

MINUTES
BOARD OF TRUSTEES' MEETING
July 27, 2007
Troy University, Troy, Alabama

The Troy University Board of Trustees met at 3:15 p.m. on July 27, 2007, in the Ballroom 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, Mr. Roy H. Drinkard, Mr. John Harrison, Mr. Lamar P. Higgins (via teleconference), Mr. Forrest Latta (via teleconference), Mr. C. Charles Nailen, Mr. Allen E. Owen, III, and Mr. Cody Ash, representing SGA President Ms. Andrea Roberts (non-voting member). Absent: Governor Bob Riley, Dr. Joe Morton, State Superintendent of Education; Dr. James R. Andrews, and Mr. Milton McGregor.

Dr. D. Hawkins welcomed Mr. Cody Ash to the meeting.

III. Approval of Minutes (May 10, 2007)

A draft copy of the minutes was mailed to Board members prior to the meeting. There being no changes, 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 10, 2007, meeting. A second to the motion was made by Mr. Allen Owen. 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 introduced Mr. Ward Sullivan to the Board and Ward will head up the University's Planned Giving Program.

A summary of the Chancellor's report follows:

The Chancellor outlined the agenda for today's meeting which included a finance report, approval for the 2007-2008 budget, ratification of the bond issue for the College of Education building, an athletics report, naming the Athletic Tower, amending the Bylaws and the election of officers.

Chancellor Hawkins provided an update on progress made for the year advising that the University had a record enrollment of 28,000 worldwide. Quality of students is improving and will continue to do so as a result of the Board of Trustees approval of stricter admission standards. Dr. Hawkins further advised that TROY's athletes were at the top of the list for the NCAA Graduation Success Rate and at the top of the list in Sun Belt Conference as well. Seventy-five percent of TROY's students who applied to medical school were accepted. Chancellor Hawkins stated that the University is strong financially and in July Moody's upgraded our bond rating to A1. The Rehab Counseling Program received reaccreditation from the Council of Rehabilitation Education. Finally, Chancellor Hawkins advised that the university received increased state support.

An enrollment snapshot shows that the University has had over 1,400 IMPACT (first-year) participants. There was a 22% increase in undergraduate applications (4,250) for fall 2007. The enrollment goal for the Troy campus is 2,000 new undergraduate students. Financial Aid has set a new record serving 34,000 students who received \$264M in aid. University-wide the default rate was 5% which is below the national and state averages.

The Odyssey Convocation for first-year students is set for August 12 and Jill Dobson, a TROY graduate now with Fox News, will be keynote speaker.

Chancellor Hawkins advised that a review of the University's safety and security policies has been accomplished. Upgrades and changes where needed have been made. A new campus alert system has been put into place.

In May 2007 Troy University held its first commencement in Malaysia and in June 2007 our fourth in China. TROY is moving ahead with plans for an Alabama Development Office partnership office in China and visitors from China will be on campus later in the week to discuss our proposal for Confucius Institute.

Internationalization continues to be a focal point for the University and there are currently 726 international students at TROY. The faculty have been fully engaged going from the Philippines to Peru to China. The University's Study Abroad Programs are active in countries such as Spain, Sweden, Kenya & Rwanda, Japan, Mexico, Costa Rica, and England.

Diversity continues to be very important to the University and the Chancellor said we are, by any definition, the most racially diverse institution in Alabama. Almost 39% are categorically African Americans and Troy University has the most graduates this past year of any institution in Alabama. As it relates to the historically black institutions, Troy had 927 graduates from our Alabama-based campuses, compared to Alabama State University with 783 and Alabama A&M with 600.

Chancellor Hawkins gave an update on preparations underway for the Southern Association of Colleges and Schools reaccreditation visit scheduled for 2009.

An update was given on the Remote Proctor initiative and it was noted that the University received its first 25 units. In the fall of 2007 the University will have the first MBA online class and in the spring of 2008 will offer online courses to approximately 750 students who will use the Remote Proctor process. By August 2009 full implementation should be completed.

Groundbreaking for the new College of Education building has been set for August 10th. The building will have 54,000 square feet of usable space with approximately 23,000 square feet expansion space in the basement and attic. Estimated cost for the project is \$13,000,000. The building will house 15 new classrooms and labs, the latest in technology, and 46 new offices for faculty. In addition to the College of Education, the facility will also house the Inservice Center.

Chancellor Hawkins reported that the estimated cost for the Bibb Graves Hall renovation project is estimated at a cost of \$7M. Some of the funding will come from the Capital Campaign and the bond issue. Projected date for startup of the project is January 2009.

In conclusion, future facility projects, according to the Chancellor, include expansion of Stewart Dining Hall; dormitory renovations to include Alumni, Hamil and Gardner Halls; the construction of a multi-purpose arena; a new classroom facility in Montgomery; a Riverfront facility at the Phenix City Campus; Smith Hall west wing; fraternity housing project; and a new Health and Science building.

B. Finance Report, Mr. Bookout

Mr. Bookout reported that due to the timing of the Board meeting it was necessary to accelerate the budget presentation by approximately a month. Therefore, he said, an interim financial picture was not available at this time.. Mr. Bookout addressed the University's bond rating upgrade by Moody's to A1. He provided an explanation of what an A1 bond rating means to the University. Following the overview, Mr. Bookout added that we all should be proud of the A1 rating as partners in this effort.

C. Board Committee Reports
o Finance Committee, Honorable John Harrison

Mr. Harrison reported that because of time constraint as referenced by Mr. Bookout in his report, the full Finance Committee had not met, but he had had an opportunity to review the 2007-2008 budget with University administrators. Mr. Harrison offered an introduction to the budget presentation and called upon Mr. Bookout to brief the Board. Mr. Bookout called attention to the budget packet provided to Board members and gave a brief overview of revenues/expenditures and responded to questions/comments from Board members.

Mr. Harrison commended Chancellor Hawkins, Senator Jimmy Holley, Representative Alan Boothe, Dr. Cam Martindale, Dr. Doug Patterson, Mr. Jim Bookout, Mr. Marcus Paramore, and others for their efforts in assisting with state appropriations for the University.

Following the presentation, Mr. Harrison made a motion for adoption of Resolution No. 1.

- **Resolution No. 1—Approving 2007-2008 Budget**

Resolution No. 1

ACTION: A motion was made by Mr. Harrison. The chair called for a second. The motion was seconded by Mr. Dial.

DISCUSSION: Mr. Dial recommended as a suggestion that this Board go on record as working toward no tuition increase in 2008-2009, adding that he felt this would send a great message from the University to the public and the students. He concluded his remarks by saying that this would also send a great message to the Legislature that Troy University is being a good steward of its money. Mr. Higgins added that he agreed with Mr. Dial saying that with continued support from the Legislature to receive equity funding we would move toward no tuition increase for next year.

Following discussion, the chair called for a vote and Resolution No. 1 which follows was unanimously approved.

Resolution No. 1

Approving the 2007 – 2008 Budget

WHEREAS, the administration of Troy University has developed and recommended the Troy University budget for FY 2007-2008; 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 and proposed new expenditures at the annual Board retreat in March of 2007; and

WHEREAS, there are sufficient funds to provide for a salary increase;

THEREFORE, BE IT RESOLVED by the Board of Trustees on the 27th day of July 2007 that the attached budget for 2007-2008 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 authorizes up to a five percent salary increase for faculty, staff, and classified employees of the University as established by the Chancellor.

- **Resolution No. 2—Ratification of Bond Issue for College of Education Building**

Mr. Harrison called upon Mr. Roy Goldfinger, Bond Attorney for the University, to make brief comments regarding Resolution No. 2. Mr. Goldfinger provided a recap of Board activity leading up to today's resolution, adding that Resolution No. 2 is for ratification of the steps that have been taken and to close the circle on this bond issue. Following his comments, Mr. Goldfinger called for questions/comments.

There being no further discussion, the chair called for a motion on Resolution No. 2.

Resolution No. 2

ACTION: Resolution No. 2 was unanimously adopted on a motion made by Mr. Harrison and seconded by Mr. Higgins.

RESOLUTION RATIFYING AND APPROVING ACTIONS TAKEN AND DETERMINATIONS MADE BY THE CHANCELLOR AND TREASURER OF THE UNIVERSITY IN CONNECTION WITH THE ISSUANCE BY THE UNIVERSITY OF ITS GENERAL STUDENT FEE REVENUE BONDS, SERIES 2007.

WHEREAS, the Board of Trustees of Troy University (the "University") heretofore on May 10, 2007 adopted a resolution (the "Series 2007 Resolution") authorizing the issuance by the University of up to \$13,000,000 in principal amount of its General Student Fee Revenue Bonds, Series 2007 (the "Series 2007 Bonds"); and

WHEREAS, the Series 2007 Resolution entrusted to the discretion of the Chancellor and Treasurer of the University the taking of various actions and the making of various determinations on behalf of the Board in connection with the timing of issuance, terms and provisions, securitization, pricing and application of proceeds of the Series 2007 Bonds, such actions and determinations to be commemorated in the Determination Document (said term and others used but not otherwise defined herein having the meanings given to them in the Series 2007 Resolution); and

WHEREAS, the Chancellor and Treasurer have taken the actions and made the determinations so entrusted to them, and have jointly executed the Determination Document as of July 12, 2007, a true and complete copy of which has been attached hereto as Annex A; and

WHEREAS, by the terms of the Series 2007 Resolution, the Determination Document, upon its execution, became and shall be construed as an integral part of the Series 2007 Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF TROY UNIVERSITY, that the actions heretofore taken and the determinations heretofore made by the Chancellor and Treasurer of the University in connection with the Series 2007 Bonds, as heretofore authorized in the Series 2007 Resolution and commemorated in the Determination Document, be and the same are hereby ratified and approved in all respects.

Passed by the Board of Trustees of Troy University this 27th day of July, 2007.

President pro tempore of the Board
of Trustees

(S E A L)

Attest: _____
Secretary of the Board
of Trustees

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ANNEX A

SERIES 2007 DETERMINATION DOCUMENT

Troy University
General Student Fee Revenue Bonds
Series 2007

DETERMINATION DOCUMENT

The undersigned officers of Troy University (the "University"), a public corporation and instrumentality duly created and validly existing under the laws of the State of Alabama (the "State"), hereby acknowledge the express authorization given to them in the resolution adopted by the Board of Trustees of the University (the "Board") on May 10, 2007 (the "Series 2007 Resolution"), which authorized the issuance by the University of the above-captioned obligations, to make certain determinations relative to said obligations. Terms used but not otherwise defined herein shall have the meanings given to them in the Series 2007 Resolution, of which (by the terms of the Series 2007 Resolution) this document shall constitute an integral part. The undersigned note that, if and to the extent the determinations so entrusted to be made by them are not made herein, they shall be hereafter made in the Closing Certificate of the University to be executed and delivered by them on the Issue Date (the "Closing Certificate"). Subject to the foregoing, the following determinations are hereby made:

1. The undersigned have heretofore determined, as authorized pursuant to Section 3.1(b) of the Series 2007 Resolution, that prevailing market conditions warranted proceeding with the sale and issuance of the Series 2007 Bonds (hereinafter, the "Bonds"). As such, and as authorized pursuant to Section 5.1(a) of the Series 2007 Resolution, the POS of the University relative to the Bonds was prepared and distributed by the Purchaser. As further authorized pursuant to said Section 5.1(a), that POS dated June 27, 2007 is hereby "deemed final" as of its date, for purposes of SEC Rule 15c2-12.

2. The purpose to which the proceeds of the Bonds shall be applied is that purpose described in clause (i) of Section 2.1(a) of the Series 2007 Resolution, being the construction and equipping of new classroom and related facilities for the College of Education at the Troy campus of the University. If and to the extent there remain any proceeds of the Bonds after funding the purpose described in the preceding sentence, they shall be applied to pay or reimburse costs of acquiring, constructing, furnishing and equipping such other Improvements to the Troy campus of the University as may hereafter appear necessary or desirable.

3. As authorized pursuant to Section 3.1(c) of the Series 2007 Resolution, the undersigned hereby make the following determinations with respect to the terms and provisions of the Bonds:

(1) The precise aggregate principal amount of the Bonds will be \$13,000,000.

(2) The dated date of the Bonds shall be July 1, 2007.

(3) The Bonds shall bear interest at the fixed rates shown below, payable semi-annually on May 1 and November 1 of each year commencing November 1, 2007 (each, an "Interest Payment Date").

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

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2020	\$ 95,000	4.500%
2021	835,000	4.500
2022	840,000	4.500
2023	225,000	4.625
2023	1,145,000	5.000
2024	1,405,000	4.600
2025	290,000	4.625
2025	1,730,000	5.000
2026	2,080,000	4.625
2027	100,000	4.750
2027	2,045,000	5.000
2028	2,210,000	4.750

(5) The Bonds are subject to optional redemption at par on and after May 1, 2017. The Bonds are not subject to mandatory redemption and are not subject to tender.

4. As authorized pursuant to Section 5.2 of the Series 2007 Resolution, the undersigned hereby select and approve A.G. Edwards & Sons, Inc., Atlanta, Georgia, as the Purchaser of the

Bonds, and hereby determine that the purchase price at which the Bonds shall be sold to the Purchaser shall be (a) 99.461% of the aggregate principal amount thereof, or \$12,929,930.00, less (b) original issue discount in the aggregate amount of \$68,876.55, plus (c) original issue premium in the aggregate amount of \$165,835.80, plus (d) the sum of \$43,057.20, representing accrued interest on the Bonds from their date to July 26, 2007, being the intended Issue Date, for a total price of \$13,069,946.45.

5. Having successfully concluded negotiations with Ambac, the undersigned officers, as authorized pursuant to Section 10.1 of the Series 2007 Resolution, have determined to accept from Ambac two commitments, for the issuance by Ambac of (a) a financial guaranty insurance policy covering the payment of debt service on the Bonds (the "2007 Policy"), and (b) a Reserve Credit Facility in face amount at least equal to the increase in the Maximum Annual Debt Service Requirement attributable to the Bonds. Attached hereto as Appendix I and hereby made a part hereof and of the Series 2007 Resolution (as authorized by Section 10.1 thereof), are the provisions, supplemental to and designated as and constituting "Article XII" of the Series 2007 Resolution, required by Ambac Assurance in connection with the issuance of the 2007 Policy.

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IN WITNESS WHEREOF, we have hereunto set our hands and the seal of Troy University,
as of this 12th day of July, 2007.

[S E A L]

Chancellor of the University and
Secretary of the Board of Trustees

Treasurer and Vice Chancellor for
Financial Affairs of the University

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APPENDIX I

PROVISIONS RELATING TO THE 2007 POLICY

ARTICLE XII

PROVISIONS RELATING TO THE POLICY

The provisions of this Article XII are adopted and entered into as a condition to the issuance by Ambac Assurance Corporation (hereinafter, "Ambac Assurance") of the financial guaranty insurance policy covering the payment of debt service on the Series 2007 Bonds (the "Policy"), and shall remain in effect so long as the Series 2007 Bonds remain Outstanding within the meaning of the Bond Resolution and this Resolution.

Section 12.1 Payment Procedure Pursuant to the Policy.

(a) At least one (1) day prior to all payment dates on the Series 2007 Bonds, the Depository will determine whether there will be sufficient funds in the Funds to pay the principal of or interest on the Series 2007 Bonds on such payment date. If the Depository determines that there will be insufficient funds in such Funds, the Depository shall so notify Ambac Assurance. Such notice shall specify the amount of the anticipated deficiency, the Series 2007 Bonds to which such deficiency is applicable and whether such Bonds will be deficient as to principal or interest, or both. If the Depository has not so notified Ambac Assurance at least one (1) day prior to a payment date, Ambac Assurance will make payments of principal or interest due on the Series 2007 Bonds on or before the first (1st) day next following the date on which Ambac Assurance shall have received notice of nonpayment from the Depository.

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

(c) The Depository shall provide Ambac Assurance and the Insurance Trustee with a list of registered owners of Series 2007 Bonds entitled to receive principal or interest payments from Ambac Assurance under the terms of the Policy, and shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the registered owners of Series 2007 Bonds entitled to receive full or partial interest payments from Ambac Assurance and (ii) to pay principal of Series 2007 Bonds surrendered to the Insurance Trustee by the registered owners of Series 2007 Bonds entitled to receive full or partial principal payments from Ambac Assurance.

(d) The Depository shall, at the time it provides notice to Ambac Assurance pursuant to (a) above, notify registered owners of Series 2007 Bonds entitled to receive the payment of principal thereof or interest thereon from Ambac Assurance (i) as to the fact of such entitlement, (ii) that Ambac Assurance will remit to them all or a part of the interest payments next coming due upon proof of bondholder entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the registered owner's right to payment, (iii) that should they be entitled to receive full payment of principal from Ambac Assurance, they must surrender their Series 2007 Bonds (along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to permit ownership of such Bonds to be registered in the name of Ambac Assurance) for payment to the Insurance Trustee, and not the Depository, and (iv) that should they be entitled to receive partial payment of principal from Ambac Assurance, they must surrender their Series 2007 Bonds for payment thereon first to the Depository, who shall note on such Bonds the portion of the principal paid by the Depository, and then, along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee, to the Insurance Trustee, which will then pay the unpaid portion of principal.

(e) In the event that the Depository has notice that any payment of principal of or interest on a Series 2007 Bond which has become Due for Payment (as defined in the Policy) and which is made to a bondholder by or on behalf of the University has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Depository shall, at the time Ambac Assurance is notified pursuant to (a) above, notify all registered owners that in the event that any registered owner's payment is so recovered, such registered owner will be entitled to payment from Ambac Assurance to the extent of such recovery if sufficient funds are not otherwise available, and the Depository shall furnish to Ambac Assurance its records evidencing the payments of principal of and interest on the Series 2007 Bonds which have been made by the Depository and subsequently recovered from registered owners and the dates on which such payments were made.

(f) In addition to those rights granted Ambac Assurance under this Resolution, Ambac Assurance shall, to the extent it makes payment of principal of or interest on Series 2007 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of

the Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Depository shall note Ambac Assurance's rights as subrogee on the registration books of the University maintained by the Depository upon receipt from Ambac Assurance of proof of the payment of interest thereon to the registered owners of the Series 2007 Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Depository shall note Ambac Assurance's rights as subrogee on the registration books of the University maintained by the Depository upon surrender of the Series 2007 Bonds by the registered owners thereof together with proof of the payment of principal thereof.

Section 12.2 Notices, Etc.

(a) While the Policy is in effect, the University shall furnish to Ambac Assurance (to the attention of the Surveillance Department, unless otherwise indicated), upon request, the following: (i) a copy of any financial statement, audit and/or annual report of the University; (ii) a copy of any notice to be given to the registered owners of the Series 2007 Bonds, including without limitation notice of any redemption of or defeasance of Series 2007 Bonds, and any certificate rendered pursuant to the Bond Resolution or this Resolution relating to the security for the Series 2007 Bonds; and (iii) such additional information as it may reasonably request.

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

(c) The University will permit Ambac Assurance to discuss the affairs, finances and accounts of the University or any information Ambac Assurance may reasonably request regarding the security for the Series 2007 Bonds with appropriate officers of the University. The Depository and the University, as applicable, will permit Ambac Assurance to have access to the Improvements and to have access to and make copies of all books and records relating to the Series 2007 Bonds at any reasonable time.

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

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

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

(g) Upon receipt of any notice pursuant to (d) above, Ambac Assurance shall have the right to direct an accounting by and at the expense of the University, and the University's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from Ambac Assurance shall be deemed a default under this Resolution; provided, however, that if the accounting cannot be completed within such period, then such period will be extended so long as the accounting is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any registered owner of the Series 2007 Bonds.

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

Section 12.3 Consents; Remedies.

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

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

(c) Any reorganization or liquidation plan with respect to the University must be acceptable to Ambac Assurance. In the event of any reorganization or liquidation, Ambac Assurance shall have the right to vote on behalf of all holders who hold Ambac Assurance-insured Series 2007 Bonds absent a default by Ambac Assurance under the Policy.

(d) Anything in this Resolution to the contrary notwithstanding, upon the occurrence and continuance of a default, Ambac Assurance shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of Series 2007 Bonds or the Depository for the benefit of such holders under the Bond Resolution.

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

Section 12.4 Miscellaneous.

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

(b) Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the University, the Depository, Ambac Assurance and the registered owners of the Series 2007 Bonds, any right, remedy or claim under or by reason of this Resolution or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Resolution contained by and on behalf of the University shall be for the sole and exclusive benefit of the University, the Depository, Ambac Assurance and the registered owners of the Series 2007 Bonds.

(c) Notwithstanding any other provision of this Resolution, in determining whether the rights of the holders of the Series 2007 Bonds will be adversely affected by any action taken pursuant to the terms and provisions of the Bond Resolution or this Resolution, the Depository shall consider the effect on such holders as if there were no Policy.

(d) Notwithstanding anything herein to the contrary, in the event that the principal and/or interest on the Series 2007 Bonds shall be paid by Ambac Assurance pursuant to the Policy, the Series 2007 Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not considered paid by the University, and the assignment and pledge of the General Student Fees and the Funds and all covenants, agreements and other obligations of the University to the registered owners of the Series 2007 Bonds shall continue to exist and shall run to the benefit of Ambac Assurance, and Ambac Assurance shall be subrogated to the rights of such registered owners.

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

○ **Athletics Committee, Honorable Allen Owen**

● **Athletics Report**

Mr. Owen called upon Athletics Director Steve Dennis to give a report on activities in the Athletic Department. The following summarizes Mr. Dennis' report.

1. Sold out of Stadium Club tickets for the fourth consecutive year. Currently, there is a waiting list of over 100 people. The Stadium Club generates approximately \$300,000 annually.
2. Successfully outsourced marketing inventory by negotiating a multi-year contract with International Sports Properties (ISP).
3. Established Trojan Warriors Annual Fund. This marks the first annual fund in the history of the Athletics Department.
4. Generated over \$1.5M from all external sources such as Sky Box leases, Trojan Club donations, ISP contract and Baseball Facility Campaign.
5. Hosted an ITF Professional Tennis Tournament for the fourth consecutive year.

6. Hosted the Southwestern Athletic Conference (SWAC) Track and Field Championships.
7. Co-hosted with the City of Dothan the Wiregrass Baseball Classic.
8. After winning the Sun Belt Conference, the football team qualified for the R&L Carriers New Orleans Bowl. The Trojans secured our first Bowl victory against the Rice Owls.
9. The women's rodeo program won the Ozark Region while the men finished third.
10. Ben Mayworth captured a rodeo national title at the Collegiate National Finals Rodeo.
11. Fall Academic Highlights reflected that 145 student athletes were inducted into the 3.0 Club. This number represents 39% of all student athletes.
12. TROY led all public institutions in the State of Alabama and the Sun Belt Conference by obtaining a Graduation Success Rate of 81%.

An update was given on the projected football schedules through 2010.

Mr. Dennis added that the above list represents but a few of the many achievements in the Athletics Department.

V. Resolution No. 3—Naming Athletic Tower

Mr. Owen called upon Chancellor Hawkins to make comments regarding Resolution No. 3. The Chancellor said that 21 years ago the University benefited from a level of persistence that has served us well and through the leadership of Dr. Doug Hawkins the University is where it is today. Chancellor Hawkins said Resolution No. 3 speaks to three things—vision, commitment to excellence, and continued expansion of the university. He added that there is no one who personifies the Trojan spirit any better than Dr. Doug Hawkins and it is captured well in the following resolution.

Resolution No. 3

ACTION: Following the Chancellor's comments, Mr. Owen made a motion to adopt Resolution No. 3. He called for a second which was received from Mr. Dial. Resolution No. 3, which follows, was unanimously adopted by the Board.

Following adoption of the following resolution, Dr. Doug Hawkins expressed his appreciation to the Board for honoring him in such a special way and said that Troy University means a great deal to him, as it did to his late wife, Mrs. Rachel Hawkins.

Resolution No. 3

Naming the Athletic Tower at Movie Gallery Veterans Stadium

Whereas, Dr. R. Douglas Hawkins has served Troy University as a member of its Board of Trustees since 1980; and

Whereas, Dr. Hawkins has served as President Pro Tem since 1996, ably providing leadership and counsel to the administration, faculty, staff and Board of Trustees; and

Whereas, the Press Box in the Movie Gallery Veterans Stadium is named in his honor; and

Whereas, his vision, commitment to excellence, and commitment to the continued expansion of Troy University has produced remarkable results and has positioned Troy University uniquely and favorably;

Therefore Be It Resolved, that further honor is accorded Dr. Hawkins by naming the Athletic Tower at Movie Gallery Veterans Stadium in his honor, to be known henceforth as the R. Douglas Hawkins Tower, effective this date, 27 July 2007.

VI. Nominating Committee Report, Honorable Allen Owen

Mr. Owen advised that as preparations were underway to present a Nominating Committee report, the committee became aware that the Bylaws of the Board called for election of officers to occur “at the October meeting of 2007 and at the October meeting every four years thereafter.” He said it is recommended that the Bylaws be amended as reflected in the following resolution.

Mr. Higgins and Mr. Owen added that the committee also looked at other sections of the Bylaws and may at a later date come back with some additional changes/recommendations. Mr. Owen asked that a copy of the Bylaws be available at future Board meetings in the Board packets. Dr. D. Hawkins asked Mr. Owen if he would give a report at the next Board meeting on the Bylaws.

Mr. Owen called for discussion or questions. There being none, the following action was taken on the Bylaws.

- o **Resolution No. 4—Amending Bylaws**

Resolution No. 4

ACTION: Mr. Owen made a motion to adopt Resolution No. 4. Seconded by Mr. Dial, Resolution No. 4 which follows was unanimously adopted.

Resolution to Amend the Bylaws of the Board of Trustees

WHEREAS, the Bylaws of the Board of Trustees call for the election of officers to occur “at the October meeting of 2007 and at the October meeting every four years thereafter;” and

WHEREAS, the Board wishes to establish the election of officers in coordination with the Board meeting usually associated with approval of the University budget; and

WHEREAS, the budget of the University is usually approved during the summer meeting of the Board of Trustees;

THEREFORE, BE IT RESOLVED by the Board of Trustees, on this 27th day of July 2007, that lines 7 and 8 of Section 5 on page 10 be amended to read “. . . subsequently at the summer meeting in 2007 and at the summer meeting every four years thereafter.”

BE IT FURTHER RESOLVED, that this action be noted and recorded in the Minutes of the Board and that the Bylaws of the Board be reissued to reflect this change.

Bylaws of the Board of Trustees for **Troy University**

PREAMBLE

The “Board of Trustees” of Troy University operates under the authority granted by Section 16-56 of the *Alabama Code* as amended by Act Number 97-586 of the Alabama Legislature. By virtue of this statute, the Board of Trustees has full management and control

over Troy University. In order to manage and control Troy University more effectively, in order to provide for a definitive, orderly form of governance, and in order to secure and continue a responsive, progressive, and superior institution of higher learning, the Board of Trustees does promulgate and adopt these Bylaws, replacing all bylaws heretofore adopted by this Board.

ARTICLE I

The Board of Trustees

The entire management and control over the activities, affairs, operations, business, and property of Troy University shall be completely and absolutely vested in the Board of Trustees of Troy University (hereinafter referred to as the "Board"); however, upon general or specific authorization or delegation made or provided for in these Bylaws or other action approved by the full Board, the Board may exercise its management and control by and through such officers, officials, committees, and agents as it may deem fit and proper.

The composition of the Board and the terms of office of Board members shall be in compliance with Section 16-56 of the *Alabama Code* as amended by Act Number 97-586 of the Alabama Legislature. Failure to attend board meetings or failure to participate in board meetings in good faith may constitute grounds for the full board to request the resignation of a board member. Such an action would require a three-fourths vote of the entire board. All other state laws pertinent to the removal of public officials shall apply to the members of the Board.

In exercise of its management and control of Troy University, the Board recognizes that it must determine major University policies, review existing policies, define the mission, role, and scope of the University and provide ultimate accountability to the public and political bodies of Alabama. It is incumbent on board members to recognize that their authority is of a collective nature and is not derived from their individual status. While the Board determines broad policy issues, it delegates implementation of policy and all administrative matters to the Chancellor of Troy University. In carrying out these responsibilities, the Chancellor may consult with other officers of the University, faculty, and staff as deemed prudent and appropriate to a university community.

Within these fundamental responsibilities, the Board shall act on recommendations brought by the Chancellor in the following areas:

1. Regulations, alterations, or modifications of the governance of The University;
2. Policies and goals of the University;
3. Academic plans, including new programs and new units, and major modification in existing programs and units;
4. Levying of tuition, fees, and charges;
5. Student admission and retention policies;
6. Requests for legislative appropriations;
7. Annual budgets;
8. All loans, borrowing, and issuance of bonds;
9. Compensation policies for faculty and staff;
10. Campus master plans, facilities development programs, and capital development programs;
11. The transfer and sale of real property and plans to ensure that all properties of the University are preserved and maintained;
12. Objectives, policies, and practices which provide for effective and prudent management, control, and preservation of the investment assets of the University;
13. Such other polices that are in the best interest of the operation and advancement of the University.

ARTICLE II

Meetings of the Board of Trustees

Section 1. Annual Meetings. The Board shall hold its annual regular meeting each year on the Troy Campus on or about the date scheduled for spring term graduation unless the Board

shall, during a regular or special session, determine to hold its annual meeting at some other time and place.

Section 2. Regular Meetings. In addition to the annual meeting, the Board may, during the annual meeting or during a regular meeting, set dates, times, and locations for one or more regular meetings to be held in the upcoming year.

Section 3. Special Meetings. Special meetings of the Board may be assembled by either of the following methods:

- (1) Special meetings of the Board may be called by the Governor or by the President *Pro Tempore*. In calling special meetings, the Governor or the President *Pro Tempore* shall mail a written notice to each trustee at least ten days in advance of the date of the meeting.
- (2) Upon the application in writing of any three members of the Board, the Governor or the President *Pro Tempore* shall call a special meeting, naming the time and location and causing notice to be issued in writing to all the members of the Board.

Section 4. Notice and Information. All meetings of the Board and committees require a minimum of ten days' notice to the membership. All information needed to transact the business of the Board shall be provided to the Board ten days in advance of the meeting. Additionally, public notice of all meetings of the Board of Trustees shall be appropriately posted in accordance with the Alabama Open Meeting Act.

Section 5. Quorum. Seven members of the Board shall constitute a quorum, but a smaller number may adjourn from day-to-day until a quorum is present. A quorum may be assembled in person or through electronic communications that permit complete auditory access to the proceedings of the Board; however, no more than two members may participate through electronic communications.

Section 6. Majority. Matters brought before the Board shall be decided on the basis of a majority vote unless otherwise provided for in the Bylaws; that is, approval of issues must be registered by more than half of the members present and voting on the particular issue in a properly called meeting for which a quorum is present.

Section 7. Minutes. Minutes of all meetings of the Board shall be prepared and distributed to all members of the Board by the Chancellor, who is the secretary of the Board. Upon approval of the minutes by the secretary and the officer presiding over the meeting, such minutes shall be recorded in substantially bound books retained by the Secretary. The Chancellor may designate an assistant to assist in the performance of the secretarial responsibilities.

Section 8. Executive Session. All meetings of the Board of Trustees shall be open to the public except when the Board may go into executive session (in accordance with prevailing laws of the State of Alabama). Formal official action by the Board resulting from discussion in executive session shall be made a part of the official minutes of the Board.

Section 9. Public Admission to Meetings of the Board. All meetings of the Board and its committees (except executive sessions) shall be open to the public. All persons in attendance at an open meeting can record the meeting but the recording cannot disrupt the conduct of the meeting.

Section 10. Agenda. The Chancellor, in the role of Secretary to the Board and in coordination with the President *Pro Tempore*, shall prepare and mail to each member of the Board an agenda with supporting materials for each meeting of the Board at least ten days prior to the time of the meeting. Three-fourths of the members present and voting shall be required to bring up for consideration by the Board, in any given meeting, any item not included on the agenda mailed to the membership prior to the meeting. The order of business at all regular and special meetings of the Board shall be as follows:

- Call to order
- Roll call
- Approval of the minutes of the prior meeting
- Correspondence
- Committee Reports
- Old business
- New business
- Elections
- Adjournment

Section 11. Rules of Order. Business at all meetings of the Board shall be conducted in conformity with *Robert's Rules of Order*, unless specifically stated otherwise by action of the Board.

ARTICLE III

Officers

The Board shall have the following officers and any other officer it may from time to time elect. Such officers shall have the power and shall perform the duties as are set forth herein, together with those which may be authorized and delegated by the Board from time to time, and the usual and customary powers and duties which are incident to the office.

Section 1. President of the Board. The Governor of the State of Alabama shall be *ex officio* President of the Board. When in attendance at a meeting, the Governor shall preside and may call special meetings of the Board upon the conditions herein before described.

Section 2. President Pro Tempore. In the absence of the Governor, the President *Pro Tempore* shall preside at all Board meetings. The President *Pro Tempore* appoints chairs and vice chairs and members of the Board's standing committees and any *ad hoc* committees authorized by the Board. The President *Pro Tempore* shall fill vacancies which may occur on such committees and has the authority to replace and/or reassign committee chairs and committee members at his or her discretion.

Section 3. Vice President Pro Tempore. The Vice President *Pro Tempore* shall be elected by and from the membership of the Board. He shall serve as the presiding officer of the Board in the absence of the President and the President *Pro Tempore*. The Vice President *Pro Tempore* shall serve as chair of the Academic Affairs Committee.

Section 4. Secretary. The Chancellor of Troy University shall serve the Board *ex officio* as the Secretary in a non-voting capacity. The Secretary shall cause notice of meetings of the Board and its committees to be given to the members thereof; shall prepare and distribute the agenda; shall attend all Board and committee meetings; and shall make, record, and retain complete records and minutes of all official actions of the Board.

Section 5. Election of Officers. The President of the Board and the Secretary of the Board shall hold their appointments by their elected and appointed positions respectively. The President *Pro Tempore* and Vice President *Pro Tempore* shall be elected by and from the members of the Board to serve a term of four years and until their successors shall have been elected. The first election under these Bylaws shall occur at the October 2003 Board meeting and subsequently at the October meeting in 2007 and at the October meeting every four years thereafter. Board members shall assume office upon their election. Board members may be elected to an office for no more than two consecutive terms, but may serve again after four years have elapsed from serving in that office. A majority vote shall be required for elected officers. If no nominee receives a majority, then the two nominees receiving the greatest number of votes shall be subjected to a run-off election. Elections shall be by open balloting.

ARTICLE IV

Committees

The President *Pro Tempore*, in consultation with the Chancellor, shall appoint all committees and the respective chairs of each committee except as otherwise designated by these bylaws. The terms of service of committee members and chairs shall be subject to the pleasure of the President *Pro Tempore*, unless specifically stated otherwise by action of the Board.

The Secretary of the Board shall be an *ex officio* member of all committees and shall provide staff support to committees as necessary. Committees of the Board shall make recommendations to the full Board and may not take any official actions on behalf of the full Board unless specifically authorized by the full Board. Minutes of each committee meeting shall be maintained as designated by the Secretary. The Board shall have the following standing committees:

Section 1. Executive Committee. The Executive Committee shall be comprised of the President *Pro Tempore*, the Vice President *Pro Tempore*, and the Chairman of the Finance Committee. The President *Pro Tempore* shall chair the Executive Committee. The Executive Committee shall work for the advancement of The University and take actions necessary to ensure a good relationship with the university administration, faculty, students, and alumni. Personnel policies shall be recommended to the Board and monitored by this committee.

Section 2. Finance Committee. The Finance Committee shall review the annual budget for Troy University and make recommendations to the full Board regarding the annual budget. It also shall work with the administration for recommending Board issues and review other financial policies, issues, and transactions for Board approval.

Section 3. Academic Affairs Committee. This committee shall periodically review curricula, courses of study, program offerings, viability, faculty personnel policies, accreditation, and the general soundness of academic disciplines and shall make such recommendations on these matters as it deems necessary to the full Board. This committee shall recommend to the full Board candidates for the honorary doctorate.

Section 4. Athletics Policy Committee. This committee shall be responsible for recommending Board policies relating to intercollegiate athletics competition for Troy University, consistent with rules and guidelines issued by the National Collegiate Athletics Association (NCAA). This committee shall work to achieve excellence in athletics along with promoting sound academic performance by student athletes. This committee will promote participation in and support of the Troy University athletics program by all campuses of Troy University.

ARTICLE V

Amendments

These bylaws may be amended at any regular meeting of the Board by a majority vote of the Board.

Nominating Committee Report (Continued)

Mr. Owen stated that following the amendment of the Bylaws, the Nominating Committee recommended Dr. R. Douglas Hawkins as President pro tempore and The Honorable Gerald O. Dial as Vice President pro tem to serve four year terms.

o Election of Officers

Following Mr. Owen's remarks regarding the Bylaws and the Nominating Committee Report, the following action was taken:

ACTION: On a motion by Mr. Owen and seconded by Mr. Drinkard, the President pro tem will be Dr. R. Douglas Hawkins and the Honorable Gerald O. Dial will serve as Vice President pro tem of the Board to serve four year terms.

VII. Other

Mr. Harrison distributed a copy of the following resolution to Board members. He then read the resolution. Mr. Harrison said that the this resolution was done at the recommendation of the National Alumni Association and certainly with 100% unanimous consent of the Executive Committee of the Board of Trustees.

Resolution No. 5

ACTION: Mr. Harrison made a motion to adopt the following resolution naming the new College of Education Building in honor of Chancellor Hawkins. Seconded by Mr. Higgins, Resolution No. 5 which follows was unanimously approved by the Board.

Resolution No. 5

Resolution to Name the College of Education Building at Troy University

WHEREAS, Dr. Jack Hawkins, Jr., assumed the position of Chancellor of the Troy State University System, now Troy University, on September 1, 1989; and

WHEREAS, Chancellor Hawkins' exemplary leadership has led to the transformation of Troy University from a rural teachers college to a worldwide university; and

WHEREAS, the achievements of the Hawkins Administration at Troy University are many and varied, to include:

- Doubling the size of the worldwide enrollment of TROY students;
- Implementing stricter academic standards, thus enhancing the value of the TROY degree;
- Investing more than \$100 million in the physical plants of the four Alabama Campuses;
- Creating a worldwide distance learning system that is second to none in American higher education;
- Leading the transition of Troy University athletics to the highest level of NCAA competition, bringing recognition to the University and fostering pride in its students, alumni and friends;
- Implementing the concept of internationalization at Troy University by creating TROY teaching sites abroad and bringing students from across the globe to Alabama to receive a high-quality American university degree;
- Creating a program of international economic development for Alabama using the worldwide resources of Troy University; and
- Leading the process of unifying the former Troy State University System worldwide into "One Great University," making TROY a model for 21st Century higher education; and

WHEREAS, Dr. Hawkins, ably assisted by Mrs. Janice Hawkins, Troy University's first lady, has promoted and protected the highest ideals of the academy and has served as a guardian of the proud legacy of Troy University as a teaching institution;

THEREFORE, BE IT RESOLVED, that the new building on the Troy Campus that will house the College of Education be known as "Jack Hawkins, Jr., Hall" to honor this true Trojan, an outstanding leader in higher education.

Following adoption of the above resolution, Chancellor Hawkins expressed his deep appreciation for this honor and said that he was deeply humbled, surprised, and honored.

VIII. Adjournment

Prior to adjournment Board members were invited by Dr. Jean Laliberte to remain for refreshments in celebration Mr. Roy Drinkard's 87th birthday.

There being no further business the Board adjourned on a motion made by Mr. Harrison and seconded by Mr. Higgins.

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

