraordinary Service hereunder.

(d) As used herein, "Permitted Investments" shall mean and include any of the following (unless proscribed by the provider of any Credit Enhancement for all or any part or sub-series of the Series 2009 Bonds):

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

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

(3) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the U.S.A.: (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 the provider of any Credit Enhancement for all or any part or sub-series of the Series 2009 Bonds;

(4) Certificates of deposit or other bank deposits (i) issued by, or made with, a bank whose unsecured, long-term obligations are rated by at least one Rating Agency in one of the three highest rating categories assigned by that Rating Agency, or (ii) secured at all times by collateral described in paragraphs (1) and (2) above, which collateral is held by the Trustee or by a third-party custodian acceptable to the

University and the Trustee or in which the Trustee or such other custodian has a perfected first priority security interest;

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

(6) Money market funds rated by at least one Rating Agency in one of the three highest rating categories assigned by that Rating Agency;

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

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

(9) other forms of investments (including investment agreements and repurchase agreements) which may be approved in writing by the provider of any Credit Enhancement for all or any part or sub-series of the Series 2009 Bonds.

Section 3.6 Confirmation of Call of Series 2002 Prior Bonds. The Board hereby ratifies and confirms the call for redemption of all outstanding Series 2002 Prior Bonds, as made in a resolution of the Board adopted on May 8, 2009, and hereby incorporates by reference the provisions of said resolution as it pertains to said call and the defeasance of the Series 2002 Prior Bonds.

Section 3.7 Other Documents Relating to Series 2009 Bonds.

(a) *Official Statement.* The Board authorizes and directs (1) the preparation by appropriate officials of the University, in consultation with Bond Counsel, the Purchaser and other professional advisers to the University, of a Preliminary Official Statement of the University (the "POS"), and the conversion by said officials and advisers of the POS into a final Official Statement of the University (the "Official Statement"), relative to the issuance and sale of the Series 2009 Bonds; (2) the distribution and use of the POS and the Official Statement by the Purchaser in the offering and sale of the Series 2009 Bonds; and (3) the Chancellor, in the Series 2009 Determination Document, to "deem final", for purposes and within the meaning of SEC Rule 15c2-12, the POS as of its date and to make such other and further representations with respect to the POS and Official Statement as may be customary and desirable.

(b) *Bond purchase agreement.* The Board authorizes the preparation or review by Bond Counsel, and the execution and delivery on behalf of the University by the Chancellor or the Treasurer, of a bond purchase agreement or similar document relating to the Series 2009 Bonds to be entered into between the University and the Purchaser (including, if the

Series 2009 Bonds are issued in more than one sub-series and at different times, a separate such agreement for each later-issued sub-series).

(c) *Continuing disclosure.* The Board authorizes the Chancellor or Treasurer to execute and deliver, on or prior to the Issue Date of the Series 2009 Bonds, a continuing disclosure undertaking with respect to the Series 2009 Bonds, as required pursuant to SEC Rule 15c2-12.

(d) *Miscellaneous.* The Board authorizes Bond Counsel to prepare or review such other and further documents, certifications, assignments and instruments as Bond Counsel, the Trustee, the Purchaser or any provider of Credit Enhancement for the Series 2009 Bonds may require or as may be necessary or appropriate to consummate the transactions contemplated in this General Bond Resolution, including without limitation any certificates or reports referred to in Section 3.4 hereof. The Chancellor, Treasurer or any other appropriate officer, employee or agent of the University is hereby authorized and directed to execute and deliver any and all such additional documents or certificates, including without limitation any elections made to establish Tax-Favored status or for any other tax-related reason. In addition, the Treasurer or other appropriate officer, employee or agent of the University is expressly authorized and directed to execute and deliver, subsequent to the Issue Date but within such period as is prescribed by the Code, such certifications as may be prepared and required by Bond Counsel to evidence allocations of the proceeds of Series 2009 Bonds issued on a Tax-Exempt or Tax-Favored basis.

[END OF ARTICLE III]

ARTICLE IV

PLEDGES AND FUNDS

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

Neither the Bonds nor any pledge or agreement made in this General Bond Resolution shall be or constitute an obligation or debt of any nature whatsoever of the State, and neither the Bonds nor any obligation arising from any such pledge or agreement shall be payable out of any moneys appropriated by the State to the University. Neither the State nor the University shall be obligated, directly or indirectly, to contribute any funds, property or resources to the payment of the Bonds, except the fees and moneys pledged and the moneys in the Bond Fund, as provided in this General Bond Resolution.

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

(a) the Special Student Fees, and

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

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

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

Section 4.3 Bond Fund.

(a) There is hereby created by the University and ordered established with the Trustee a trust fund, to be designated "Troy University, Facilities Revenue Bonds - Bond Fund" or such other or additional designation as may be assigned by the Trustee (the "Bond Fund"), which shall be used solely to pay principal of and interest and, if applicable, any premium on Bonds as the same shall become due and payable. As a matter of administrative convenience or efficiency, the Trustee may establish one or more accounts or sub-accounts within the Bond Fund, distinguishing among series or sub-series of the Bonds;

provided, however, that no such subdivision shall operate to divest any series or sub-series of Bonds from a full and first indivisible lien upon all moneys at any time held in all such accounts or sub-accounts of the Bond Fund.

(b) The University shall pay or cause to be paid into the Bond Fund:

(1) on the Issue Date of any Bonds, that amount of the proceeds of sale of those Bonds equal to accrued interest thereon from their dated date to said Issue Date;

(2) on the fifth day (or if such fifth day is not a Business Day, on the next preceding Business Day) preceding each date established, specified or required as a date for payment of principal of or interest on any Bonds, whether at maturity, by call for redemption or otherwise, an amount equal to the full amount of interest or of principal and interest (and premium, if applicable) coming due and payable on all Bonds on that date; and

(3) as and when received, all other moneys required or permitted to be deposited in the Bond Fund pursuant to this General Bond Resolution or any Supplemental Resolution or otherwise, and all other moneys received by the Trustee when accompanied by directions that such moneys are to be deposited in the Bond Fund.

(c) The University hereby authorizes and directs the Trustee to withdraw sufficient moneys from the Bond Fund to pay principal of and interest and, if applicable, any premium on Bonds as the same become due and payable, whether at maturity, by call for redemption or otherwise, which authorization and direction the Trustee hereby accepts. Moneys for such payments shall be derived from the following sources in the order of priority indicated:

(1) First, moneys representing accrued interest on any series of the Bonds from their dated date to their Issue Date, and

(2) Second, all other moneys on deposit in the Bond Fund.

(d) Moneys in the Bond Fund (except for moneys therein held pursuant to Section 4.4 hereof, which moneys shall be either held in cash and not invested or invested only in Government Obligations with a maturity of not to exceed 30 days or fewer, as needed) shall be invested and reinvested by the Trustee, at the direction of the University, in Government Obligations or in funds consisting of Government Obligation, which investments shall mature or be redeemable at the option of the Trustee at the times and in the amounts necessary to provide moneys to pay principal of and interest and, if applicable, any premium on Bonds as the same become due and payable, at stated maturity, by redemption or otherwise. The Trustee shall sell or redeem investments credited to the Bond Fund to produce sufficient moneys applicable hereunder to and at the times required for the purpose of principal of and interest and, if applicable, any premium on Bonds when due as aforesaid, and shall do so without necessity for any order on behalf of the University and without restriction by reason of any such order. An investment made from moneys credited to a particular Fund shall constitute part of that Fund, and each Fund shall be credited with all proceeds of sale and income from investment of moneys credited thereto. For purposes of this General Bond Resolution, all investments shall be valued at face amount or market value, whichever is less.

Section 4.4 Non-Presentation of Bonds. In the event any Bonds shall not be presented for payment when the principal thereof becomes due, either at maturity, upon redemption or otherwise, or a check or draft for interest is not cashed, if funds sufficient to pay such Bonds or such check or draft shall have been made available to the Trustee for the benefit of the Holders thereof, all liability of the University to the Holders thereof for the payment of such Bonds or such check or draft shall cease, determine and be completely discharged as of the time such funds are made available to the Trustee and thereupon it shall be the duty of the Trustee to hold such funds, without liability for interest thereon, for the benefit of the Holders of such Bonds, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on their part under this General Bond Resolution or on, or with respect to, such Bonds.

Any of those moneys which shall be so held by the Trustee, and which remain unclaimed by the Holder of a Bond not presented for payment or check or draft not cashed for a period of three (3) years after the due date thereof, shall be paid to the University free of any trust or lien, upon a request in writing by the University. Thereafter, the Holder of that Bond shall look only to the University for payment and then only to the amounts so received by the University without any interest thereon, and the Trustee shall not have any responsibility with respect to those moneys.

Section 4.5 Release Upon Payment of Bonds. Except as provided in Section 4.4 hereof, any amounts remaining in the Bond Fund after payment in full of the Bonds, the fees, charges and expenses of the Fiduciaries hereunder and all other amounts required to be paid hereunder, shall be paid to or upon the order of the University.

Section 4.6 Moneys to be Held in Trust. Except where moneys have been deposited with or paid to the Trustee pursuant to an instrument restricting their application to particular Bonds, all moneys required or permitted to be deposited with or paid to the Trustee or any Paying Agent under any provision of this General Bond Resolution, and any investments thereof, shall be held by the Trustee or that Paying Agent in trust. Except for moneys deposited with or paid to the Trustee or any Paying Agent for the redemption of Bonds, notice of the redemption of which shall have been duly given, and moneys held by the Trustee pursuant to Section 4.4 hereof, all moneys described in the preceding sentence held by the Trustee or any Paying Agent shall be subject to the lien hereof while so held.

[END OF ARTICLE IV]

ARTICLE V

COVENANTS OF THE UNIVERSITY

Section 5.1 Payment of Bonds. The University shall pay or cause to be paid, from the Bond Fund and the fees pledged under Article IV hereof, the principal of and interest on every Bond on the dates, at the places and in the manner set forth in the Bonds, according to the true intent and meaning thereof.

Section 5.2 Maintenance of Fees. The University has heretofore covenanted in the Prior Bond Resolution that, so long as any Prior Bonds remain outstanding, the University will fix, levy and collect General Student Fees in such amounts and at such times as shall be required to produce revenues sufficient to pay the principal of and interest on the Prior Bonds. The University hereby ratifies and reaffirms that covenant, and hereby further covenants and agrees that, so long as any Bonds remain outstanding, the University will fix, levy and collect General Student Fees and Special Student Fees in such amounts and at such times as shall be required to produce revenues sufficient to pay the principal of and interest on the Bonds.

The University further covenants and agrees that it will not reduce the amount of General Student Fees or the aggregate amount of Special Student Fees in effect as of the date of adoption of this General Bond Resolution unless and until it shall have filed with the Trustee a certificate signed by the Treasurer (a) estimating the sum of General Student Fees and Special Student Fees that would have been collected during the preceding Fiscal Year, had such reduction or reductions then been in effect, and (b) certifying that the Maximum Annual Debt Service on all outstanding Bonds plus the Maximum Annual Debt Service on all outstanding Prior Bonds does not exceed fifty per cent (50%) of said estimated sum. The Trustee shall have no responsibility with respect to such certificate, except to receive the same and hold it for the inspection of Bondholders.

Section 5.3 Accounts and Audits. The University shall keep proper books of records and accounts in which complete and correct entries shall be made with respect to, among other things, the collection of General Student Fees, Special Student Fees and any other fees or revenues hereafter pledged to the payment of any Bonds, which books and accounts shall be subject to inspection, at reasonable hours and subject to the reasonable rules and regulations of the University, by the Trustee or by any Bondholder or his representative duly authorized in writing. The University shall cause such books and accounts to be audited as of the close of each Fiscal Year and a written report thereof made within one (1) year after the end of each Fiscal Year, either by a certified public accountant or by the Department of Examiners of Public Accounts of the State (or any successor agency of the State performing a similar function). A copy of the report of such audit shall be furnished to the Trustee within thirty (30) days following its receipt by the University. The Trustee shall have no responsibility with respect to any such report except to receive the same and hold it for the inspection of Bondholders.

Section 5.4 No Further Debt under Prior Bond Resolution. The University hereby covenants and agrees that, from and after the date of adoption of this General Bond Resolution, it will issue no new bonds or notes or otherwise incur new indebtedness under the terms and provisions of the Prior Bond Resolution.

[END OF ARTICLE V]

ARTICLE VI

FIDUCIARIES

Section 6.1 Trustee's Acceptance and Responsibilities. Upon its authentication and delivery of the first Bond issued hereunder, the Trustee shall be deemed to have accepted and agreed to perform the trusts imposed upon it by this General Bond Resolution, subject to the following terms and conditions:

(a) So long as there is no default hereunder, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this General Bond Resolution, and no implied covenants or obligations shall be read into this General Bond Resolution against the Trustee. During the continuation of default hereunder, the Trustee shall perform such duties and exercise such of the rights and powers vested in it by this General Bond Resolution with the same degree of care and skill in their performance and exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees but shall not be responsible for any misconduct or negligence on the part of any such Person appointed by it with due care hereunder, and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney (who may be Bond Counsel or an attorney for the University), and the Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon such opinion or advice.

(c) The Trustee shall not be responsible for any recital herein, or in the Bonds (except with respect to any certificate of authentication on the Bonds executed by the Trustee), or for the validity of the adoption and endorsement by the University of this General Bond Resolution or of any supplement thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby.

(d) The Trustee shall not be accountable for the use of the proceeds of any Bonds authenticated or delivered hereunder, other than to comply with the procedures for disbursements from any Series 2009 Construction Account (or from any similar account established or provided for in any Series Resolution hereafter adopted) for which it serves as depository. The Trustee may become a Holder of Bonds secured hereby with the same rights which it would have if not Trustee.

(e) The Trustee shall be protected, in the absence of bad faith, in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper Person or Persons. Any action taken by the Trustee pursuant to this General Bond Resolution upon the request or authority or consent of any Person who at the time of making such request or giving such authority or consent is a Holder of any Bond, shall be conclusive and binding upon all future Holders of the same Bond and of Bonds issued in exchange therefor or in place thereof.

(f) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed on behalf of the University by its Chancellor or Treasurer as sufficient evidence of the facts therein contained. The Trustee may accept a certificate of the Secretary of the University under its seal to the effect that a resolution in the form therein set forth has been adopted by the University as conclusive evidence that such resolution has been duly adopted and is in full force and effect.

(g) The permissive right of the Trustee to do things enumerated in this General Bond Resolution shall not be construed as a duty and it shall not be answerable for other than its gross negligence or willful misconduct.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except defaults by reason of failure by the University to make or cause to be made any payments of principal of or interest on the Bonds, unless the Trustee shall be specifically notified in writing of such default by the University or by the Holders of at least 25% in aggregate principal amount of Bonds then outstanding. All notices or other instruments required by this Section 6.1(h) to be given to the Trustee, must, in order to be effective, be delivered at the Trustee's Office, and in the absence of such notice so delivered the Trustee may conclusively assume there is no default hereunder, except as aforesaid.

(i) Before taking any action hereunder (with the exception of making payments of principal of or interest on the Bonds pursuant to Sections 4.3 and 4.4 hereof) the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses which it may incur and to protect it against all liability, except liability which is adjudicated to have resulted from its gross negligence or willful default.

(j) All moneys received by the Trustee or any Paying Agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law. Neither the Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

(k) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, coupon or other paper or document. The Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and in doing so, the Trustee shall, following advance written request to the University, be entitled to examine, during normal business hours and subject to all applicable rules, regulations and policies of the University, the relevant books and records of the University.

(l) In no event shall the Trustee be responsible for the University's compliance with the arbitrage limitations imposed by Section 148 of the Code, including without limitation the necessity, timing or amount of any payment of rebate due in connection therewith. The Trustee shall have no responsibility for the filing or renewal of such financing statements or other instruments, if any, as may be necessary to perfect or preserve the security interests created under Section 4.2 hereof.

Section 6.2 Fees, Charges and Expenses of Fiduciaries. Each Fiduciary shall be entitled to payment and/or reimbursement for reasonable fees for its Ordinary Services rendered hereunder and all advances, counsel fees and other Ordinary Expenses reasonably and necessarily made or incurred by it in connection with such Ordinary Services. For purposes hereof, fees for Ordinary Services provided for in the standard fee schedule of each Fiduciary shall be considered reasonable. In the event that it should become necessary that any Fiduciary perform Extraordinary Services, it shall be entitled to reasonable extra compensation therefor, and to reimbursement for reasonable and necessary Extraordinary Expenses in connection therewith; provided, however, that if such Extraordinary Services or Extraordinary Expenses are occasioned by the neglect or misconduct of such Fiduciary, it shall not be entitled to compensation or reimbursement therefor.

Section 6.3 Successor Trustees. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from such conversion, sale, merger, consolidation or transfer to which it is a party shall be and become, *ipso facto*, successor Trustee hereunder and vested with title to the Funds and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Any successor Trustee, other than by reason of the foregoing circumstances, (a) shall be a trust company or a bank having the powers of a trust company, (b) shall be in good standing within the State or shall be duly authorized to exercise trust powers within the State, (c) shall have a reported capital and surplus of not less than \$25,000,000, and (d), in order that such successor Trustee be empowered to serve as successor Registrar hereunder, shall be a transfer agent registered in accordance with Section 17(A)(c) of the Securities Exchange Act of 1934,

Every successor Trustee appointed pursuant to Section 6.7 hereof shall execute, acknowledge and deliver to its predecessor and to the University an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties (including, without limitation, all securities and moneys), rights, powers, trusts, duties and obligations of its predecessor. Nevertheless, on the written request of the University or of such successor Trustee, the predecessor Trustee shall deliver to such successor all securities and moneys held by it as trustee hereunder, as well as an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor. Moreover, if required by any successor Trustee, the University shall execute and deliver a suitable instrument more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in its predecessor. In the event a successor Trustee is appointed hereunder, the predecessor Trustee shall cease to be Registrar and Paying Agent for any of the Bonds, and the successor Trustee shall Registrar and a Paying Agent.

Section 6.4 Appointment of Co-Trustee. It is the purpose of this General Bond Resolution that there shall be no violation of any law of any jurisdiction (including without limitation, the laws of the State) denying or restricting the right of banks or trust companies to transact business as trustees in that jurisdiction. It is recognized that, if there is litigation under this General Bond Resolution or other instruments or documents relating to the Bonds, and in particular, in case of the enforcement hereof or thereof upon a default, or if the Trustee should deem that, by reason of any present or future law of any jurisdiction, it may not exercise any of the powers, rights or remedies granted herein to the Trustee or take any action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee, subject to the prior written approval of the University, appoint an individual or additional institution as a co-Trustee. The following provisions of this Section are adapted to these ends.

In the event that the Trustee appoints an individual or additional institution as a co-Trustee, each and every trust, property, remedy, power, right, duty, obligation, discretion, privilege, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this General Bond Resolution to be exercised by, vested in or conveyed to the Trustee shall be exercisable by, vest in and be conveyed to that co-Trustee, but only to the extent necessary for it to be so vested and conveyed or to enable that co-Trustee to exercise it. Every covenant, agreement and obligation necessary to the exercise thereof by the co-Trustee shall run to and be enforceable by it.

Notwithstanding the foregoing, a co-Trustee shall exercise only such rights and perform only such duties as may be required to avoid violation of any law of any jurisdiction or as may be directed by the Trustee in writing. Any written direction by the Trustee to a co-Trustee to take or to refrain from taking any action hereunder shall be sufficient warrant for taking or refraining from taking such action by such co-Trustee. Neither the Trustee nor any co-Trustee shall be personally liable by reason of any act or omission of a co-Trustee or the Trustee, respectively, hereunder. Any moneys, papers, securities or other items of personal property received by a co-Trustee pursuant to its exercise of rights or performance of duties hereunder shall forthwith, to the extent permitted by law, be turned over to the Trustee.

Should any instrument or document in writing from the University reasonably be required by the co-Trustee so appointed by the Trustee for vesting and conveying more fully and certainly in and to that co-Trustee those trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens, that instrument or document shall be executed, acknowledged and delivered, but not prepared, by the University. In case any co-Trustee or a successor to it shall die, become incapable of acting,

resign or be removed, all of the trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens of the co-Trustee shall be exercised by, vest in and be conveyed to the Trustee, to the extent permitted by law, until the appointment (if still necessary hereunder) of a successor to the co-Trustee.

Section 6.5 Resignation by the Trustee. The Trustee or any successor Trustee may at any time resign from the trusts hereby created by giving 30 days' written notice, personally or by certified mail, to the University and by certified mail to each Holder of Bonds then outstanding, such resignation to take effect, however, only upon the appointment of a successor Trustee. If an instrument accepting its duties shall not have been delivered by a successor to the resigning Trustee within 30 days after the Trustee's giving notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

Section 6.6 Removal of the Trustee. If no default in the payment of principal of or interest on the Bonds exists, the Trustee may be removed at any time by written instrument of the University delivered to the Trustee, or by written notice delivered to the Trustee and the University and signed by the Holders of a majority in aggregate principal amount of Bonds then outstanding. During the continuation of a default in the payment of principal of or interest on the Bonds, the Trustee may be removed only by written notice delivered to the Trustee and the University and signed by the Holders of a majority in aggregate principal amount of Bonds then outstanding. The Trustee also may be removed at any time (including during the continuation of any default) by a court of competent jurisdiction upon the application of the Holders of not less than 25% in aggregate principal amount of the Bonds then outstanding, for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this General Bond Resolution with respect to the duties and obligations of the Trustee.

Section 6.7 Appointment of Successor Trustee. In case the Trustee hereunder shall resign or be removed, or shall be dissolved or liquidated or in the process of dissolution or liquidation, or shall be taken under the control of any public officer or officers or of a receiver appointed by a court, or shall otherwise become incapable of acting hereunder, then the University shall appoint a successor Trustee; provided, however, if the University shall not have appointed a successor within ten days after the event giving rise to the need for such appointment, then a successor may be appointed by the Holders of a majority in aggregate principal amount of Bonds then outstanding, by an instrument or concurrent instruments in writing delivered to the University, the Trustee and the successor Trustee, signed by such Holders or by their duly authorized attorneys in fact. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section, any Holder or the retiring Trustee may apply to a court of competent jurisdiction to appoint a successor Trustee, which court may thereupon, after such notice (if any) as such court may prescribe or deem proper, appoint a successor Trustee. Any successor Trustee appointed pursuant to the provisions of this Section 6.7 shall satisfy the requirements of the second paragraph of Section 6.3 hereof.

Section 6.8 Adoption of Authentication. In case any Bonds shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee and may deliver those Bonds so authenticated as provided herein. In case any Bonds shall not have been authenticated, any successor Trustee may authenticate those Bonds either in the name of any predecessor Trustee or in its own name. In all cases, the certificate of authentication shall have the same force and effect as provided in the Bonds or in this General Bond Resolution with respect to the certificate of authentication of any predecessor Trustee.

Section 6.9 Designation and Succession of Paying Agents. The Trustee shall be the principal Paying Agent for the Bonds. The University, or the Trustee with the University's written approval, may appoint an additional Paying Agent or Agents with power to act on the Trustee's behalf and subject to its direction in the payment of principal of and interest on the Bonds. The Trustee shall have the responsibility of establishing the duties and responsibilities of any other Paying Agent for the purposes of this General Bond Resolution, to the extent not specified herein.

Any corporation or association with or into which any Paying Agent may be merged or converted or with which it may be consolidated, or any corporation or association resulting from

any merger, consolidation or conversion to which any Paying Agent shall be a party, or any corporation or association succeeding to the trust business of any Paying Agent, shall be the successor of that Paying Agent hereunder, if that successor corporation or association is otherwise eligible hereunder, without the execution or filing of any paper or any further act on the part of the parties hereto or the Paying Agent or that successor corporation or association.

Any Paying Agent may at any time resign by giving written notice of resignation to the Trustee and the University. If no default in the payment of principal of or interest on the Bonds exists, the University may at any time terminate the agency of any Paying Agent that is not also the Trustee by giving written notice of termination to such Paying Agent and to the Trustee. The Trustee may at any time terminate the agency of any Paying Agent by giving written notice of termination to such Paying Agent and to the University, subject to the University's written concurrence. If the Paying Agent is also the Trustee, its agency may be terminated only in the manner by which the Trustee may be removed under Section 6.6 hereof. Upon receiving such a notice of resignation or upon such a termination, or in case at any time any Paying Agent shall cease to be eligible under this Section, the University, or the Trustee with the University's written approval, may appoint a successor Paying Agent. The Trustee shall mail, within ten days after that appointment, notice thereof to all Holders as their names and addresses appear on the Register on the date of that appointment.

Section 6.10 Dealing in Bonds. The Trustee, any Paying Agent, any Affiliate of either, and any directors, officers, employees or agents of any of the foregoing may become the Holders of Bonds secured hereby with the same rights which it or they would have hereunder if the Trustee or Paying Agent did not serve in those capacities.

[END OF ARTICLE VI]

ARTICLE VII

REMEDIES

Section 7.1 Remedies upon Default. Failure to perform any of the agreements or covenants on the part of the University contained in this General Bond Resolution shall be construed and is hereby defined as a "default" hereunder. Upon an event of default any Holder or Holders of the Bonds, in addition to all other rights, shall have the right by mandamus or other lawful remedy, in any court of competent jurisdiction, to enforce his or their rights against the University and the Board and any officer, agent or employee of the University, including but not limited to the right (a) to require the University, the members of the Board and its officers, agents or employees, to fix, levy and collect General Student Fees and Special Student Fees such that they shall be sufficient to meet the requirements under this General Bond Resolution, (b) to require the University, the members of the Board and any other officer, agent or employee of the University to carry out any other covenants contained herein and to perform its or their duties hereunder and under Section 16-3-28, Code of Alabama 1975, as amended, and (c) to enforce and compel performance of any other agreement or covenant on the part of the University contained herein.

Section 7.2 Actions by Trustee; Rights of Holders. Upon an event of default the Trustee may, and if requested to do so by the Holders of at least 25% in aggregate principal amount of Bonds outstanding and furnished satisfactory indemnity, the Trustee shall, pursue any available remedy to enforce the payment of principal of and interest on the Bonds or the observance and performance of any other covenant, agreement or obligation under this General Bond Resolution or any other instrument providing security, directly or indirectly, for the Bonds.

Subject to the rights of any provider of Credit Enhancement for all or any part or sub-series of Bonds, the Holders of a majority in principal amount of the outstanding Bonds shall have the right, during the continuation of a default, to require the Trustee to proceed to enforce this General Bond Resolution, either by judicial proceedings for the enforcement of the payment of the Bonds or otherwise; and to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee hereunder. Notwithstanding the foregoing, (a) any such direction shall not be in conflict with any rule of law or this General Bond Resolution, (b) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and (c) the Trustee shall determine that the action so directed would not be unjustly prejudicial to the Holders not taking part in such direction. During the continuation of a default, payment of the Trustee's costs and expenses of proceedings resulting in the collection of moneys for the payment of Bonds and of the expenses, liabilities and advances incurred or made by the Trustee shall take priority over the payment of the principal of and interest on the Bonds.

Section 7.3 Remedies Vested in Trustee. All rights of action (including the right to file proofs of claim) under this General Bond Resolution or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Holders of the Bonds, and any recovery of judgment shall be for the equal benefit of the Holders of the outstanding Bonds.

Section 7.4 Remedies Cumulative. No remedy conferred upon or reserved to the Trustee or to the Holders by this General Bond Resolution is intended to be exclusive of any other remedy. Each remedy shall be cumulative and shall be in addition to every other remedy given hereunder or otherwise to the Trustee or to the Holders, or now or hereafter existing.

Section 7.5 Delay or Omission Not Waiver. No delay or omission of the Trustee or of any Holder of any Bond to exercise any right or remedy accruing upon an Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

Section 7.6 Waivers. Before any judgment or decree for payment of money due has been obtained by the Trustee, the Holders of not less than a majority in principal amount of the outstanding Bonds may, by notice to the Trustee and the University, and on behalf of the Holders of all the Bonds, waive any past default hereunder or under any other Bond Document and its consequences, except a default (1) in the payment of principal of or interest on any Bond, or (2) in respect of a covenant or provision hereof which under Article VIII hereof cannot be modified or amended without the consent of the Holder of each outstanding Bond affected.

No waiver of any default hereunder, whether by the Trustee or by the Holders, shall extend to or shall affect any subsequent default or Event of Default or shall impair any remedy, right or power consequent thereon.

[END OF ARTICLE VII]

ARTICLE VIII

SUPPLEMENTAL RESOLUTIONS

Section 8.1 Supplemental Resolutions Not Requiring Consent of Holders. The University may adopt at any time or from time to time a Supplemental Resolution supplementing this General Bond Resolution or any Supplemental Resolution theretofore adopted, so as to modify or amend this General Bond Resolution or such Supplemental Resolution. Such Supplemental Resolution may be for one or more of the following purposes (provided any reference in the following clauses to this General Bond Resolution shall be deemed to include any Supplemental Resolution hereafter adopted) and shall become fully effective in accordance with its terms upon the filing with the Trustee of a copy of such Supplemental Resolution certified by the Secretary of the Board:

(a) To cure or clarify any ambiguity or to cure, correct or supplement any defect, omission or inconsistent provisions contained in this General Bond Resolution, or to make such provisions in regard to matters or questions arising under this General Bond Resolution as may be necessary or desirable and not contrary hereto or inconsistent herewith;

(b) To grant to or confer upon the Holders, or upon the Trustee for the benefit of the Holders, any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Holders or the Trustee;

(c) To subject to the pledge of this General Bond Resolution additional revenues, properties or collateral, or to confirm, as further assurance, any pledge under, or the subjection to any lien or pledge created or to be created by, this General Bond Resolution;

(d) To add to the covenants, agreements and obligations of the University under this General Bond Resolution, other covenants, agreements and obligations thereafter to be observed relative to the application, custody, use and disposition of the proceeds of any Bonds or for the protection of the Holders;

(e) To evidence any succession to the University and the assumption by its successor of the covenants, agreements and obligations of the University under this General Bond Resolution and the Bonds;

(f) To permit the Trustee to comply with any obligations imposed upon it by law;

(g) To specify further the duties and responsibilities of, and to define further the relationship among, the Fiduciaries;

(h) To achieve compliance of this General Bond Resolution with any applicable federal or state securities or tax law;

(i) To provide for, or to make necessary or advisable amendments or additions in connection with, the issuance of Additional Bonds;

(j) To adapt to or take into account changes in financial market customs or practices;
and

(k) To secure or maintain ratings from a Rating Agency, provided that the changes necessary to obtain or secure such ratings do not adversely affect the interests of the Holders of the Bonds.

The provisions of clauses (f) and (h) shall not be deemed to constitute a waiver by the University or any Fiduciary or Holder of any right which any of them may have, in the absence of those provisions, to contest the application of any change in law to this General Bond Resolution or the Bonds.

Section 8.2 Supplemental Resolutions Requiring Consent of Holders. Exclusive of Supplemental Resolutions described in Section 8.1 hereof, and subject to the terms and provisions

contained in this Section, and not otherwise, the Holders of not less than a majority in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, anything contained in this General Bond Resolution to the contrary notwithstanding, to consent to and approve the adoption by the University of such Supplemental Resolution or Resolutions as shall be deemed necessary and desirable by the University for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this General Bond Resolution or in any Supplemental Resolution theretofore adopted. Nothing in this Section or Section 8.1 hereof shall permit, however, or be construed as permitting:

(a) without the consent of the Holder of each Bond so affected, (1) an extension of the maturity of the principal of or the interest on any Bond or (2) a reduction in the principal amount of any Bond or the rate of interest thereon, or

(b) without the consent of the Holders of all Bonds then outstanding, (1) the creation of a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (2) a reduction in the aggregate principal amount of the Bonds required for consent to such a Supplemental Resolution.

If at any time the University shall propose to adopt a Supplemental Resolution for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed adoption of such Supplemental Resolution (setting forth briefly the subject matter thereof and stating that copies thereof are available for inspection at the Trustee's Office) to be mailed by first class mail, postage prepaid, to all Holders of Bonds then outstanding at their addresses appearing on the Register. The Trustee shall not, however, be subject to any liability by reason of its failure to mail, or the failure of any Holder to receive, such notice, and any such failure shall not affect the validity of such Supplemental Resolution when consented to and adopted as provided in this Section.

If within such period, not exceeding one year, as shall be prescribed by the University, following the giving of the notice referred to in the preceding paragraph of this Section, the Trustee shall receive an instrument or instruments purporting to be executed by the Holders of not less than a majority in aggregate principal amount of Bonds then outstanding, which instrument or instruments shall refer to the proposed Supplemental Resolution described in such notice and shall specifically consent to the adoption thereof in substantially the form referenced in such notice as on file with the Trustee, thereupon, but not otherwise, the University may adopt and file with the Trustee such Supplemental Resolution in substantially such form, whereupon the same shall become fully effective, without liability or responsibility on the part of the University or the Trustee to any Holder of any Bond, whether or not such Holder shall have consented thereto.

Any such consent shall be binding upon the Holder of the Bond giving the same and upon any subsequent Holder of such Bond and of any Bond issued in exchange therefor (whether or not such subsequent Holder has notice thereof), unless such consent is revoked in writing by the Holder of such Bond giving such consent or by a subsequent Holder thereof by filing with the Trustee, prior to the adoption by the University of such Supplemental Resolution, such revocation. At any time after the Holders of the required percentage of Bonds shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the University a written statement that the Holders of such required percentage of Bonds have filed such consents, which statement shall be conclusive that such consents have been granted.

If the Holders of the required percentage in aggregate principal amount of the Bonds Outstanding shall have consented to the adoption thereof as herein provided, no Holder of any Bond shall have any right to object to the adoption of such Supplemental Resolution, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Trustee or the University from taking any action pursuant to the provisions thereof.

Section 8.3 Additional Requirements. Anything herein to the contrary notwithstanding, no Supplemental Resolution under this Article shall become effective unless and until the University and the Trustee shall have received (a) an opinion of Bond Counsel to the effect that such Supplemental Resolution is authorized and permitted by the terms of this General Bond Resolution

and applicable law, and (b) such other documents or certifications, on the part of the University and others, in support of such opinion as Bond Counsel may reasonably require.

[END OF ARTICLE VIII]

ARTICLE IX

MISCELLANEOUS

Section 9.1 No Recourse. No recourse shall be had for the payment of the principal of or interest on the Bonds, or for any claim based thereon or on this General Bond Resolution, against any member of the Board or any officer of the University, past, present or future, or any Person executing the Bonds, all such liability, if any, being expressly waived and released by every Holder by the acceptance of the Bond or Bonds held by it.

Section 9.2 Construction as a Contract. The provisions of this General Bond Resolution shall constitute and be construed as a contract, made under and for all purposes governed by and construed in accordance with the laws of the State, between the University and the Holder or Holders from time to time of the Bonds; provided, however, that no agreement, covenant or obligation of the University herein or in the Bonds contained shall be construed as imposing any pecuniary liability on the University or the State except as may be payable solely from the General Student Fees and Special Student Fees and any additional fees or revenues hereafter pledged and the Bond Fund herein established and provided for.

Section 9.3 Limitation of Rights. With the exception of rights herein expressly conferred on the Fiduciaries, nothing expressed or mentioned in or to be implied from this General Bond Resolution or the Bonds is intended or shall be construed to give any Person other than the University and the Holders of the Bonds any legal or equitable right, remedy or claim under or with respect to this General Bond Resolution or any covenants, conditions and provisions herein contained; this General Bond Resolution and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the University and the Holders of the Bonds as herein provided.

Section 9.4 Severability. If any provision of this General Bond Resolution shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or Sections in this General Bond Resolution contained, shall not affect the remaining portions of this General Bond Resolution, or any part thereof.

Section 9.5 Consents of Holders. Any consent, request, direction, approval, objection or other instrument required by this General Bond Resolution to be signed and executed by Holders may be in any number of writings of similar tenor and may be signed or executed by such Holders in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any purposes of this General Bond Resolution, and shall be conclusive in favor of the Trustee with regard to any action taken under such request or other instrument:

(a) the fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution; and

(b) the fact of ownership of Bonds shall be proved from the Register or, in the case of Bonds issued in book-entry mode, from such records or documents as shall reasonably be deemed sufficient by the Trustee.

Section 9.6 Payments Due on Other than Business Days. In any case where the scheduled date of payment of principal of or interest on Bonds is not a Business Day, then such payment need not be made on such date but may be made on the Business Day next succeeding the scheduled date, in the same amount due, and with the same force and effect as if made, on the scheduled date.

Section 9.7 Notices. Unless otherwise provided herein, any notice, request, complaint, demand, communication or other paper shall be in writing and shall be deemed to be sufficiently given to a party when delivered or mailed by first class mail, postage prepaid, or sent by telegram, telex, telefax or other instantaneous transmission device, addressed as follows:

(a) If to the University, (i) by mail or telegram, at Troy University, Adams Administration Building, University Avenue, Troy, Alabama 36082, Attention: Treasurer; and (ii) by telefax, at (334) 670-3920; and

(b) If to the Trustee, (i) by mail or telegram, at Regions Bank Corporate Trust, 1901 Sixth Avenue North, 28th Floor, Birmingham, Alabama 35203, Attention: Vice President; and (ii) by telefax, at (205) 264-5264.

Either of the foregoing parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Notice shall be given hereunder to Moody's, at Moody's Investors Service, 7 World Trade Center at Greenwich Street, New York, New York 10007, to S&P, at 500 North Akard, Suite 3200, Dallas, Texas 75201, and to any other Rating Agency which at the time maintains a rating on the Bonds, of (i) any change in the identity of any of the Fiduciaries, and (ii) any amendment or supplement to this General Bond Resolution.

Section 9.8 Suspension of Mail. If because of the suspension of delivery of first class mail or, for any other reason, the Trustee shall be unable to mail by the required class of mail any notice required to be mailed by the provisions of this General Bond Resolution, the Trustee shall give such notice in such other manner as in the judgment of the Trustee shall most effectively approximate mailing thereof, and the giving of that notice in that manner for all purposes of this General Bond Resolution shall be deemed to be in compliance with the requirement for the mailing thereof. Except as otherwise provided herein, the mailing of any notice shall be deemed complete upon deposit of that notice in the mail and the giving of any notice by any other means of delivery shall be deemed complete upon receipt of the notice by the delivery service.

[END OF ARTICLE IX]

ENDORSEMENT

Passed by the Board of Trustees of Troy University this 24th day of July, 2009.

President pro tempore of the Board
of Trustees

(S E A L)

Attest: _____
Secretary of the Board

Following adoption of Resolution No. 3, Mr. Bookout concluded his Finance Report by calling upon Mr. Bill Wallace and his team to talk about the arena project. Mr. Wallace expressed his appreciation for being involved in this project. Mr. Wallace and his team talked about the preferred location for the arena and about a feasibility study. Following Mr. Wallace's presentation, discussion followed and he and his team responded to comments and questions by Board members.

Following discussion, Chancellor Hawkins said that all needed to be in agreement for Goodwyn, Mills and Caywood to move forward to the next step regarding feasibility study, getting boring samples, location, etc. No disagreement was voiced.

- Academic Affairs, Mr. Gerald Dial
 - Enrollment Report

Mr. Dial called upon Mr. Buddy Starling, Dean of Enrollment Management, to provide an update on our enrollment picture. He first stated that his report would focus on indicators for all campuses.

In looking at the undergraduate enrollment indicators, Mr. Starling said he is pleased to report that we have seen an increase in applications submitted. As of July 5th, undergraduate applications submitted for fall 2009 show a 4% increase over those submitted for fall 2008. Acceptances for admissions show a very slight decline for the fall of 2009. Mr. Starling said that one of the indicators that we look very closely at for the Troy Campus is the number of Impact group registrations we have for the campus. He explained that Impact is the new student orientation program and we have seen a slight decline in the number of students who attended our Impact sessions this year. He added that we can easily trace that decline to the number of transfer students, and this is a trend seen at other campuses as well.

The graduate enrollment indicators show a 17% increase in the number of graduate applications submitted this year over last year. Mr. Starling said that this is reflective of the job market. While the percent figure for graduate acceptances shows a negative number, we know that the acceptances tend to lag behind the time applications are submitted but that number will close effectively closer to registration periods.

Mr. Starling also reported that we have seen a 15% increase in applications among freshmen males for fall application and a 5% increase among freshmen females. He also said that one very strong indicator that we look at is housing applications.

An update was given on our eConnections program, our community college outreach program. The potential for this program is good and it is targeted to "place bound" students in business and industries as well as community colleges. In regard to our agreement with community colleges, we have 16 formal agreements in place, 3 informal, and 2 pending.

- Update on SACS

Dr. Dew gave an update on SACS progress. He said the SACS Leadership Team developed its first full draft of the response to SACS within the 100 day target. A second full draft, along with all supporting documentation, will be reviewed on August 21st. The report is due to SACS by September 25th. Dr. Dew elaborated on the status of the four areas of concern identified by SACS—(1) 2.8 Adequacy of full-time faculty, (2) Quality Enhancement Plan, (3) Institutional Effectiveness, and (4) Compliance Issues. At its annual meeting in December, SACS will vote on our reaffirmation.

Chancellor Hawkins elaborated on the four areas of concern, and in particular, the adequacy of full-time faculty. Following discussion, Mr. Latta requested that an Executive Summary regarding the SACS Reaffirmation Visit be provided to Board members. Dr. Dew responded that he would provide the Executive Summary following the meeting.

Dr. Dew responded to comments and questions from Board members.

- Update on DNP

Mr. Dial called upon Dr. Ed Roach, Executive Vice Chancellor and Provost, to provide an update on the Doctorate of Nursing Practice. Dr. Roach commended Dr. Dianne Barron, Dr. Bernita Hamilton, and Dr. Geraldine Allen for all of the work they did in helping to bring Troy University to this point in offering a Doctorate of Nursing Practice.

Dr. Roach said as we began to implement the DNP we focused on two parts—one is the academic preparation and the other marketing preparation. An overview of each was given.

In academic preparation, all necessary steps have been taken in the Graduate Bulletin to reflect the addition of the DNP, courses have been developed and approved through the appropriate channels, the syllabi for the Fall Semester have been finalized, faculty members are in place, the admission process for the 09 year has been completed, and there is a 15 student cohort for the first DNP class. A kickoff orientation is planned for next week on the Montgomery Campus.

On the marketing side, Dr. Roach said that Dr. John Schmidt and his staff have been developing brochures, information sheet for students, and have added a link to our web page. Advertisements have been placed in several publications and we are ready to move forward with the DNP degrees.

Dr. Roach responded to comments/questions from Board members. Mr. Dial expressed appreciation to Dr. Roach and all others involved in establishing the DNP program for the University.

- Athletics, Mr. Allen Owen

Mr. Owen called upon Mr. Steve Dennis, Athletics Director, to provide an athletics report. He commented on the 100 year celebration of football and advised that our 100 year anniversary book is available.

Mr. Dennis reported provided a few highlights of activities in the athletic department. He advised that we now have a waiting list for the Stadium Club and skyboxes, and the staff is focusing on tickets sales to raise revenue for the upcoming season. The Trojan Warrior Club has reached almost 620 members with approximately \$350,000 generated to date.

An update was given on the rodeo program, the softball program, and the track program. It was noted that we hosted the basketball invitational with the College of Charleston. Mr. Dennis advised that Coach Larry Blakeney was inducted into the Hall of Fame this year, and Coach Don Maestri and Coach Melanie Davis were named “Coach of the Year” in their respective sports.

Mr. Dennis reported on academic standings this year for the “3.0 Club” and said that we had 182 student athletes on 11 teams Fall Semester with a 3.0. In Spring Semester we had 174 athletes on 8 teams with a 3.0 GPA. Last year there were 63 student athlete graduates and we held the Student Athlete Graduation Banquet for the third time this year. Our graduate success rate is at 80% and is the highest graduate success rate in this state for a public institution. In regard to academic performance rate, Mr. Dennis said he was pleased to report that all of our teams are above the NCAA benchmark of 925.

In regard to football, Mr. Dennis said the Trojans will play in Bowling Green State (Ohio) September 3, Florida September 12, UAB Sept. 19, Arkansas State Sept. 26, Middle Tennessee Oct. 6, Florida International Oct. 17, North Texas Oct. 24 for Homecoming, ULM, Oct. 31, Western Kentucky Nov. 7, Arkansas Nov. 14, Florida Atlantic, Nov. 21 and UL-Lafayette Nov. 28. Mr. Dennis encouraged anyone with ticket needs from a corporate or individual standpoint to please let him know. Future games highlights were shared. A couple of the future games mentioned were Clemson and the Naval Academy.

An update was given of Capital Campaign gifts, annual fund, as well as ticket sales. Corporate sales with ISP have been on a rise and this is encouraging.

Mr. Latta commented that the 80% graduation rate is impressive and Mr. Dennis commented on what we are doing in this effort.

Mr. Dennis responded to comments from Board members regarding tailgate terrace.

V. Appointment of Committee

Dr. Doug Hawkins indicated there has been some concern about the Board in regard to students so Dr. Hawkins appointed a Student Activities Committee that can be sounding board for the students when they want to talk with someone on the Board. Those appointed to the committee were Mr. Lamar Higgins, Mr. Forrest Latta, and SGA President Jonathan Davis.

VI. Adjournment

On a motion by Mr. Dial and seconded by Mr. Owen, the meeting adjourned.

R. Douglas Hawkins, D.V.M.
President Pro Tempore of the Board of Trustees
Troy University

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