

**MINUTES
BOARD OF TRUSTEES' MEETING
December 11, 2009**

The Troy University Board of Trustees met at 1:30 p.m. on December 11, 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, State Superintendent of Education Dr. Joe Morton, 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, Mr. Charles Nailen, and Mr. Jonathan Davis, SGA President (non-voting member). Absent: Governor Bob Riley, and Mr. Milton McGregor.

III. Approval of Minutes (July 24, 2009)

A draft copy of the July 24, 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 JULY 24, 2009, MEETING. A SECOND TO THE MOTION WAS MADE BY MR. JOHN HARRISON. 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

- The Chancellor welcomed Sun Belt Commissioner Wright Waters to the meeting. A summary of agenda items to be considered by the Board was provided and included a report from the Sun Belt Commissioner, an update on SACS, Arena update, Bond Issue, and new branding advertisements.

The Chancellor reported on the following topics:

eCampus

Dr. Hawkins stated that eCampus is at the heart of our future. He added that it is important to remember who we are serving. These are changing students and we now refer to them as "Digital Natives." Indicators point to an increase of about 22% by 2013 in the 18 to 25 year olds; 35+ year olds will increase by 2% by 2012 and only 55% of the students will complete their degrees in six years. More students will be using financial aid and more traditional aged students will be working at least part-time. Indicators show that there will be more females than males in higher education.

The Chancellor added that projections indicate that by 2020 60% of courses will be offered through Online Learning. This year 55% of institutions offer no online courses. Thirty-five percent of institutions have less than 1,000 online learners and only 2% have over 3,000 learners. Troy University has about 15,000 online students.

eCampus will be consolidated from Troy, Columbus and Ft. Walton Beach to a Troy location on the site of the recently purchased Parklane property. About 155 staff will be at the new location by 2011.

Enrollment

Chancellor Hawkins shared the final enrollment figures for Fall Semester

that shows an increase of 5% in unduplicated headcount enrollments with a total enrollment of 30,564.

Facilities

A snapshot on facilities was provided which included a groundbreaking on Fraternity Village (\$9M project), a new dining facility (\$10M project with seating capacity of 1,000, arena project, plans for the old Executive Office Building for the Montgomery Campus, the Bibb Graves project, and a maintenance facility for the Dothan Campus.

Strategic Plan

The 2010-2015 Strategic Plan is under development. Dr. Hawkins expressed appreciation to Mr. Dan Joslyn for his assistance in the university's Strategic Plan process. The first draft will be presented at the March retreat and it will be brought to the Board for approval at a later date. The target date for implementation of the new plan is set for August 1, 2010.

“Our Collective Vision”

Areas mentioned by the Chancellor included new facilities, increase in scholarship awards, increase study abroad, expanded use of technology, School of Science & technology, new doctoral programs, and increase enrollment to 50,000.

GMAC Bowl

Dr. Hawkins advised that the football team will be playing in the GMAC Bowl in Mobile's Ladd-Peebles Stadium on January 6 with a 6 p.m. kickoff. The game will be televised on ESPN. Everyone was encouraged to come out and support the Trojans.

Government Relations

Legislative budget hearings are set for December 14-17 and the Legislative Session is scheduled to begin January 12, 2010. Areas of concern this year include the PACT Program, state budget cuts, and possibility of additional proration.

Upcoming events in 2010

GMAC Bowl, January 6
Joint Retreat, March 18-19
Helen Keller Lecture, April 6
Honors Convocation, April 13
Commencement, May 7
BOT Meetings, May 7 and July 23
BOT Official athletic trip, Sept. 10-11

B. Committee Reports

- Finance, Mr. John Harrison

- Resolution No. 1—Ratification of Bond Issue

Mr. Harrison introduced Resolution No. 1, Ratification of Bond Issue, saying that there is one document that possibly could have been omitted for some reason and it is a letter of representation. He suggested that if it needs to be added that can be done at a later date. Dr. Doug Hawkins stated that if the letter needs to be added we will do so. Following Dr. D. Hawkins' comments, Mr. Harrison made a motion to adopt Resolution No. 1.

RESOLUTION NO. 1

ACTION: MR. HARRISON MADE A MOTION TO ADOPT RESOLUTION NO. 1. A SECOND TO THE MOTION WAS MADE BY MR. CROWELL AND THE MOTION WAS ADOPTED.

RESOLUTION NO. 1

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 FACILITIES REVENUE BONDS, SERIES 2009.

WHEREAS, the Board of Trustees of Troy University (the "University") heretofore on July 24, 2009 adopted a resolution (the "Series 2009 Resolution") authorizing the issuance by the University of up to \$70,000,000 in principal amount of its Facilities Revenue Bonds, Series 2009 (the "Series 2009 Bonds"); and

WHEREAS, the Series 2009 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 2009 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 2009 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 September 23, 2009, a true and complete copy of which has been attached hereto as Annex A; and

WHEREAS, by the terms of the Series 2009 Resolution, the Determination Document, upon its execution, became and shall be construed as an integral part of the Series 2009 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 2009 Bonds, as heretofore authorized in the Series 2009 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 11th day of December, 2009.

President pro tempore of the Board
of Trustees

(S E A L)

Attest: _____
Secretary of the Board
of Trustees

ANNEX A

SERIES 2009 DETERMINATION DOCUMENT

SERIES 2009 DETERMINATION DOCUMENT

THIS SERIES 2009 DETERMINATION DOCUMENT made and entered into this 23rd day of September, 2009 (this "Document"), by 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"), under the circumstances summarized in the following Recitals:

A. The Board of Trustees of the University (the "Board") did heretofore on July 24, 2009 adopt the General Bond Resolution (herein, the "General Bond Resolution" or the "Resolution"), which provided for the issuance by the University of "Facilities Revenue Bonds" generally under the terms and provisions and secured by the revenues and pledges therein set forth. Terms used but not otherwise defined herein shall have the meanings given to them in the General Bond Resolution.

B. Part of the General Bond Resolution, and in particular Article III thereof, constituted a Series Resolution with respect to, and authorized the issuance by the University of not to exceed \$70,000,000 in aggregate principal amount of, the Series 2009 Bonds. Section 3.3(b) of the General Bond Resolution expressly authorized and entrusted the undersigned officers of the University to execute and deliver this Document, in order to determine and prescribe the terms and provisions of and the other matters relative to the Series 2009 Bonds, consistent and in accordance with such authorization.

C. As provided in the General Bond Resolution, this Document constitutes an integral part of the Series Resolution for the Series 2009 Bonds more fully described herein.

NOW, THEREFORE, the undersigned officers of the University do hereby determine, declare, find, provide and prescribe as follows, with respect to the Series 2009 Bonds:

1. The undersigned have heretofore determined, as authorized pursuant to Section 3.1 of the Resolution, that prevailing market conditions warranted proceeding with the sale and issuance of the Series 2009 Bonds. As such, and as authorized pursuant to Section 3.7(a) of the Resolution, the POS of the University, dated September 11, 2009, relative to the Series 2009 Bonds was prepared by the University and distributed by the Purchaser (as hereinafter identified). As further authorized pursuant to said Section 3.7(a), that POS was then and is hereby formally "deemed final" as of its date, for purposes of SEC Rule 15c2-12. The conversion of the POS into the final Official Statement of the University dated September 16, 2009 relative to the Series 2009 Bonds is hereby acknowledged and confirmed, and the Official Statement is hereby determined and declared to be a "final official statement" within the meaning and for purposes of SEC Rule 15c2-12.

2. The aggregate principal amount of the Series 2009 Bonds shall be \$62,770,000, and the authorized denominations of the Series 2009 Bonds shall be \$5,000 and any integral multiple thereof.

3. The Series 2009 Bonds shall be dated the Issue Date thereof, shall be initially issued in book-entry only mode, and shall be issued in two (2) sub-series, as follows: (a) \$14,590,000 in principal amount thereof shall be issued on a Tax-Exempt basis, designated "Troy University, Facilities Revenue Bonds, Series 2009A", numbered consecutively from AR-1 upward, substantially in the form of Exhibit A hereto (the "Series 2009A Bonds"); and (b) \$48,180,000 in principal amount thereof shall be issued on a Tax-Favored basis, designated "Troy University, Taxable Facilities Revenue Bonds, Series 2009B (Build America Bonds)", numbered consecutively from BR-1 upward, substantially in the form of Exhibit B hereto (the "Series 2009B Bonds").

4. The Series 2009 Bonds shall be issued for, and the proceeds thereof shall be applied to:

(a) the purposes enumerated in Section 3.2(a) of the Resolution;

(b) as authorized pursuant to Section 3.2(a)(2) of the Resolution, and subject to the reservation and provisions set forth in the final sentence of this Section 4, paying or

reimbursing all or part of the cost of the following additional Facilities at the Troy campus of the University: (i) the renovation of Smith Hall, (ii) the renovation and expansion of Bibb Graves Hall, and (iii) the reclamation, restoration and improvement of the property and natural resources constituting Janice Hawkins Park; and

(c) as authorized pursuant to Section 3.2(a)(4) of the Resolution, the payment of capitalized interest on the Series 2009 Bonds, which is hereby determined and declared to be both a part of the cost of Facilities and a lawful purpose, within the meaning and for purposes of Section 2.2 of the Resolution.

Coupled with the authorization conferred upon the undersigned by Section 3.2(a)(2) of the Resolution to add to the Facilities therein specified, the designations set forth in subsection (b) of this Section 4 are hereby determined and found to constitute a declaration of official intent (within the meaning and for purposes of Treasury Regulation Section 1.150-2) of and on behalf of the University with respect to the Facilities identified and described in said subsection (b) of this Section 4. If and to the extent there remain any proceeds of the Series 2009 Bonds after funding the purposes hereinabove described and specified, the undersigned, on behalf of the University, expressly reserve the right to expend and apply the same to pay or reimburse costs of acquiring, constructing, renovating, furnishing and equipping, as applicable, such other Facilities of the University as may hereafter appear necessary or desirable and as shall be enumerated and described in a certificate hereafter executed by either of the undersigned, consistent with the provisions of the General Bond Resolution and with the covenants of the University therein to preserve the Tax-Exempt status of the Series 2009A Bonds and the Tax-Favored status of the Series 2009B Bonds.

5. The undersigned hereby acknowledge, ratify and confirm (a) their prior selection of (i) Wachovia Bank, National Association, d/b/a Wells Fargo Securities ("WFS") as senior managing underwriter and as representative of (ii) Raymond James & Associates, Inc., Morgan Keegan & Company, Inc., and Merchant Capital, L.L.C., collectively constituting the "Purchaser" of the Series 2009 Bonds; (b) the execution and delivery, by the undersigned Treasurer for and on behalf of the University, of the Bond Purchase Agreement dated September 16, 2009 between the University and WFS (the "Purchase Agreement"), as authorized pursuant to Section 3.7(b) of the Resolution; and (c) the purchase price for the Series 2009 Bonds, as set forth in the Purchase Agreement, equal to \$62,603,916.75 in the aggregate and comprised of (i), for the Series 2009A Bonds, \$14,724,078.15 (which represents the par amount of the Series 2009A Bonds, plus net original issue premium of \$214,323.15, less underwriters' discount of \$80,245.00), plus (ii), for the Series 2009B Bonds, \$47,879,838.60 (which represents the par amount of the Series 2009B Bonds, less underwriters' discount of \$300,161.40).

6. The Series 2009 Bonds shall be payable, as to interest, semi-annually on May 1 and November 1 of each year commencing May 1, 2010 (each, an "Interest Payment Date").

7. The Series 2009A Bonds shall mature on November 1 in the years and principal amounts and bear interest at the per annum fixed rates set forth in the following table:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2010	\$ 540,000	2.000%
2011	555,000	3.000
2012	575,000	4.000
2013	595,000	3.000
2014	610,000	3.000
2015	630,000	3.000
2016	650,000	3.500
2017	675,000	4.000
2018	710,000	5.000
2019	745,000	5.000
2020	775,000	3.750
2021	810,000	4.000
2022	840,000	4.000
2023	875,000	4.125
2024	915,000	4.250

2028*

4,090,000

4.500

* Term bonds; see mandatory sinking fund redemption schedule in Exhibit C hereto.

8. The Series 2009B Bonds shall mature on November 1 in the years and principal amounts and bear interest at the per annum fixed rates set forth in the following table:

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<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2010	\$ 220,000	1.500%
2011	230,000	2.300
2012	230,000	2.900
2013	1,020,000	3.300
2014	1,050,000	3.800
2015	1,070,000	4.200
2016	1,105,000	4.550
2017	1,655,000	4.750
2018	1,705,000	4.900
2019	2,475,000	5.050
2029*	37,420,000	6.402

* Term bonds; see mandatory sinking fund redemption schedule in Exhibit C hereto.

9. The Series 2009 Bonds shall be subject to redemption prior to their stated maturities as set forth and described in Exhibit C hereto. The Series 2009 Bonds are not subject to optional or mandatory tender.

10. Having successfully concluded negotiations with Assured Guaranty Corp., a Maryland-domiciled insurance company (the "Insurer"), the undersigned officers hereby acknowledge, ratify and confirm the execution and delivery, by the undersigned Treasurer for and on behalf of the University, of a Commitment to Issue Financial Guaranty Insurance Policy dated August 24, 2009 and countersigned by the Treasurer on September 1, 2009, providing for the issuance by the Insurer of Financial Guaranty Insurance Policy No. D-2009-1309 of the Insurer, covering the payment of debt service on the Series 2009 Bonds (the "Policy"). The undersigned hereby authorize the Purchaser to deduct from the agreed-upon purchase price for the Series 2009 Bonds, as set forth in Section 5 of this Document, the amount of \$674,035.93 (of which \$129,379.38 is allocable to the Series 2009A Bonds and \$544,656.10 is allocable to the Series 2009B Bonds), being the agreed-upon premium for the Policy, and to pay said amount, for and on behalf of the University, to the Insurer on the Issue Date. Attached hereto as Exhibit D and hereby made a part hereof and of that portion of the General Bond Resolution which constitutes the Series Resolution for the Series 2009 Bonds (and as authorized by Section 2.4(c)(16) of the Resolution), are the provisions required by the Insurer in connection with the issuance of the Policy.

11. Aside from the General Student Fees and the Special Student Fees, no other fees or revenues of the University are pledged or to be pledged to the payment of the Series 2009 Bonds.

12. Attached hereto as Exhibit E and hereby made a part hereof are the provisions which the undersigned have prescribed and determined shall govern the defeasance of the Series 2009 Bonds.

13. In furtherance of the determination made in Section 3 hereof, to the effect that the Series 2009 Bonds be initially issued in book-entry only mode, and in accordance with the provisions of Section 2.11 of the General Bond Resolution, the undersigned hereby acknowledge, ratify and confirm the execution and delivery on September 22, 2009, by the undersigned Treasurer for and on behalf of the University, of the Blanket Letter of Representations by and between the University and DTC, a true and complete copy of which is attached as Exhibit F hereto and hereby made a part hereof and of that portion of the General Bond Resolution which constitutes the Series Resolution for the Series 2009 Bonds.

14. In the Tax Compliance Certificate for the Series 2009B Bonds, which will be executed and delivered by the undersigned Treasurer for and on behalf of the University, the University will make an irrevocable election to have Sections 54AA(d) and (g) apply to the Series 2009B Bonds, which will (provided the other requirements imposed by said Sections are and continue to be met) entitle the University (or any Person who makes interest payments on the Series 2009B Bonds on behalf of the University) to receive, pursuant to Section 6431 of the Code, a credit payable by the Department of the Treasury (the "Treasury") of the United States (herein, a "Direct Payment") with respect to each interest payment under the Series 2009B Bonds. The Internal

Revenue Service ("IRS") has promulgated Form 8038-CP as the method for requesting each such Direct Payment. The undersigned officers, for and on behalf of the University, hereby authorize and direct the Trustee, as the entity authorized to make interest payments on the Series 2009B Bonds on behalf of the University, (a) at least 110 days prior to each Interest Payment Date in respect of the Series 2009B Bonds, to prepare and complete Form 8038-CP with respect to the interest payment on the Series 2009B Bonds coming due on that Interest Payment Date; (b) promptly following such preparation, to submit each such prepared and completed Form 8038-CP to the University, for execution thereof on behalf of the University by the Treasurer or Controller of the University (or by such other authorized representative of the University as the Treasurer may hereafter designate in writing to the Trustee), whereupon the University shall, within 10 days, return such executed Form 8038-CP to the Trustee; (c) to file each such prepared, completed and executed Form 8038-CP with Treasury not earlier than 90 days and not later than 45 days prior to each Interest Payment Date; provided, however, that in no event shall Trustee be required to file a Form 8038-CP with Treasury (i) that has not been duly executed by the University or (ii) within fewer than three (3) Business Days after receiving the duly executed Form 8038-CP from the University; and (d) to receive, on behalf of the University, each Direct Payment by Treasury and to deposit the same in the Bond Fund, to be applied to the payment of interest on the Series 2009B Bonds. The University reserves the right to rescind all or any part of the foregoing authorization, provided, however, that any such rescission must be in writing, must be executed by the Treasurer of the University, and must be received by the Trustee not fewer than 150 days prior to the first Interest Payment Date to which such rescission applies.

The University acknowledges and agrees that the Trustee is not responsible for the University's compliance with legal requirements, including without limitation compliance with the requirements of the Code, relating to the preparation, submission and administration of Forms 8038-CP and/or Direct Payments relating to the Series 2009B Bonds. The Trustee represents and warrants that the foregoing obligations undertaken by it with respect to the preparation, completion and filing of the Forms 8038-CP in accordance with existing guidance from the IRS are part of its Ordinary Services under and as defined in the General Bond Resolution.

15. Pursuant to the provisions contained and incorporated by reference in Section 3.6 of the General Bond Resolution, the undersigned officers of the University hereby authorize and direct the Trustee, in its capacity as Depository (under and as defined in the Prior Bond Resolution) for all Prior Bonds, to call for redemption all of the outstanding Series 2002 Prior Bonds, such redemption to be accomplished on October 29, 2009, and to mail an appropriate notice of such redemption to all holders of the Series 2002 Prior Bonds and to Ambac Assurance Corporation, One State Street Plaza, New York, New York 10004, Attention: Surveillance Department. Pursuant to Section 3.7(d) of the General Bond Resolution, the undersigned Treasurer shall execute and deliver, for and on behalf of the University, an Escrow Trust Agreement (the "Escrow Agreement") to be entered into by and between the University and the Trustee, as escrow trustee thereunder.

16. The undersigned hereby request and direct the Trustee to establish (a) separate Construction Accounts, as authorized pursuant to Section 3.5 of the General Bond Resolution, for each of the Series 2009A Bonds and Series 2009B Bonds, to be designated "Series 2009A Construction Account" and "Series 2009B Construction Account", respectively; and (b) within each such Construction Account, a Capitalized Interest sub-Account, to be designated "Series 2009A Capitalized Interest sub-Account" and "Series 2009B Capitalized Interest sub-Account", respectively. Attached hereto as Exhibit G and hereby made a part hereof is the form of certificate, referenced in Section 3.5(b) of the General Bond Resolution, to be utilized by the University for making or directing withdrawals from the Series 2009A and Series 2009B Construction Accounts, with space at the top of the form for designating from which Account the withdrawal is to be made. So long as any funds remain in either of the aforementioned Capitalized Interest sub-Accounts, the Trustee is authorized and directed, without the need for further direction on the part of the University or the completion and submission by the University of any certificate or disbursement requisition therefor, to transfer from each such sub-Account to the Bond Fund, on each Interest Payment Date, the amount of interest coming due on the respective sub-series of the Series 2009 Bonds. Pending such transfer, the amounts in each Capitalized Interest sub-Account shall be invested and reinvested by the Trustee, at the direction of the University, in Permitted Investments, 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 the interest on the respective sub-series of the Series 2009 Bonds as the same become due and payable. If and to the extent, however, that the amount on

deposit in the Series 2009B Capitalized Interest sub-Account exceeds the amount of capitalized interest permitted under the Code to be paid on the Series 2009B Bonds or any portion thereof, the Trustee shall, upon the request and instruction of the University to that effect, transfer the amount of any such excess capitalized interest from the Series 2009B Capitalized Interest sub-Account to the Series 2009B Construction Account.

17. The Chancellor and Treasurer hereby determine and direct that the amount received as the purchase price of the Series 2009A Bonds (net of that portion of the premium for the Policy to be paid therefrom in accordance with Section 10 hereof) be allocated as follows: (a) the amount of \$11,577,110.00 will, together with the amount of \$140,000.00 which the Trustee, as Depository under and as defined in the Prior Bond Resolution, holds in the bond fund established under the Prior Bond Resolution for the Series 2002 Prior Bonds, be deposited into the escrow fund created under the Escrow Agreement, for application as therein specified; (b) the amount of \$1,680,731.37 will be deposited in the Series 2009A Capitalized Interest sub-Account; and (c) the balance, being the amount of \$1,336,856.95 (which includes costs of issuance allocable to the Series 2009A Bonds), will be deposited in the Series 2009A Construction Account.

18. The Chancellor and Treasurer hereby determine and direct that the amount received as the purchase price of the Series 2009B Bonds (net of that portion of the premium for the Policy to be paid therefrom in accordance with Section 10 hereof) be allocated as follows: (a) the amount of \$3,476,640.48 will be deposited in the Series 2009B Capitalized Interest sub-Account; and (c) the balance, being the amount of \$43,858,542.02 (which includes costs of issuance allocable to the Series 2009B Bonds), will be deposited in the Series 2009B Construction Account.

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IN WITNESS WHEREOF, we have hereunto set our hands and the seal of Troy University,
as of the date first hereinabove set forth.

[S E A L]

Chancellor of the University and
Secretary of the Board of Trustees

Treasurer and Senior Vice Chancellor
for Finance and Business Affairs of
the University

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EXHIBIT A
(Form of Series 2009A Bond)

(Form of Face of Bond)

REGISTERED
No. AR- _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF ALABAMA
TROY UNIVERSITY
FACILITIES REVENUE BOND, SERIES 2009A

Maturity Date: November 1, _____

CUSIP NO. 897 745 _____

Registered Owner: **CEDE & CO.**

Dated Date: September 29, 2009

Principal Amount: _____

Interest Rate: _____ percent
(_____ %) per annum

TROY UNIVERSITY, a public corporation and instrumentality of the State of Alabama (the "University"), for value received, hereby promises to pay to the Registered Owner set forth above or its registered assigns, but solely from the sources hereinafter referred to, the Principal Amount set forth above on the Maturity Date set forth above, unless sooner called for redemption, and to pay interest on said Principal Amount at the Interest Rate set forth above from the most recent date to which interest shall have been paid or provided for or, if no interest shall have been paid or provided for, from the Dated Date set forth above. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months and shall be payable in arrears semi-annually on May 1 and November 1 of each year, commencing May 1, 2010 (each, an "Interest Payment Date"); provided, if any such date is not a Business Day (as hereinafter defined), payment 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.

As used herein, "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 (hereinafter defined) is located, or (ii) the City of New York, New York.

The principal of and redemption premium, if any, on this Bond are payable upon presentation and surrender of this Bond at the principal corporate trust office in the City of Birmingham, Alabama, of the Trustee, Regions Bank (the "Trustee"), or the designated corporate trust office of its successor in trust (the "Trustee's Office"), or at the office, designated by the Trustee, of any other paying agent. Interest on this Bond payable on each Interest Payment Date will be paid by check or draft which the Trustee will cause to be mailed by first-class mail on that date to the person in whose name this Bond (or one or more predecessor bonds) is registered (the "Holder"), at his address as shown on the books and records of the Trustee on the 15th day next preceding such Interest Payment Date (the "Record Date"). Any interest which is not timely paid or duly provided for shall be payable to the Holder hereof at the close of business on a date (the "Special Record Date") to be fixed by the Trustee for the payment of that overdue interest. Notice of the Special Record Date shall be mailed to Holders not less than ten calendar days prior thereto. The principal hereof and interest and any premium hereon are payable in lawful money of the United States of America, without deduction for the services of the Trustee or any paying agent.

Notwithstanding the foregoing, so long as Cede & Co. or another nominee of The Depository Trust Company, New York, New York ("DTC"), is the registered owner of the Series 2009 Bonds (as hereinafter defined), all payments of principal of and premium (if any) and interest on the Series 2009 Bonds will be made by the Trustee to Cede & Co. (as such registered owner) for DTC, for subsequent disbursement, through DTC's network of direct and indirect participants, to the actual owners of beneficial interests in the Series 2009 Bonds, all in accordance with the rules governing DTC's book-entry only system (herein, the "Book-Entry System") as more fully described in the Blanket Issuer Letter of Representations between the University and DTC (the "Letter of Representations").

This Bond is one of an issue of Bonds duly authorized in the aggregate principal amount of \$14,590,000 (the "Series 2009A Bonds") and issued pursuant to and in full compliance with (a) the Constitution and laws of the State of Alabama, including particularly Section 16-3-28, Code of Alabama 1975, as amended, and (b) a resolution duly adopted by the Board of Trustees of the University (the

"Board") on July 24, 2009 (the "General Bond Resolution"), as supplemented by certificate of the Chancellor and Treasurer of the University. Terms used but not otherwise defined herein shall have the meanings given to them in the General Bond Resolution.

The Series 2009A Bonds are being issued simultaneously and on a parity of lien with an issue by the University under the General Bond Resolution of its \$48,180,000 Taxable Facilities Revenue Bonds, Series 2009B (Build America Bonds) (the "Series 2009B Bonds", and collectively with the Series 2009A Bonds, the "Series 2009 Bonds").

The Series 2009 Bonds and all other bonds hereafter issued on a parity therewith as Additional Bonds pursuant to the General Bond Resolution (collectively, the "Bonds") are payable solely from the special fund created under the General Bond Resolution and therein designated "Troy University, Facilities Revenue Bonds - Bond Fund" (the "Bond Fund"), and are secured by (a) an exclusive first lien upon and pledge of certain special fees or charges on students now or hereafter levied by the University (as more particularly described in the General Bond Resolution, the "Special Student Fees"), and (b) a lien upon and pledge of the tuition payable by students attending the University (as more particularly described in the General Bond Resolution, the "General Student Fees"), subordinated, however, to the lien upon and pledge of the General Student Fees made under that certain resolution adopted by the Board on August 15, 1969, as amended (the "Prior Bond Resolution"), for the benefit of the obligations heretofore issued by the University thereunder (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 (collectively referred to herein as the "Revenues"). Neither the Bonds nor any pledge or agreement made in the General Bond Resolution shall be or constitute an obligation or debt of any nature whatsoever of the State of Alabama (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 Revenues and the moneys in the Bond Fund.

The University has covenanted and agreed in the General Bond Resolution that, so long as any Bonds (or Prior Bonds) remain outstanding, it 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 (and, so long as they remain outstanding, the Prior Bonds). The University has covenanted and agreed in the General Bond Resolution that it will issue no new bonds or notes or otherwise incur new indebtedness under the Prior Bond Resolution.

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

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

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

IN WITNESS WHEREOF, the University has caused this Bond to be executed for and on its behalf by the manual signature of its Chancellor, and has caused its seal to be hereunto imprinted and to be attested by the manual signature of its Treasurer, all as of the Dated Date set forth above.

TROY UNIVERSITY

By: _____
Its Chancellor

(S E A L)
Attest:

By: _____

Its Treasurer

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

Authentication and Registration Date: _____

This Bond is one of the Series 2009A Bonds described in the within-mentioned General Bond Resolution.

REGIONS BANK,
as Trustee

By: _____

Authorized Signatory

(Form of Reverse of Bond)

REDEMPTION PROVISIONS

Optional Redemption. Those of the Series 2009A Bonds having a stated maturity in the year 2020 and thereafter will be subject to redemption prior to their respective maturities, at the option of the University, on November 1, 2019, and thereafter as a whole or in part at any time (and if in part, the maturities of those to be redeemed to be selected by the University, and if less than all the bonds of a maturity are to be redeemed, in denominations of \$5,000 or any integral multiple thereof, selected from such maturity by the Trustee by random selection) at the redemption price of par plus accrued interest to the date fixed for redemption.

Mandatory Sinking Fund Redemption. The Series 2009A Bonds maturing on November 1, 2028 are subject to mandatory sinking fund redemption, in part, on November 1 of each of the following years, at a redemption price equal to 100% of the following respective principal amounts to be redeemed in such years, plus accrued interest thereon to the redemption date:

<u>Year</u>	<u>Principal Amount</u>
2025	\$ 955,000
2026	1,000,000
2027	1,045,000
2028 ^H	1,090,000

^H*Final maturity*

The University shall have the option to deliver Series 2009A Bonds maturing on November 1, 2028 to the Trustee for cancellation, in any aggregate principal amount, and to receive a credit against the then-current mandatory sinking fund redemption obligation for such Bonds. Each such Bond so delivered, or previously redeemed, or purchased and cancelled, shall be credited by the Trustee at 100% of the principal amount thereof against the then-current mandatory sinking fund redemption obligation for such Bonds. Any excess of that amount over the then-current mandatory sinking fund redemption obligation shall be credited against subsequent mandatory sinking fund redemption obligations for such Bonds.

Subject to the alternative provisions of the Letter of Representations while the Book-Entry System is in effect with respect to the Series 2009A Bonds, in the event that less than all of the outstanding principal of any Series 2009A Bond is to be redeemed, the registered owner thereof shall surrender the Series 2009A Bond that is to be prepaid in part to the Trustee in exchange, without expense to the owner, for a new Series 2009A Bond of like tenor except in a principal amount equal to the unredeemed portion of the Series 2009A Bond. Notice of redemption is required to be mailed by United States registered or certified mail to the registered owner of each Series 2009A Bond, all or a part of which is to be redeemed, not fewer than 30 days prior to the date fixed for redemption at the address shown on the Register. No further interest will accrue after the date fixed for redemption on the principal of any Series 2009A Bond which is to be redeemed upon notice duly given as required and if payment therefor has been duly provided; and in such event, any Series 2009A Bond (or portion thereof) called for redemption will no longer be protected by the provisions of the General Bond Resolution.

MISCELLANEOUS

The Series 2009A Bonds are issuable only as fully registered bonds in the denominations of \$5,000 and any integral multiple thereof.

Subject to the alternative provisions of the Letter of Representations while the Book-Entry System is in effect with respect to the Series 2009A Bonds, this Bond is transferable by the owner hereof, in person or by authorized attorney, only on the books of the Trustee (as registrar of the University) and only upon surrender of this Bond to the Trustee with a written instrument of transfer satisfactory to the Trustee. Series 2009A Bonds may be exchanged for Series 2009A Bonds of any authorized denominations, in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate as, the Series 2009A Bonds being exchanged. In all cases in which the privilege of exchanging or transferring Series 2009A Bonds is exercised, the University shall execute and the Trustee shall authenticate and deliver new Series 2009A Bonds, all as more particularly described in the General Bond Resolution.

No charge shall be made for the privilege of transfer or exchange, but the owner hereof requesting any such transfer or exchange shall pay any tax or other governmental charge required to be paid with respect thereto. No exchange or transfer of a Series 2009A 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.

Provision is made in the General Bond Resolution for the replacement of any Series 2009A Bond which shall be or become mutilated, lost, stolen or destroyed, by the issuance, authentication and registration of a new Series 2009A Bond of like tenor, subject, however, to the terms, conditions and limitations contained in the General Bond Resolution with respect thereto.

The General Bond Resolution may be amended and supplemented subject to the terms, conditions and limitations prescribed therein. Reference is hereby made to the General Bond Resolution for a description of the respective rights, duties and immunities of the University and the rights and remedies of the holders of the Series 2009A Bonds.

STATEMENT OF INSURANCE

Assured Guaranty Corp. ("Assured Guaranty"), a Maryland-domiciled insurance company, has delivered its financial guaranty insurance policy (the "Policy") with respect to the scheduled payments of principal of and interest on this Bond to Regions Bank, as paying agent on behalf of the holders of the Series 2009 Bonds (the "Paying Agent"). Such Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from Assured Guaranty or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of Assured Guaranty as more fully set forth in the Policy.

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

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

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

ASSIGNMENT

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

Dated: _____

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

Signature Guaranteed:

(Bank, Broker or Firm*)

By _____

Its _____

Medallion

Number:

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

EXHIBIT B
(Form of Series 2009B Bond)

(Form of Face of Bond)

REGISTERED
No. BR- _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF ALABAMA
TROY UNIVERSITY
TAXABLE FACILITIES REVENUE BOND,
SERIES 2009B (BUILD AMERICA BONDS)

Maturity Date: November 1, _____

CUSIP NO. 897 745 _____

Registered Owner: **CEDE & CO.**

Dated Date: September 29, 2009

Principal Amount: _____

Interest Rate: _____ percent
(_____ %) per annum

TROY UNIVERSITY, a public corporation and instrumentality of the State of Alabama (the "University"), for value received, hereby promises to pay to the Registered Owner set forth above or its registered assigns, but solely from the sources hereinafter referred to, the Principal Amount set forth above on the Maturity Date set forth above, unless sooner called for redemption, and to pay interest on said Principal Amount at the Interest Rate set forth above from the most recent date to which interest shall have been paid or provided for or, if no interest shall have been paid or provided for, from the Dated Date set forth above. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months and shall be payable in arrears semi-annually on May 1 and November 1 of each year, commencing May 1, 2010 (each, an "Interest Payment Date"); provided, if any such date is not a Business Day (as hereinafter defined), payment 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.

As used herein, "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 (hereinafter defined) is located, or (ii) the City of New York, New York.

The principal of and redemption premium, if any, on this Bond are payable upon presentation and surrender of this Bond at the principal corporate trust office in the City of Birmingham, Alabama, of the Trustee, Regions Bank (the "Trustee"), or the designated corporate trust office of its successor in trust (the "Trustee's Office"), or at the office, designated by the Trustee, of any other paying agent. Interest on this Bond payable on each Interest Payment Date will be paid by check or draft which the Trustee will cause to be mailed by first-class mail on that date to the person in whose name this Bond (or one or more predecessor bonds) is registered (the "Holder"), at his address as shown on the books and records of the Trustee on the 15th day next preceding such Interest Payment Date (the "Record Date"). Any interest which is not timely paid or duly provided for shall be payable to the Holder hereof at the close of business on a date (the "Special Record Date") to be fixed by the Trustee for the payment of that overdue interest. Notice of the Special Record Date shall be mailed to Holders not less than ten calendar days prior thereto. The principal hereof and interest and any premium hereon are payable in lawful money of the United States of America, without deduction for the services of the Trustee or any paying agent.

Notwithstanding the foregoing, so long as Cede & Co. or another nominee of The Depository Trust Company, New York, New York ("DTC"), is the registered owner of the Series 2009 Bonds (as hereinafter defined), all payments of principal of and premium (if any) and interest on the Series 2009 Bonds will be made by the Trustee to Cede & Co. (as such registered owner) for DTC, for subsequent disbursement, through DTC's network of direct and indirect participants, to the actual owners of beneficial interests in the Series 2009 Bonds, all in accordance with the rules governing DTC's book-entry only system (herein, the "Book-Entry System") as more fully described in the Blanket Issuer Letter of Representations between the University and DTC (the "Letter of Representations").

This Bond is one of an issue of Bonds duly authorized in the aggregate principal amount of \$48,180,000 (the "Series 2009B Bonds") and issued pursuant to and in full compliance with (a) the Constitution and laws of the State of Alabama, including particularly Section 16-3-28, Code of Alabama

1975, as amended, and (b) a resolution duly adopted by the Board of Trustees of the University (the "Board") on July 24, 2009 (the "General Bond Resolution"), as supplemented by certificate of the Chancellor and Treasurer of the University. Terms used but not otherwise defined herein shall have the meanings given to them in the General Bond Resolution.

The Series 2009B Bonds are being issued simultaneously and on a parity of lien with an issue by the University under the General Bond Resolution of its \$14,590,000 Facilities Revenue Bonds, Series 2009A (the "Series 2009A Bonds", and collectively with the Series 2009B Bonds, the "Series 2009 Bonds").

The Series 2009 Bonds and all other bonds hereafter issued on a parity therewith as Additional Bonds pursuant to the General Bond Resolution (collectively, the "Bonds") are payable solely from the special fund created under the General Bond Resolution and therein designated "Troy University, Facilities Revenue Bonds - Bond Fund" (the "Bond Fund"), and are secured by (a) an exclusive first lien upon and pledge of certain special fees or charges on students now or hereafter levied by the University (as more particularly described in the General Bond Resolution, the "Special Student Fees"), and (b) a lien upon and pledge of the tuition payable by students attending the University (as more particularly described in the General Bond Resolution, the "General Student Fees"), subordinated, however, to the lien upon and pledge of the General Student Fees made under that certain resolution adopted by the Board on August 15, 1969, as amended (the "Prior Bond Resolution"), for the benefit of the obligations heretofore issued by the University thereunder (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 (collectively referred to herein as the "Revenues"). Neither the Bonds nor any pledge or agreement made in the General Bond Resolution shall be or constitute an obligation or debt of any nature whatsoever of the State of Alabama (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 Revenues and the moneys in the Bond Fund.

The University has covenanted and agreed in the General Bond Resolution that, so long as any Bonds (or Prior Bonds) remain outstanding, it 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 (and, so long as they remain outstanding, the Prior Bonds). The University has covenanted and agreed in the General Bond Resolution that it will issue no new bonds or notes or otherwise incur new indebtedness under the Prior Bond Resolution.

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

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

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

IN WITNESS WHEREOF, the University has caused this Bond to be executed for and on its behalf by the manual signature of its Chancellor, and has caused its seal to be hereunto imprinted and to be attested by the manual signature of its Treasurer, all as of the Dated Date set forth above.

TROY UNIVERSITY

By: _____
Its Chancellor

(S E A L)
Attest:

By: _____
Its Treasurer

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

Authentication and Registration Date: _____

This Bond is one of the Series 2009B Bonds described in the within-mentioned General Bond Resolution.

REGIONS BANK,
as Trustee

By: _____

Authorized Signatory

(Form of Reverse of Bond)

REDEMPTION PROVISIONS

Optional Redemption. Those of the Series 2009B Bonds having a stated maturity in the year 2020 and thereafter will be subject to redemption prior to their respective maturities, at the option of the University, on November 1, 2019, and thereafter as a whole or in part at any time (and if in part, the maturities of those to be redeemed to be selected by the University, and if less than all the bonds of a maturity are to be redeemed, in denominations of \$5,000 or any integral multiple thereof, selected from such maturity by the Trustee by random selection) at the redemption price of par plus accrued interest to the date fixed for redemption.

Mandatory Sinking Fund Redemption. The Series 2009B Bonds maturing on November 1, 2029 are subject to mandatory sinking fund redemption, in part, on November 1 of each of the following years, at a redemption price equal to 100% of the following respective principal amounts to be redeemed in such years, plus accrued interest thereon to the redemption date:

<u>Year</u>	<u>Principal Amount</u>
2020	\$3,225,000
2021	2,620,000
2022	3,285,000
2023	2,935,000
2024	3,670,000
2025	3,280,000
2026	3,460,000
2027	3,645,000
2028	3,845,000
2029 ^H	7,455,000

^HFinal maturity

The University shall have the option to deliver Series 2009B Bonds maturing on November 1, 2029 to the Trustee for cancellation, in any aggregate principal amount, and to receive a credit against the then-current mandatory sinking fund redemption obligation for such Bonds. Each such Bond so delivered, or previously redeemed, or purchased and cancelled, shall be credited by the Trustee at 100% of the principal amount thereof against the then-current mandatory sinking fund redemption obligation for such Bonds. Any excess of that amount over the then-current mandatory sinking fund redemption obligation shall be credited against subsequent mandatory sinking fund redemption obligations for such Bonds.

Extraordinary Optional Redemption. The Series 2009B Bonds will be subject to redemption prior to their respective maturities, at the option of the University, in whole or in part on any date (and if in part, the maturities of those to be redeemed to be selected by the University, and if less than all the bonds of a maturity are to be redeemed, in denominations of \$5,000 or any integral multiple thereof, selected from such maturity by the Trustee by random selection), upon the occurrence of an Extraordinary Event (as hereinafter defined), at a redemption price (the "Extraordinary Optional Redemption Price") equal to the greater of (i) 100% of the principal amount of the Series 2009B Bonds to be redeemed; or (ii) the sum of the present value of the scheduled payments of principal and interest on the Series 2009B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2009B Bonds are to be redeemed, remaining to be paid during the period beginning with the date on which the Series 2009B Bonds are to be redeemed and ending on the first optional redemption date at par (i.e., November 1, 2019), discounted to the date on which the Series 2009B Bonds are to be redeemed on a semiBannual basis, assuming a 360Bday year consisting of twelve 30Bday months, at the Treasury Rate (as hereinafter defined), plus 100 basis points; plus, in either case, accrued interest on the Series 2009B Bonds to be redeemed to the redemption date.

At the request of the Trustee, the Extraordinary Optional Redemption Price of the Series 2009B Bonds to be redeemed at the option of the University will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the University at the University's expense to calculate such redemption price. The Trustee and the University may conclusively rely on the determination of such redemption price by such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance.

As used hereinabove, "Extraordinary Event" means an amendment of or other material adverse change to Section 54AA or Section 6431 of the Code (as such Sections were added by Section 1531 of the Recovery Act pertaining to "Build America Bonds") pursuant to which the University's 35% cash subsidy payment from the United States Government is reduced or eliminated.

As used hereinabove, "Treasury Rate" means, with respect to any redemption date for a particular Series 2009B Bond, the rate per annum, expressed as a percentage of the principal amount, equal to the semiannual equivalent yield to maturity or interpolated maturity of the Comparable Treasury Issue (as hereinafter defined), assuming that the Comparable Treasury Issue is purchased on the redemption date for a price equal to the Comparable Treasury Price (as hereinafter defined), as calculated by the Designated Investment Banker (as hereinafter defined).

"Comparable Treasury Issue" means, with respect to any redemption date for a particular Series 2009B Bond, the United States Treasury security or securities selected by the Designated Investment Banker which has an actual or interpolated maturity comparable to the remaining average life of the Series 2009B Bond to be redeemed, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of the Series 2009B Bonds to be redeemed.

"Comparable Treasury Price" means, with respect to any redemption date for a particular Series 2009B Bond, (i) if the Designated Investment Banker receives at least four Reference Treasury Dealer Quotations (as hereinafter defined), the average of such quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (ii) if the Designated Investment Banker obtains fewer than four Reference Treasury Dealer Quotations, the average of all such quotations.

"Designated Investment Banker" means one of the Reference Treasury Dealers (as hereinafter defined) appointed by the University from time to time.

"Reference Treasury Dealer" means a firm, specified by the University from time to time, that is a primary United States Government securities dealer in the City of New York (each, a "Primary Treasury Dealer"); provided, however, that if any of them ceases to be a Primary Treasury Dealer, the University will substitute another Primary Treasury Dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date for a particular Series 2009B Bond, the average, as determined by the Designated Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Designated Investment Banker by such Reference Treasury Dealer at 3:30 P.M., New York City time, on the third Business Day preceding such redemption date.

Subject to the alternative provisions of the Letter of Representations while the Book-Entry System is in effect with respect to the Series 2009B Bonds, in the event that less than all of the outstanding principal of any Series 2009B Bond is to be redeemed, the registered owner thereof shall surrender the Series 2009B Bond that is to be prepaid in part to the Trustee in exchange, without expense to the owner, for a new Series 2009B Bond of like tenor except in a principal amount equal to the unredeemed portion of the Series 2009B Bond. Notice of redemption is required to be mailed by United States registered or certified mail to the registered owner of each Series 2009B Bond, all or a part of which is to be redeemed, not fewer than 30 days prior to the date fixed for redemption at the address shown on the Register. No further interest will accrue after the date fixed for redemption on the principal of any Series 2009B Bond which is to be redeemed upon notice duly given as required and if payment therefor has been duly provided; and in such event, any Series 2009B Bond (or portion thereof) called for redemption will no longer be protected by the provisions of the General Bond Resolution.

MISCELLANEOUS

The Series 2009B Bonds are issuable only as fully registered bonds in the denominations of \$5,000 and any integral multiple thereof.

Subject to the alternative provisions of the Letter of Representations while the Book-Entry System is in effect with respect to the Series 2009B Bonds, this Bond is transferable by the owner hereof, in person or by authorized attorney, only on the books of the Trustee (as registrar of the University) and only upon surrender of this Bond to the Trustee with a written instrument of transfer satisfactory to the Trustee. Series

2009B Bonds may be exchanged for Series 2009B Bonds of any authorized denominations, in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate as, the Series 2009B Bonds being exchanged. In all cases in which the privilege of exchanging or transferring Series 2009B Bonds is exercised, the University shall execute and the Trustee shall authenticate and deliver new Series 2009B Bonds, all as more particularly described in the General Bond Resolution.

No charge shall be made for the privilege of transfer or exchange, but the owner hereof requesting any such transfer or exchange shall pay any tax or other governmental charge required to be paid with respect thereto. No exchange or transfer of a Series 2009B 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.

Provision is made in the General Bond Resolution for the replacement of any Series 2009B Bond which shall be or become mutilated, lost, stolen or destroyed, by the issuance, authentication and registration of a new Series 2009B Bond of like tenor, subject, however, to the terms, conditions and limitations contained in the General Bond Resolution with respect thereto.

The General Bond Resolution may be amended and supplemented subject to the terms, conditions and limitations prescribed therein. Reference is hereby made to the General Bond Resolution for a description of the respective rights, duties and immunities of the University and the rights and remedies of the holders of the Series 2009B Bonds.

STATEMENT OF INSURANCE

Assured Guaranty Corp. ("Assured Guaranty"), a Maryland-domiciled insurance company, has delivered its financial guaranty insurance policy (the "Policy") with respect to the scheduled payments of principal of and interest on this Bond to Regions Bank, as paying agent on behalf of the holders of the Series 2009 Bonds (the "Paying Agent"). Such Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from Assured Guaranty or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of Assured Guaranty as more fully set forth in the Policy.

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

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

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

ASSIGNMENT

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

Dated: _____

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

Signature Guaranteed:

(Bank, Broker or Firm*)

By _____

Its _____

Medallion

Number:

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

**EXHIBIT C TO
SERIES 2009 DETERMINATION DOCUMENT**

Redemption Provisions of Series 2009 Bonds

Optional Redemption. Those of the Series 2009 Bonds having a stated maturity in the year 2020 and thereafter will be subject to redemption prior to their respective maturities, at the option of the University, on November 1, 2019, and thereafter as a whole or in part at any time (and if in part, the maturities of those to be redeemed to be selected by the University, and if less than all the bonds of a maturity are to be redeemed, in denominations of \$5,000 or any integral multiple thereof, selected from such maturity by the Trustee by random selection) at the redemption price of par plus accrued interest to the date fixed for redemption.

Extraordinary Optional Redemption. The Series 2009B Bonds will be subject to redemption prior to their respective maturities, at the option of the University, in whole or in part on any date (and if in part, the maturities of those to be redeemed to be selected by the University, and if less than all the bonds of a maturity are to be redeemed, in denominations of \$5,000 or any integral multiple thereof, selected from such maturity by the Trustee by random selection), upon the occurrence of an Extraordinary Event (as hereinafter defined), at a redemption price (the "Extraordinary Optional Redemption Price") equal to the greater of (i) 100% of the principal amount of the Series 2009B Bonds to be redeemed; or (ii) the sum of the present value of the scheduled payments of principal and interest on the Series 2009B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2009B Bonds are to be redeemed, remaining to be paid during the period beginning with the date on which the Series 2009B Bonds are to be redeemed and ending on the first optional redemption date at par (i.e., November 1, 2019), discounted to the date on which the Series 2009B Bonds are to be redeemed on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as hereinafter defined), plus 100 basis points; plus, in either case, accrued interest on the Series 2009B Bonds to be redeemed to the redemption date.

At the request of the Trustee, the Extraordinary Optional Redemption Price of the Series 2009B Bonds to be redeemed at the option of the University will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the University at the University's expense to calculate such redemption price. The Trustee and the University may conclusively rely on the determination of such redemption price by such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance.

As used hereinabove, "Extraordinary Event" means an amendment of or other material adverse change to Section 54AA or Section 6431 of the Code (as such Sections were added by Section 1531 of the Recovery Act pertaining to "Build America Bonds") pursuant to which the University's 35% cash subsidy payment from the United States Government is reduced or eliminated.

As used hereinabove, "Treasury Rate" means, with respect to any redemption date for a particular Series 2009B Bond, the rate per annum, expressed as a percentage of the principal amount, equal to the semiannual equivalent yield to maturity or interpolated maturity of the Comparable Treasury Issue (as hereinafter defined), assuming that the Comparable Treasury Issue is purchased on the redemption date for a price equal to the Comparable Treasury Price (as hereinafter defined), as calculated by the Designated Investment Banker (as hereinafter defined).

"Comparable Treasury Issue" means, with respect to any redemption date for a particular Series 2009B Bond, the United States Treasury security or securities selected by the Designated Investment Banker which has an actual or interpolated maturity comparable to the remaining average life of the Series 2009B Bond to be redeemed, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of the Series 2009B Bonds to be redeemed.

"Comparable Treasury Price" means, with respect to any redemption date for a particular Series 2009B Bond, (i) if the Designated Investment Banker receives at least four Reference Treasury Dealer Quotations (as hereinafter defined), the average of such quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (ii) if the Designated Investment Banker obtains fewer than four Reference Treasury Dealer Quotations, the average of all such quotations.

"Designated Investment Banker" means one of the Reference Treasury Dealers (as hereinafter defined) appointed by the University from time to time.

"Reference Treasury Dealer" means a firm, specified by the University from time to time, that is a primary United States Government securities dealer in the City of New York (each, a "Primary Treasury Dealer"); provided, however, that if any of them ceases to be a Primary Treasury Dealer, the University will substitute another Primary Treasury Dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date for a particular Series 2009B Bond, the average, as determined by the Designated Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Designated Investment Banker by such Reference Treasury Dealer at 3:30 P.M., New York City time, on the third Business Day preceding such redemption date.

Mandatory Sinking Fund Redemption. The Series 2009A Bonds maturing on November 1, 2028 are subject to mandatory sinking fund redemption, in part, on November 1 of each of the following years, at a redemption price equal to 100% of the following respective principal amounts to be redeemed in such years, plus accrued interest thereon to the redemption date:

<u>Year</u>	<u>Principal Amount</u>
2025	\$ 955,000
2026	1,000,000
2027	1,045,000
2028 ^H	1,090,000

^HFinal maturity

The Series 2009B Bonds maturing on November 1, 2029 are subject to mandatory sinking fund redemption, in part, on November 1 of each of the following years, at a redemption price equal to 100% of the following respective principal amounts to be redeemed in such years, plus accrued interest thereon to the redemption date:

<u>Year</u>	<u>Principal Amount</u>
2020	\$3,225,000
2021	2,620,000
2022	3,285,000
2023	2,935,000
2024	3,670,000
2025	3,280,000
2026	3,460,000
2027	3,645,000
2028	3,845,000
2029 ^H	7,455,000

^HFinal maturity

The University shall have the option to deliver Series 2009A Bonds maturing on November 1, 2028 or Series 2009B Bonds maturing on November 1, 2029 to the Trustee for cancellation, in any aggregate principal amount, and to receive a credit against the then-current mandatory sinking fund redemption obligation for such series of Bonds. Each such Bond so delivered, or previously redeemed, or purchased and cancelled, shall be credited by the Trustee at 100% of the principal amount thereof against the then-current mandatory sinking fund redemption obligation for such series of Bonds. Any excess of that amount over the then-current mandatory sinking fund redemption obligation shall be credited against subsequent mandatory sinking fund redemption obligations for such series of Bonds.

Partial Redemption. In the event that less than all of the outstanding principal of any Series 2009 Bond is to be redeemed, the registered owner thereof shall surrender the Series 2009 Bond that is to be prepaid in part to the Trustee in exchange, without expense to the owner, for a new Series 2009 Bond of like series and tenor except in a principal amount equal to the unredeemed portion of the Series 2009 Bond.

Notice of Redemption. Notice of redemption is required to be mailed by United States registered or certified mail to the registered owner of each Series 2009 Bond, all or a part of which is to be redeemed, not fewer than 30 days prior to the date fixed for redemption at the address shown on the Register. No further interest will accrue after the date fixed for redemption on the principal of any Series 2009 Bond which is to be redeemed upon notice duly given as required and if payment therefor has been duly provided; and in such event, any Series 2009 Bond (or portion thereof) called for redemption will no longer be protected by the provisions of the General Bond Resolution.

**EXHIBIT D TO
SERIES 2009 DETERMINATION DOCUMENT**

POLICY-RELATED PROVISIONS

The provisions of this Exhibit D are adopted and entered into as a condition to the issuance by Assured Guaranty Corp. ("Assured Guaranty") of the Policy, and shall govern and remain in effect so long as the Series 2009 Bonds remain Outstanding within the meaning of the General Bond Resolution.

1. Definitions of Certain Terms. The terms set forth below shall have the meanings specified for all purposes of this Exhibit D.

"Holder" shall have the meaning ascribed thereto in the General Bond Resolution, except that Holder shall not include the University or any Person whose direct or indirect obligation constitutes the underlying security for the Series 2009 Bonds.

"Reimbursement Rate" means the per annum rate of interest publicly announced from time to time by JPMorgan Chase Bank, National Association at its principal office in New York, New York as its prime lending rate (any change in such prime rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank, National Association) plus three percent (3%) per annum. The Reimbursement Rate shall be calculated on the basis of the actual number of days elapsed over a 360-day year. In the event JPMorgan Chase Bank ceases to announce its prime rate publicly, the prime lending rate (as referenced in the preceding sentence) shall be the publicly announced prime rate or base lending rate of such national bank, as Assured Guaranty shall specify.

2. Payment Procedure Under the Policy.

(a) At least two (2) Business Days prior to each payment date on the Series 2009 Bonds, the Trustee will determine whether there will be sufficient funds to pay all principal of and interest on the Series 2009 Bonds due on the related payment date and shall immediately notify Assured Guaranty or its designee on the same Business Day by telephone or electronic mail, confirmed in writing by registered or certified mail, of the amount of any deficiency. Such notice shall specify the amount of the anticipated deficiency, the Series 2009 Bonds to which such deficiency is applicable and whether such Series 2009 Bonds will be deficient as to principal or interest or both. If the deficiency is made up in whole or in part prior to or on the payment date, the Trustee shall so notify Assured Guaranty or its designee.

(b) The Trustee shall, after giving notice to Assured Guaranty as provided above, make available to Assured Guaranty and, at Assured Guaranty's direction, to any agent from time to time so designated in writing by Assured Guaranty to the Trustee (herein, a "Fiscal Agent"), the registration books of the University maintained by the Trustee and all records relating to the funds and accounts maintained under the General Bond Resolution.

(c) The Trustee shall provide Assured Guaranty and any Fiscal Agent with a list of Holders of Series 2009 Bonds entitled to receive principal or interest payments from Assured Guaranty under the terms of the Policy, and shall make arrangements with Assured Guaranty, the Fiscal Agent or another designee of Assured Guaranty to (i) mail checks or drafts to the Holders of Series 2009 Bonds entitled to receive full or partial interest payments from Assured Guaranty and (ii) pay principal upon Series 2009 Bonds surrendered to Assured Guaranty, the Fiscal Agent or another designee of Assured Guaranty by the Holders of Series 2009 Bonds entitled to receive full or partial principal payments from Assured Guaranty.

(d) The Trustee shall, at the time it provides notice to Assured Guaranty of any deficiency pursuant to Section 2(a) hereof, notify Holders of Series 2009 Bonds entitled to receive the payment of principal or interest thereon from Assured Guaranty (i) as to such deficiency and their entitlement to receive principal or interest, as applicable, (ii) that Assured Guaranty will remit to them all or a part of the interest payments due on the related payment date upon proof of their entitlement thereto and delivery to Assured Guaranty or any Fiscal Agent, in form satisfactory to Assured Guaranty, of an appropriate assignment of their right to payment, (iii) that, if they are entitled to receive partial payment of principal from Assured Guaranty, they must surrender the related Series 2009 Bonds for payment, first, to the Trustee, which will note on such Series 2009 Bonds the portion of the

principal paid by the Trustee and, second, to Assured Guaranty or its designee, together with an appropriate assignment, in form satisfactory to Assured Guaranty, to permit ownership of such Series 2009 Bonds to be registered in the name of Assured Guaranty, which will then pay the unpaid portion of principal, and (iv) that, if they are entitled to receive full payment of principal from Assured Guaranty, they must surrender the related Series 2009 Bonds for payment to Assured Guaranty or its designee, rather than to the Trustee, together with an appropriate assignment, in form satisfactory to Assured Guaranty, to permit ownership of such Series 2009 Bonds to be registered in the name of Assured Guaranty.

(e) In addition, if the Trustee has notice that any Holder of the Series 2009 Bonds has been required to disgorge payments of principal or interest on the Series 2009 Bonds previously Due for Payment (as defined in the Policy) pursuant to a final non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such Holder within the meaning of any applicable bankruptcy laws, then the Trustee shall notify Assured Guaranty or its designee of such fact by telephone or electronic notice, confirmed in writing by registered or certified mail.

(f) The Trustee will be hereby irrevocably designated, appointed, directed and authorized to act as attorney-in-fact for Holders of the Series 2009 Bonds as follows:

(i) If and to the extent there is a deficiency in amounts required to pay interest on the Series 2009 Bonds, the Trustee shall (A) execute and deliver to Assured Guaranty, in form satisfactory to Assured Guaranty, an instrument appointing Assured Guaranty as agent for such Holders in any legal proceeding related to the payment of such interest and an assignment to Assured Guaranty of the claims for interest to which such deficiency relates and which are paid by Assured Guaranty, (B) receive as designee of the respective Holders (and not as Trustee), in accordance with the tenor of the Policy, payment from Assured Guaranty with respect to the claims for interest so assigned, and (C) disburse the same to such respective Holders; and

(ii) If and to the extent of a deficiency in amounts required to pay principal of the Series 2009 Bonds, the Trustee shall (A) execute and deliver to Assured Guaranty, in form satisfactory to Assured Guaranty, an instrument appointing Assured Guaranty as agent for such Holder in any legal proceeding related to the payment of such principal and an assignment to Assured Guaranty of the Series 2009 Bond surrendered to Assured Guaranty in an amount equal to such principal amount thereof as has not previously been paid or for which moneys are not held by the Trustee and available for such payment (but such assignment shall be delivered only if payment from Assured Guaranty is received), (B) receive as designee of the respective Holders (and not as Trustee), in accordance with the tenor of the Policy, payment therefor from Assured Guaranty, and (C) disburse the same to such Holders.

(g) Payments with respect to claims for interest on and principal of Series 2009 Bonds disbursed by the Trustee from proceeds of the Policy shall not be considered to discharge the obligation of the University with respect to such Series 2009 Bonds, and Assured Guaranty shall become the owner of such unpaid Series 2009 Bond and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of this Section 2 or otherwise.

(h) Irrespective of whether any such assignment is executed and delivered, the University and the Trustee hereby agree for the benefit of Assured Guaranty that:

(i) they recognize that to the extent Assured Guaranty makes payments directly or indirectly (*e.g.*, by paying through the Trustee), on account of principal of or interest on the Series 2009 Bonds, Assured Guaranty will be subrogated to the rights of such Holders to receive the amount of such principal and interest from the University, with interest thereon as provided and solely from the sources stated in the General Bond Resolution and the Series 2009 Bonds; and

(ii) they will accordingly pay to Assured Guaranty the amount of such principal and interest, with interest thereon as provided in the General Bond Resolution and the Series 2009 Bonds, but only from the sources and in the manner provided herein for the payment of principal of and interest on the Series 2009 Bonds to Holders, and will otherwise treat Assured Guaranty as the owner of such rights to the amount of such principal and interest.

(i) Assured Guaranty shall be entitled to pay principal or interest on the Series 2009 Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment (as defined in the Policy), whether or not Assured Guaranty has received a notice of Nonpayment or a claim upon the Policy.

(j) In addition, Assured Guaranty shall, to the extent it makes any payment of principal or interest on the Series 2009 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 claims for interest, the Trustee shall note Assured Guaranty's rights as subrogee on the registration books of the University maintained by the Trustee, upon receipt of proof of payment of interest thereon to the Holders of the Series 2009 Bonds, and (ii) in the case of claims for principal, the Trustee shall note Assured Guaranty's rights as subrogee on the registration books of the University maintained by the Trustee, upon surrender of the Series 2009 Bonds together with receipt of proof of payment of principal thereof.

3. Reimbursement Obligations.

(a) The University hereby agrees to pay or reimburse Assured Guaranty, all amounts paid by Assured Guaranty under the Policy and, to the extent permitted by law, any and all charges, fees, costs and expenses which Assured Guaranty may reasonably pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, in connection with (i) any accounts established to facilitate payments under the Policy, (ii) the administration, enforcement, defense or preservation of any rights in respect of the General Bond Resolution, including defending, monitoring or participating in any litigation or proceeding (including any bankruptcy proceeding in respect of the University or any affiliate thereof) relating to the General Bond Resolution, any party to the General Bond Resolution or the transactions contemplated by the General Bond Resolution, (iii) the foreclosure against, sale or other disposition of any collateral securing any obligations under the General Bond Resolution, or the pursuit of any remedies under the General Bond Resolution, to the extent such costs and expenses are not recovered from such foreclosure, sale or other disposition, or (iv) any amendment, waiver or other action with respect to, or related to, the General Bond Resolution whether or not executed or completed. Costs and expenses shall include a reasonable allocation of compensation and overhead attributable to time of employees of Assured Guaranty spent in connection with the actions described in clauses (ii) through (iv) above. In addition, Assured Guaranty reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the General Bond Resolution. The University will pay interest on the amounts owed in this paragraph from the date of any payment due or paid, at the Reimbursement Rate.

(b) In addition to any and all rights of reimbursement, subrogation and any other rights pursuant hereto or under law or in equity, the University agrees to pay or reimburse Assured Guaranty, to the extent permitted by law, any and all charges, fees, costs, claims, losses, liabilities (including penalties), judgments, demands, damages, and expenses which Assured Guaranty or its officers, directors, shareholders, employees, agents and each Person, if any, who controls Assured Guaranty within the meaning of either Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended, may reasonably pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, of any nature in connection with, in respect of or relating to the transactions contemplated by the General Bond Resolution by reason of (i) any omission or action (other than of or by Assured Guaranty) in connection with the offering, issuance, sale, remarketing or delivery of the Series 2009 Bonds; (ii) the negligence, bad faith, willful misconduct, misfeasance, malfeasance or theft committed by any director, officer, employee or agent of the University in connection with any transaction arising from or relating to the General Bond Resolution; (iii) the violation by the University of any law, rule or regulation, or any judgment, order or decree applicable to it; (iv) the breach by the University of any representation, warranty or covenant under the General Bond Resolution or the occurrence, in respect of the University, under the General Bond Resolution of any "default" or any event which, with the giving of notice or lapse of time or both, would constitute a "default"; or (v) any untrue statement or alleged untrue statement of a material fact contained in the Official Statement relating to the Series 2009 Bonds, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such claims arise out of

or are based upon any untrue statement or omission in information included in the Official Statement and furnished by Assured Guaranty in writing expressly for use therein.

4. Reporting Requirements. The University will furnish, or cause to be furnished, to Assured Guaranty: (a) the fiscal year budget of the University within thirty (30) days after adoption of such budget; (b) annual audits prepared by the Department of Examiners of Public Accounts of the State or (if hereafter so elected by the University) an independent certified public accountant, within one hundred eighty (180) days after the end of each Fiscal Year, together with an officer's certificate of the University stating that no default has occurred or is continuing under the General Bond Resolution; (c) prior to issuing Additional Bonds or incurring other debt subordinated to the Series 2009 Bonds, any Supplemental Resolution or disclosure document pertaining to such Additional Bonds or any financing agreement or disclosure document pertaining to such subordinated debt, which documentation shall include, without limitation, the applicable maturity schedule, interest rate or rates, redemption and security provisions pertaining to any such Additional Bonds or other debt; and (d) within thirty (30) days following its commencement or initiation, notice of any litigation or investigation that, in the University's reasonable judgment, may have a material adverse affect on the financial position of the University.

5. Notices, Etc.

(a) Any notice that is required to be given to Holders, to any entity specified pursuant to SEC Rule 15c2-12(b)(5), or to the Trustee pursuant to the General Bond Resolution shall also be provided to Assured Guaranty, simultaneously with the sending of any such notice. In addition, all information furnished by the University pursuant to its continuing disclosure undertaking entered into with respect to the Series 2009 Bonds pursuant to Section 3.7(c) of the General Bond Resolution, shall be simultaneously provided to Assured Guaranty.

(b) All demands, notices and other information required to be given to Assured Guaranty under the General Bond Resolution shall be in writing and shall be mailed by registered or certified mail or personally delivered or telecopied to the recipient as follows:

Assured Guaranty Corp.
31 West 52nd Street
New York, New York 10019
Attn: Risk Management Department
(Re: Policy No. D-2009-1309)
Telecopy No.: (212) 581-3268
Confirmation: (212) 974-0100
Email: riskmanagementdept@assuredguaranty.com

In each case in which notice or other communication refers to a default, a claim on the Policy or any event with respect to which failure on the part of Assured Guaranty to respond shall be deemed to constitute consent or acceptance, then such demand, notice or other communication shall be marked to indicate "URGENT MATERIAL ENCLOSED" and shall also be sent to the attention of the General Counsel at the same address and at generalcounsel@assuredguaranty.com or the following facsimile number: (212) 445-8705.

(c) Assured Guaranty shall have the right to receive such additional information as it may reasonably request.

(d) The University will permit Assured Guaranty to discuss the affairs, finances and accounts of the University or any information Assured Guaranty may reasonably request regarding the security for the Series 2009 Bonds with appropriate officers of the University, and will use commercially reasonable efforts to enable Assured Guaranty to have access to the facilities, books and records of the University on any Business Day upon reasonable prior notice.

(e) The Trustee shall notify Assured Guaranty of any failure of the University to provide notices, certificates and other information under the General Bond Resolution.

6. Consents; Remedies.

(a) Any provision of this Exhibit D expressly recognizing or granting rights in or to Assured Guaranty may not be amended in any manner that affects the rights of Assured Guaranty hereunder without the prior written consent of Assured Guaranty.

(b) Wherever the General Bond Resolution requires the consent of all Holders, Assured Guaranty's prior written consent shall also be required.

(c) Assured Guaranty shall be deemed to be the Holder of all of the Series 2009 Bonds for purposes of (i) exercising all remedies and directing the Trustee to take actions or for any other purposes following a default (as defined in the General Bond Resolution), and (ii) granting any consent, waiver, direction or approval or taking any action permitted by or required under the General Bond Resolution, as the case may be, to be granted or taken by the Holders of the Series 2009 Bonds. Anything in the General Bond Resolution to the contrary notwithstanding, upon the occurrence and continuance of a default as defined therein, Assured Guaranty shall be entitled to control and direct the enforcement of all rights and remedies granted to the Holders or the Trustee for the benefit of the Holders under the General Bond Resolution.

(d) Any reorganization or liquidation plan with respect to the University must be acceptable to Assured Guaranty. In the event of any such reorganization or liquidation, Assured Guaranty shall have the right to vote on behalf of all Holders who hold Series 2009 Bonds guaranteed by Assured Guaranty absent a payment default by Assured Guaranty under the Policy.

7. Trustee-Related Provisions. Assured Guaranty shall receive prior written notice of any name change of the Trustee (or other Paying Agent) or the removal or resignation of the Trustee (or any Paying Agent). No removal or resignation of the Trustee (or any Paying Agent) shall take effect until a successor, acceptable to Assured Guaranty, shall have been appointed. The Trustee (or any Paying Agent) may be removed at any time, at the request of Assured Guaranty, for any breach of its obligations under the General Bond Resolution. Notwithstanding any other provision of the General Bond Resolution, in determining whether the rights of Holders will be adversely affected by any action taken pursuant to the terms and provisions thereof, the Trustee (or Paying Agent) shall consider the effect on Holders as if there were no Policy.

8. Defeasance-Related Provisions.

(a) In addition to any items required under the General Bond Resolution or the Series 2009 Determination Document in connection with the proposed defeasance of any of the Series 2009 Bonds, there shall be required pursuant to this Exhibit D (i) an opinion of Bond Counsel to the effect that (A) the defeasance will not adversely impact the Tax-Exempt and/or Tax-Favored status of the Series 2009 Bonds or the interest thereon, and (B) the Series 2009 Bonds are no longer "Outstanding" under the General Bond Resolution; and (ii) if the Series 2009 Bonds are being advance-refunded, a suitable refunding trust or escrow agreement (herein, an "escrow agreement") and an opinion of counsel regarding the validity and enforceability thereof.

(b) Any escrow agreement shall provide that (i) any substitution of securities shall require verification by an independent certified public accountant and the prior written consent of Assured Guaranty; (ii) the University will not exercise any optional redemption of Series 2009 Bonds secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (A) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the disclosure document (if any) for the refunding bonds, and (B) as a condition of any such redemption there shall be provided to Assured Guaranty a verification of an independent certified public accountant as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following such redemption; and (iii) the University shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of Assured Guaranty.

(c) In the event that the principal and/or interest due on the Series 2009 Bonds shall be paid by Assured Guaranty pursuant to the Policy, the Series 2009 Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the University, and the assignment and pledge of the General Student Fees and Special Student Fees and all covenants, agreements and other obligations of the University to the Holders shall continue to exist and shall

run to the benefit of Assured Guaranty, and Assured Guaranty shall be subrogated to the rights of such Holders including, without limitation, any rights that such Holders may have in respect of securities law violations arising from the offer and sale of the Series 2009 Bonds.

9. Miscellaneous.

(a) With respect to amendments or supplements to the General Bond Resolution which do not require the consent of the Holders, Assured Guaranty must be given prior written notice of any such amendments or supplements. With respect to amendments or supplements to the General Bond Resolution which do require the consent of the Holders, Assured Guaranty's prior written consent is also required. Copies of any amendments or supplements to the General Bond Resolution which are consented to by Assured Guaranty shall be sent to all rating agencies that have assigned a rating to the Series 2009 Bonds.

(b) Assured Guaranty is explicitly recognized as being a third party beneficiary under the General Bond Resolution and may enforce any right, remedy or claim conferred, given or granted thereunder.

(c) Without the prior written consent of Assured Guaranty, no Series 2009 Bonds insured by Assured Guaranty shall be purchased by the University, or any of its affiliates, in lieu of redemption, unless such Series 2009 Bonds are redeemed, defeased or cancelled.

(d) Any interest rate exchange agreement (an "Interest Rate Exchange Agreement") entered into by the University in connection with the Series 2009 Bonds (so long as any Series 2009 Bonds insured by Assured Guaranty remain outstanding) shall meet the following conditions: (i) the Interest Rate Exchange Agreement must be entered into to manage interest costs related to, or a hedge against (A) assets then held, or (B) debt then outstanding, or (C) debt reasonably expected to be issued within the next twelve (12) months, and (ii) the Interest Rate Exchange Agreement shall not contain any leverage element or multiplier component greater than 1.0x unless there is a matching hedge arrangement which effectively off-sets the exposure from any such element or component. Unless otherwise consented to in writing by Assured Guaranty, any uninsured net settlement, breakage or other termination amount then in effect shall be subordinate to Debt Service on the Series 2009 Bonds and on any Additional Bonds on a parity with the Series 2009 Bonds. The University shall not terminate any Interest Rate Exchange Agreement unless it demonstrates to the satisfaction of Assured Guaranty, prior to the payment of any such termination amount, that such payment will not cause the University to be in default under the General Bond Resolution, including but not limited to, any monetary obligations thereunder. All counterparties or guarantors to any Interest Rate Exchange Agreement must have a rating of at least "A-" and "A3" by Standard & Poor's ("S&P") and Moody's Investors Service ("Moody's"), respectively. If the rating of the counterparty or guarantor assigned by either S&P or Moody's falls below "A-" or "A3", respectively, the counterparty or guarantor shall execute a credit support annex to the Interest Rate Exchange Agreement, which credit support annex shall be acceptable to Assured Guaranty. If the long term unsecured rating of the counterparty or the guarantor assigned by either Moody's or S&P falls below "Baa1" or "BBB+", respectively, a replacement counterparty or guarantor, acceptable to Assured Guaranty, shall be required.

**EXHIBIT E TO
SERIES 2009 DETERMINATION DOCUMENT**

DEFEASANCE PROVISIONS

Section 1. Any or all of the Series 2009A Bonds shall, for all purposes of the General Bond Resolution, be deemed fully paid and defeased if the Trustee shall be provided with the following:

(a) a trust agreement between the University and the Trustee (or other paying agent) providing for the retirement of such Series 2009A Bonds by creating for that purpose an irrevocable trust fund sufficient to provide for payment in full of such Series 2009A Bonds (including payment of interest thereon on and until maturity or redemption), either at maturity or upon redemption or a combination of the two, which trust fund shall consist of (1) cash sufficient for such purpose, or (2) noncallable direct obligations of the United States of America which are certified by an independent public accounting firm of national reputation to be of such maturities or redemption dates and interest payment dates, and to bear such interest, as will be sufficient for such purpose, alone or together with any moneys to which reference is made in clause (1) above, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (which earnings are to be held likewise in trust and so committed);

(b) a certified copy of a resolution of the Board calling for redemption those of the Series 2009A Bonds, if any, that are, according to said trust agreement, to be redeemed prior to their respective maturities; and

(c) an opinion of Bond Counsel to the effect that the execution and carrying out of said trust agreement will not cause interest on those Series 2009A Bonds to become Taxable.

Section 2. Any or all of the Series 2009B Bonds shall, for all purposes of the General Bond Resolution, be deemed fully paid and defeased if the Trustee shall be provided with the following:

(a) a trust agreement between the University and the Trustee (or other paying agent) providing for the retirement of such Series 2009B Bonds by creating for that purpose an irrevocable trust fund sufficient to provide for payment in full of such Series 2009B Bonds (including payment of interest thereon on and until maturity or redemption), either at maturity or upon redemption or a combination of the two, which trust fund shall consist of (1) cash sufficient for such purpose, or (2) noncallable direct obligations of the United States of America which are certified by an independent public accounting firm of national reputation to be of such maturities or redemption dates and interest payment dates, and to bear such interest, as will be sufficient for such purpose, alone or together with any moneys to which reference is made in clause (1) above, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (which earnings are to be held likewise in trust and so committed);

(b) a certified copy of a resolution of the Board calling for redemption those of the Series 2009B Bonds, if any, that are, according to said trust agreement, to be redeemed prior to their respective maturities; and

(c) an opinion of Bond Counsel to the effect that the execution and carrying out of said trust agreement will not cause those Series 2009B Bonds to lose their Tax-Favored status.

**EXHIBIT F TO
SERIES 2009 DETERMINATION DOCUMENT**

BLANKET ISSUER LETTER OF REPRESENTATIONS

**EXHIBIT G TO
SERIES 2009 DETERMINATION DOCUMENT**

CERTIFICATE NO. ____ FOR WITHDRAWAL
FROM SERIES 2009 CONSTRUCTION ACCOUNT

CHECK ONE:

Series 2009A Construction Account _____

Series 2009B Construction Account _____

The undersigned hereby certifies that: **(1)** the undersigned is an authorized officer of Troy University (the "University"), within the meaning of Sections 3.5(b) and 3.7(d) of that resolution adopted by the Board of Trustees of the University (the "Board") on July 24, 2009, as supplemented (the "General Bond Resolution", with terms used but not defined herein having the meanings given to them in the General Bond Resolution or the Series 2009 Determination Document), holding the office set forth below beneath the signature line below; **(2)** this certificate is submitted to the Trustee, as principal depository of the Series 2009 Construction Account, pursuant to said Section 3.5(b) of the General Bond Resolution, for the purpose of making or directing a withdrawal therefrom; **(3)** attached hereto is a Disbursement Schedule listing the amount or amounts hereby directed to be disbursed from the sub-account of the Series 2009 Construction Account checked above, the name of the payee to whom each such amount shall be payable and the purpose (selected from the list set forth below) for which each such payment listed in said Disbursement Schedule is to be made; **(4)** the purpose for which each such payment is to be made is one for which moneys in the Series 2009 Construction Account are authorized to be expended under the General Bond Resolution, as supplemented by the Series 2009 Determination Document; and **(5)** the Trustee is hereby directed to cause such amounts to be disbursed therefrom, either by check or order of the undersigned or by cashier's check or other method of payment, including wire transfer, of the Trustee or other depository of said Account.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, _____.

[Signature]

[Print Name of authorized officer]

[Print Title of authorized officer]

KEY to "Purposes"

"COI" = costs of issuance

"Arena Project" = construction and equipping of a multipurpose sports complex

"Housing Project" = construction and equipping of fraternity housing facilities

"Dining Project" = construction and equipping of new dining facilities

"Park Project" = reclamation and improvement of Janice Hawkins Park

"Bibb Graves Project" = renovation and expansion of Bibb Graves Hall

"Smith Hall Project" = renovation of Smith Hall

"Other" = other Facilities (Describe)

DISBURSEMENT SCHEDULE

<u>PAYEE NAME AND ADDRESS</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
1. _____ _____	_____	\$ _____
2. _____ _____	_____	\$ _____
3. _____ _____	_____	\$ _____
4. _____ _____	_____	\$ _____
5. _____ _____	_____	\$ _____
6. _____ _____	_____	\$ _____
7. _____ _____	_____	\$ _____
8. _____ _____	_____	\$ _____
9. _____ _____	_____	\$ _____
10. _____ _____	_____	\$ _____
11. _____ _____	_____	\$ _____
TOTAL		\$ _____

[USE ADDITIONAL SHEET IF NECESSARY]

- Academic Affairs, Mr. Gerald Dial

Mr. Dial expressed his appreciation for the outstanding work the university did on the reaffirmation process, in particular Drs. Hawkins, Roach and Dew for their hard work.

- SACS Report, Dr. Ed Roach

Dr. Roach reported that on December 8th the University was officially notified by the Commission on Colleges, Southern Association of Colleges and Schools (SACS), that Troy University has received ratification of reaffirmation of academic accreditation. It was noted that the University was first accredited in 1934. Dr. Roach shared a comment by the Chancellor in an email he sent to faculty and staff: “The reaffirmation of academic accreditation validates the work of the faculty and staff” and also as Dr. Hawkins noted, “this action by the Commission is the final piece of the puzzle of the unification of the university.” Dr. Roach stated that for the first time in 30 years all of Troy University’s campuses and locations are now under one academic accreditation of the SACS. The most important dimension of this move, Dr. Roach said, is the establishment of one curriculum which will allow the student an opportunity to enroll with Troy University in any part of the world, finish in another, and complete a degree without any loss in academic credit.

In conclusion, Dr. Roach expressed appreciation to the Chancellor and the Board of Trustees for their ongoing support of and commitment to the reaffirmation process. He also thanked Dr. John Dew and his leadership team for their good work in the SACS process. He added that the Chancellor of Troy University is held in the utmost regard by the SACS.

Dr. D. Hawkins also expressed his appreciation to everyone involved in this important process for reaffirmation.

- Strategic Planning, Mr. Dan Joslyn

Mr. Joslyn provided some background information on the Strategic Planning process to this point. TROY will be completing its five-year plan *Vision: 2010* by August 2010. Mr. Joslyn stated that in addition work on reaffirmation by SACS, Commission on Colleges, will be complete in December 2010. Now we must take action to address any SACS concerns and move forward on identifying strengths, weaknesses, and opportunities that the university will face over the next five years.

Mr. Joslyn shared information on ten principles identified by the Chancellor that contribute to the uniqueness of TROY now and in the future. Mr. Joslyn added that within each principle identified the Chancellor identified some of the BOLD GOALS he would like the university to review as part of the strategic planning process. The following summarizes the ten principles identified:

1. We are tuition driven
2. Quality enrollment standards and quality students.
3. Build a stronger full-time faculty core.
4. Quality faculty research will be added to quality teaching and programs
5. Gain more efficiency of operation and scale.
6. Outcome assessment and quality assurance.
7. A new model of international programs.
8. Freeze Global Campus new site development and conduct an internal review of existing programs.
9. Bring every academic program online.
10. Develop a paperless university.

The above 10 principles will be used as the working assumptions of the next Strategic Plan for 2010-2015.

Mr. Joslyn shared a document with the Board members outlining the steps that will help identify what is needed to develop, review, approve and implement a Strategic Plan for 2015. Mr. Joslyn added that at the March Joint Retreat a first draft of the 2015 plan will be shared with the Board. Target date for implementation of the new Strategic Plan is August 2010.

- Athletics, Mr. Allen Owen

Mr. Owen said the Athletics Committee will provide an update on the plans for an arena and the Board will hear reports from Mr. Steve Dennis, Athletics Director, as well as a report from Sun Belt Commissioner Wright Waters.

- Arena Presentation

Mr. Dennis called upon Mr. Bill Wallace, Goodwin Mills & Caywood Architects, to make a presentation on the arena process. Mr. Wallace introduced his team, Cathy Gerachis and Freddie Lynn. They shared schematic drawings on the arena and talked about location and tailgating areas. Following the presentation, Mr. Wallace, Ms. Gerachis, and Mr. Lynn responded to questions and comments from Board members. In response to a question from the Chancellor, Mr. Wallace indicated that once the go head is given a groundbreaking could be held as early as January with construction beginning in February. Mr. Alex Whaley, Whaley Construction Company responded that with a groundbreaking in January anticipated date of completion for the project would be sometime in fall of 2011. A firm date will be provided later. Mr. Wallace concluded by saying that with the blessing today by the Board, they could move the project forward quickly.

Following the presentation by Goodwin Mills & Caywood, Mr. Harrison made a motion to proceed with approval with the project.

ACTION: Mr. Harrison made a motion to proceed with the project. Seconded by Mr. Owen, the motion passed.

Mr. Dennis thanked the Board for its support of athletics at Troy University. He gave an update on activities and also advised that the Trojans will be participating in the GMAC Bowl in Mobile in January. He added that the university is excited about this opportunity and encouraged everyone to support the Trojans as they compete in the GMAC Bowl. He addressed the importance of tickets sales through the university's ticket office.

- Sun Belt Commissioner

Mr. Dennis introduced Mr. Wright Waters, Sun Belt Commissioner, and called upon him to make comments. Commissioner Waters stated that he will be happy to share statistical information about Conference rankings compared to other leagues. Anyone interested in that information was encouraged to contact him.

Commissioner Waters said that Chancellor Hawkins is now President of the league. He added that the league is now a 9-team league. The Commissioner addressed the budgeting process and the need for our league teams to generate enough people in our own stadiums to support our programs. He elaborated on the bowl selection process and areas that are considered in that selection process. Commissioner Waters also addressed what we need to do to be competitive and highlighted three things—(1) win games, (2) fill the stands and show that we can compete economically, and (3) do everything with class—show good sportsmanship, etc.

Commissioner Waters shared information about other aspects of the conference and responded to comments and questions from Board members. Commissioner Waters added that he would be glad to sit down with Mr. Owens and the Board Athletics Committee for further discussion.

Commissioner Waters concluded by saying that Troy University is doing a lot of good things in athletics at the university.

Chancellor Hawkins expressed his appreciation to Commissioner Waters for joining us today and making a presentation to the Board of Trustees.

- Executive Committee, Dr. Doug Hawkins
 - Resolution No. 2—Commending 2009 Retirees

ACTION: MR. GERALD DIAL MADE A MOTION TO ADOPT RESOLUTION NO. 4. A SECOND TO THE MOTION WAS MADE BY MR. ALLEN OWEN. THERE BEING NO FURTHER DISCUSSION, RESOLUTION NO. 4, WHICH FOLLOWS, WAS UNANIMOUSLY ADOPTED BY THE BOARD.

RESOLUTION NO. 2

Commending 2009 Retirees

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

FACULTY:

Benito Arellano, Associate Professor of Social Work, College of Health and Human Services, Troy University, Troy, Alabama, June 1, 2009; Dr. Ronald Bae, Professor of Criminal Justice, Dothan Campus, December 31, 2009; Dr. Cecil G. Carlton, Lecturer, College of Education, Troy University, Troy, Alabama, June 1, 2009; Betty P. Chancellor, Assistant Professor, Library, Troy University, Troy, Alabama, June 1, 2009; Dr. Mac Holmes, Research Professor, Center for International Business and Economic Development, Troy University, Troy, Alabama, September 1, 2009; Dr. Helen Kitchens, Associate Dean, College of Education, Montgomery Campus, August 1, 2009; Cynthia Carnley, Professor of Information Systems, College of Business, December 31, 2009.

STAFF:

Milton (Tuny) Jennings, Director, Library Services, Troy University, Fort Walton Beach Site, August 1, 2009; Elizabeth Heidemann, Reference Librarian, Montgomery Campus, November 1, 2009; Lana Ward, Coordinator of Student Collections, Troy University, Dothan Campus, August 1, 2009; Judy Woodham, Assistant Director of Admissions, Montgomery Campus, November 1, 2009;

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

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

- Branding Advertisements. Dr. John Schmidt

Dr. John Schmidt shared a couple of video clips of new branding advertisements with the Board members.

V. Adjournment

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

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

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