MINUTES
BOARD OF TRUSTEES' MEETING
May 8, 2009, 1:30 p.m.
Hawkins Hall, Troy University Campus
Troy, Alabama

The Troy University Board of Trustees met at 1:30 p.m. on May 8, 2009, in Hawkins Hall Conference Room on the Troy University Campus in Troy, Alabama.

I. Call to Order

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

II. Roll Call

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

III. Approval of Minutes (December 12, 2008)

A draft copy of the December 12, 2008, 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 DECEMBER 12, 2008, MEETING. A SECOND TO THE MOTION WAS MADE BY MR. ALLEN OWEN. HAVING RECEIVED A MOTION AND SECOND, THE MINUTES (COPIES OF WHICH WERE MAILED TO BOARD MEMBERS PRIOR TO THE MEETING) WERE APPROVED AS PRESENTED.

IV. Reports

A. Chancellor

Chancellor Hawkins and Dr. Doug Hawkins introduced new Board members Mrs. Karen E. Carter and Mr. Edward F. Crowell. Chancellor Hawkins added that Mrs. Carter has served as a member of the Troy University Foundation Board and is Vice President, State Farm. Mr. Crowell retired as Brigadier General from the United States Air Force Reserve and currently serves as Vice President with Miltope Corporation. Each was welcomed to the Board and presented with a framed certificate.

The Chancellor offered a brief update on agenda items to be considered by the Board to include the PACT policy, tuition, bond issue, and SACS.

In regard to governmental relations, Chancellor Hawkins advised that five Trustees were confirmed by the Senate. The TROY Statute was passed and signed into law, and highlights included the change in name to Troy University; to remove the State Superintendent slot from board composition; to reduce the number of geographic areas represented in the state from eight to seven by combining existing areas seven and eight into area seven; to provide for the appointment of an additional at-large trustee; to delete language providing for the staggering of terms of board members and dividing the board into three classes for such purpose; to specify that the Chancellor of Troy University is the chief executive officer of the entire university; and to delete all references to presidents of the various campuses of the university.

The Chancellor reported that the FY 2010 budget represents $48,742,171 but with the $4,599.282 stimulus money could bring the budget to $53,341,453. This is an increase of $3,204,632 over the FY '09 prorated budget. The O&M reflects a cut of 2.78% down from the 2.93% proposed by the Governor.

An update on SACS was given by the Chancellor and he stated that all team visits are complete and the report is being drafted. The University will see the vote on its reaffirmation process in December of this year. A SACS team will review our Doctor of Nursing Program in January 2010.

Chancellor Hawkins talked about the University's 2010-2015 Strategic Plan and said part of the SACS report will be used as the University moves forward into the next plan. The 2010-2015 Strategic Plan is on schedule to be presented to the Board in March of 2010 and be put into place in August 2010. Chancellor Hawkins added that the collective vision of the University includes new facilities, increase in scholarship awards, increase in study abroad, expanded use of technology with 100% of academic programs online, a College of Science & Technology, new doctoral programs, and a goal of 50,000 students.

It was noted by the Chancellor that the University, for the first time, received NCATE accreditation as a single unit for all four Alabama campuses.

Points of pride mentioned by the Chancellor included the induction of Coach Larry Blakeney. as 1 of 10 in the state, into the Alabama Sports Hall of Fame; the election of Dr. Dianne Barron as President of the Conference for Southern Graduate Schools; the selection of Dr. Larry Blocher as a Lowell Mason Fellow in the National Association of Music; and the election of Ralph Ford to the American Bandmasters Association. It was noted that Mr. Ford is the state's only active bandmaster elected to the association. Other points of pride include the receipt of a grant to help plan ways to partner with the University of Liberia in areas pertinent to teacher preparation and education, reaccreditation by the National League of Nursing Accrediting Commission (NLNAC) Board of Commissioners, and a Global Campus award from the United States Pacific Command Educational Services Contract. Also, TROY's Criminal Justice Pistol Team placed third in the American Criminal Justice Association's national firearms competition in Jacksonville, FL.

The Chancellor shared an update on sports highlights stating that men's basketball placed 2nd in the Eastern Division and Coach Don Maestri was named Sun Belt Conference Coach of the Year. Women's basketball is 3rd place in the Eastern Division. Baseball is currently tied for 2nd place and softball finished the season in 2nd place. Also, Coach Melanie Davis was named Sun Belt Conference Coach of the Year. In football, the Trojans were 2008 conference champions. Sun Belt awards included Coach Larry Blakeney as Coach of the Year and Newcomer of the Year was awarded to Levi Brown. Future football schedules were shared and it was noted that in 2010 Troy will play the University of South Carolina and in 2011 & 2012 the U.S. Naval Academy.

Chancellor Hawkins also shared information on academic performance rate and added that Troy University athletes did extraordinarily well. NCAA minimum score is 925 and TROY was the only Division I institution in Alabama to have all teams above 925 and TROY was one of three Sun Belt institutions to have all team above 925. The Athletic Department recently completed an NCAA APR Audit with no findings.

B. SGA Report, Mr. Tim Parr

Tim Parr, outgoing SGA President, gave a brief review of accomplishments during the year. He said the SGA, in an effort to become more visible on campus, held the SGA elections in the SGA office in an effort to help familiarize the student body with the officers and office location. Mr. Parr reported on the SGA Retreat and added that the primary focus for the year was on a wide-spread recycling program. During the football season the SGA was fortunate to have the support from Troy's anti-litter committee and the Athletic Department to supply trash bags at tailgating events as well as across the entire campus. In October a new branch of the SGA, an International Forum, was established in an effort to help new international students become involved in the SGA. A book drive was also sponsored by the SGA. The SGA also passed a resolution recognizing the NAACP for its centennial. It was noted that Troy University was well represented at Higher Education Day in March.

Mr. Parr expressed his appreciation to the Board for its support of the SGA and the student body. He added that it was an honor for him to serve as a representative of the student body on the Board.

Dr. Doug Hawkins introduced incoming SGA President Jonathan Davis. Mr. Davis shared his goals for the SGA for the coming year.

C. Board Committee Reports

- **Finance Report, Mr. Jim Bookout**

Mr. Bookout introduced Dr. Toni Taylor, newly appointed Director of Human Resources.

Mr. Bookout provided Board members with a copy of a Financial Report for 2009 which covered tuition and fees, bond issue, and facilities update. His presentation covered highlights to the revenue and expenditure sections along with comparison to historical data. The handout provided to the Board members included an analysis of revenue and expenditure increases and Mr. Bookout elaborated on various sections. He reported the total revenue for the 2009 budget at $221,727,369. A comparative analysis of state appropriations was shared and he indicated that in 2009 the University dropped to $50,136,818. Mr. Bookout shared several projected scenarios in regard to the revenue stream for the 2010, including a proposed tuition increase. Mr. Bookout advised that the Board will consider a resolution today to increase the undergraduate tuition rate from $177 per credit hour to $193 and graduate tuition from $200 to $220 per credit hour.

In regard to the bond issue resolution being considered today, Mr. Bookout briefed the Board on plans for a multi-purpose arena, a new dining hall, and the fraternity village. He responded to comments and questions from Board members.

Mr. Bookout also gave an update on Phase II of The Janice Hawkins Park as well as additional parking being made available off of Collegedale.

- **Finance Committee, Honorable John Harrison**

Mr. Harrison introduced Resolution No. 1 regarding the University's policy in regard to the PACT program. The Finance Committee met and recommends that the full Board support Resolution No. 1. He made a motion to ratify. Action on Resolution No. 1 follows.

- **Resolution No. 1 – Ratification of PACT Policy**

ACTION: MR. HARRISON MADE A MOTION TO RATIFY RESOLUTION NO. 1. A SECOND TO THE MOTION WAS MADE BY MR. DIAL. THERE BEING NO FURTHER DISCUSSION, RESOLUTION NO. 1, WHICH FOLLOWS, WAS RATIFIED BY THE BOARD, WITH MR. CROWELL ABSTAINING.

RESOLUTION NO. 1

Response to the Financial Challenges faced by Alabama's PACT Program

Whereas, the Troy University Board of Trustees recognizes that the Alabama's Prepaid Affordable College Tuition (PACT) program is under great duress if not in extremis; and

Whereas, this uncertain situation places in jeopardy the educational future of over 48,000 program subscribers; and

Whereas, Troy University stands ready to do its part in providing a level of relief to the parents of the students enrolled, as well as students applying for enrollment, at Troy University's Alabama campuses;

Therefore be it resolved that Troy University will hold harmless students who are participants in the Alabama PACT program through academic year 2012 by exempting them from increases in tuition above tuition rates in effect for the 2008-2009 academic year. Troy University will honor PACT contract holders by offering a tuition and fee waiver over and above the distributions made by PACT for any student enrolling at Troy University under the PACT program through academic year 2012.

Therefore be it further resolved that the Board of Trustees expects the PACT program to reimburse Troy University for any and all exemptions granted during this period should the financial position of the PACT program improve.

(Endorsed by the Executive Committee this 11th Day of March 2009 and approved by the Board of Trustees through mail ballot immediately thereafter.)

- **Resolution No. 2 –Tuition**

Mr. Harrison thanked Mr. Bookout for his report in explaining the need to raise the tuition rates. He said even with this increase it leaves Troy University lower than most of our competition. He added that based upon the unanimous recommendation of the Finance Committee, he moved to adopt Resolution No. 2.

ACTION: MR. HARRISON MADE A MOTION TO APPROVE RESOLUTION NO. 2. A SECOND WAS MADE BY MR. OWEN. WITH NO FURTHER DISCUSSION, RESOLUTION NO. 2 WAS APPROVED. MR. CROWELL ABSTAINED.

RESOLUTION NO. 2

Changing the Tuition Rates and Fee Structure

WHEREAS, the Board of Trustees, at its retreat on March 5, 2009, received a thorough briefing on the Alabama Legislative Session for 2009, including the likelihood that Troy University will sustain a substantial cut in its state appropriations for fiscal year 2010; and

WHEREAS, Troy University's current undergraduate tuition structure charges a per-credit hour rate of $177; and

WHEREAS, Troy University's current graduate tuition structure charges a per credit hour rate of $200;

WHEREAS, a new tuition rate structure that increases all Alabama campus undergraduate and graduate student tuition that would partially offset the expected loss of revenue from the legislative appropriation;

THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES that Troy University proposes to increase the undergraduate tuition rate from $177 to $193 per credit hour with the understanding that the Chancellor is authorized to set the final rate after the legislative budget process is final; and

BE IT FURTHER RESOLVED, that the Board of Trustees proposes to increase the graduate tuition rate from $200 per credit hour to $220 per credit hour and for all Troy campus students, increase the existing Student Activity Fee currently set at $9.00 per credit hour by removing the current12 credit hour cap, and increase the General Student Fee from $6.00 per credit hour to $8.00 per credit hour for students at all Troy University Alabama campuses.

- **Resolution No. 3 -- Bond Issue**

Mr. Harrison introduced Resolution No. 3, adding that the facility projects discussed today are important to the University's growth. He added that the Finance Committee discussed this bond issue and on behalf of the Committee recommended adoption of Resolution No. 3.

ACTION: MR. HARRISON RECOMMENDED RESOLUTION NO. 3 FOR ADOPTION. A SECOND WAS PROVIDED BY MR. OWEN. THERE BEING NO FURTHER DISCUSSION, RESOLUTION NO. 3 WAS ADOPTED. MR. CROWELL ABSTAINED.

RESOLUTION NO. 3

RESOLUTION CONSISTING OF (A) SUPPLEMENTAL RESOLUTION NO. 19 TO RESOLUTION ADOPTED AUGUST 15, 1969, ENTITLED "A RESOLUTION PROVIDING FOR THE CONSTRUCTION OF IMPROVEMENTS TO THE STADIUM AT THE CAMPUS OF TROY STATE UNIVERSITY, AT TROY, ALABAMA, FOR THE FINANCING THEREOF BY THE ISSUANCE OF REVENUE BONDS IN THE PRINCIPAL AMOUNT OF $70,000, PAYABLE FROM STUDENT FEES FOR THE SECURING OF THE PAYMENT OF THE PRINCIPAL OF AND THE INTEREST ON SUCH BONDS; RESERVING THE RIGHT TO ISSUE ADDITIONAL BONDS PAYABLE FROM SUCH FEES ON A PARITY OF LIEN WITH SUCH BONDS, AND MAKING PROVISIONS INCIDENT THERETO"; AND

(B) AUTHORIZATION TO EXPLORE ALTERNATIVE METHODS FOR INCURRING INDEBTEDNESS

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

ARTICLE I

DEFINITIONS

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

"Alternate Credit Enhancement" means an irrevocable letter of credit, a surety bond or other credit enhancement facility covering the payment of debt service on all or any part or series of Bonds.

"Ambac" means Ambac Assurance Corporation, a Wisconsin domiciled stock insurance company.

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

"Bond Resolution" means that certain resolution duly adopted by the Board at a meeting thereof duly called, held and conducted on August 15, 1969, and entitled "A RESOLUTION PROVIDING FOR THE CONSTRUCTION OF IMPROVEMENTS TO THE STADIUM AT THE CAMPUS OF TROY STATE UNIVERSITY, AT TROY, ALABAMA, FOR THE FINANCING THEREOF BY THE ISSUANCE OF REVENUE BONDS IN THE PRINCIPAL AMOUNT OF $70,000, PAYABLE FROM STUDENT FEES FOR THE SECURING OF THE PAYMENT OF THE PRINCIPAL OF AND THE INTEREST ON SUCH BONDS; RESERVING THE RIGHT TO ISSUE ADDITIONAL BONDS PAYABLE FROM SUCH FEES ON A PARITY OF LIEN WITH SUCH BONDS, AND MAKING PROVISIONS INCIDENT THERETO," as modified, amended and supplemented by Supplemental Resolution No. 1 duly adopted by the Board at a meeting thereof duly called, held and conducted on August 14, 1970, by the 1997 Supplemental Resolution, and by Supplemental Resolution No. 17 duly adopted by the Board at a meeting thereof duly called, held and conducted on September 10, 2005.

"Bonds", as used herein, means, alternatively, as the context may require, (i) Parity Bonds heretofore or hereafter issued under the Bond Resolution, or (ii) bonds, notes, or other evidences of indebtedness issued by the University pursuant to any indenture or similar document entered into by the University as an alternative to the Bond Resolution for incurring debt, as authorized in Article XIII hereof.

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

"Chancellor" means the Chancellor of the University.

"Code" means the Internal Revenue Code of 1986, as amended.

"Determination Document" means a closing certificate of the University executed by the Chancellor and Treasurer and delivered on or prior to the Issue Date of all or any part or series of the Series 2009 Bonds, in which the various determinations as to the terms and provisions, pricing, sale, and other matters relative to those Series 2009 Bonds herein entrusted to be made, shall be made or confirmed.

"Improvements" means certain capital improvements acquired, constructed, furnished and equipped or to be acquired, constructed, furnished and equipped by and for the University, as more fully described in Section 2.1(a) hereof, all or part of the cost of which is to be paid from a portion of the proceeds of the Series 2009 Bonds.

"Issue Date" means the date or dates of the initial authentication and delivery of Series 2009 Bonds.

"MBIA" means MBIA Insurance Corporation, Armonk, New York, a stock insurance company incorporated under the laws of the state of New York.

"MSRB" means the Municipal Securities Rulemaking Board.

"1997 Supplemental Resolution" means Supplemental Resolution No. 9 duly adopted by the Board at a meeting thereof duly called, held and conducted on May 30, 1997.

"Policy" means a municipal bond insurance policy covering the payment of debt service on all or any part or series of Bonds.

"Purchase Agreement" means a bond purchase agreement or similar document relating to the Series 2009 Bonds to be entered into between the University and the Purchaser.

"Purchaser" means the original purchaser or purchasers of the Series 2009 Bonds, if issued.

"SEC" means the Securities and Exchange Commission.

"Series 2009 Bonds" means any of the Parity Bonds authorized to be issued hereunder.

"Series 2009 Construction Account" means the account or accounts required to be established by Section 6.1 hereof.

"Series 2007 Bonds" means the University's $13,000,000 General Student Fee Revenue Bonds, Series 2007, dated July 1, 2007, now outstanding in the principal amount of $13,000,000.

"Series 2003 Bonds" means the University's $7,880,000 General Student Fee Revenue Bonds, Series 2003, dated December 1, 2003, now outstanding in the principal amount of $6,365,000.

"Series 2002 Bonds" means the University's $12,890,000 General Student Fee Revenue Bonds, Series 2002, dated September 25, 2002, now outstanding in the principal amount of $11,600,000.

"Series 2002 Resolution" means the resolution of the Board adopted March 5, 2002 authorizing the issuance of the Series 2002 Bonds as a series of Parity Bonds under the Bond Resolution.

"Sphere of Knowledge" means, as to any party (including, if such party is a public body, corporation, partnership or other such entity, its trustees, officers, directors, employees and agents, as applicable), any event, condition, circumstance or item of information, whether factual, supposed or alleged, (a) which is known to such party, (b) of which such party has notice or (c) which in the ordinary course of events such party may reasonably be expected to know or have known.

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

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

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

"Treasurer" means the Treasurer of the University.

"2001 Guaranty" means the Financial Guaranty Agreement dated August 29, 2001 between the University and MBIA.

"2001 Surety Bond" means the Debt Service Reserve Surety Bond No. 35980(2) in the amount of $3,571,445 issued by MBIA on August 29, 2001 in favor of the Depository.

"2007 Guaranty" means the Guaranty Agreement dated as of July 26, 2007 between the University and Ambac.

"2007 Surety Bond" means the Surety Bond No. SB2562BE in the amount of the lesser of (i) $538,226.67 or (ii) the Maximum Annual Debt Service Requirement attributable to the Series 2007 Bonds, issued by Ambac on July 26, 2007 in favor of the Depository.

"2003 Guaranty" means the Guaranty Agreement dated December 16, 2003 between the University and Ambac.

"2003 Surety Bond" means the Surety Bond No. SB1780BE in the amount of the lesser of (i) $1,518,194 or (ii) the Maximum Annual Debt Service Requirement attributable to the Series 2002 Bonds and the Series 2003 Bonds, issued by Ambac on December 16, 2003 in favor of the Depository.

Section 1.2 Unless the context indicates otherwise, words importing the singular number include the plural number, and vice versa; the terms "hereof", "hereby", "herein", "hereto", "hereunder" and similar terms refer to this Resolution; and the term "hereafter" means after, and the term "heretofore" means before,

the date of adoption of this Resolution. Words of any gender include the correlative words of the other genders, unless the sense indicates otherwise.

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

ARTICLE II

FINDINGS, DETERMINATIONS AND REPRESENTATIONS

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

(a) It is necessary that the University pay the cost of acquiring, constructing, furnishing and equipping, as applicable, the Improvements, including the repayment of any interim or temporary loans or advances made to or by the University for such purposes, at a total cost currently estimated at $56,805,000. Subject to the authorization hereby conferred upon the Chancellor and Treasurer to augment, omit or limit the same in the Determination Document, the Improvements shall consist of and include (i) the construction and equipping at the Troy campus of the University of (A) a new multipurpose sports complex, (B) new dining facilities, and (C) new multiple-unit fraternity houses; and (ii) such other Improvements, if any, as the Chancellor and Treasurer are hereby entrusted to determine and approve in the Determination Document.

(b) It may, depending upon prevailing market conditions, be or become advisable that the University refund, on a current refunding basis, the entire outstanding principal amount of the Series 2002 Bonds, at a total cost now estimated at $12,325,000 (exclusive of accrued interest on said Bonds). The Chancellor and Treasurer are hereby entrusted and authorized to determine and approve in the Determination Document whether or not such refunding of the Series 2002 Bonds shall occur. If such refunding is to be accomplished, it shall be accomplished by the University's deposit with the Depository, on the relevant Issue Date, of that amount of the proceeds of the Series 2009 Bonds as shall be sufficient to pay (i) the then-outstanding principal amount of the Series 2002 Bonds, plus (ii) the amount of accrued interest due on the Series 2002 Bonds to but not including the date on which said Bonds are to be refunded.

(c) All of the Improvements are and shall be improvements to pay the cost of which, in whole or in part, the University is authorized to issue Parity Bonds under Section 7.2 of the Bond Resolution. The Series 2002 Bonds are Bonds for the refunding of which the University is authorized to issue Parity Bonds under Section 7.3 of the Bond Resolution.

(d) In order for the University to refund the Series 2002 Bonds and to acquire, construct, furnish and equip, as applicable, the Improvements (including the repayment of any interim or temporary loans or advances made to or by the University for the Improvements), it will be necessary for the University to authorize and (subject to the provisions hereof) to issue, sell and deliver, at one or more times, its Series 2009 Bonds as Parity Bonds under the Bond Resolution, in an aggregate principal amount currently estimated at $69,130,000, but not to exceed (except as permitted pursuant to Section 3.1 hereof) $70,000,000.

(e) Pursuant to Resolution No. 2 heretofore adopted by this Board at its meeting on May 8, 2009, the General Student Fees have been levied and will be collected for the fall semester, 2009 as follows: (i) for each undergraduate credit hour at all in-State campuses, at the rates of $193.00 and $386.00 for in-State and out-of-State students, respectively; (ii) for each graduate credit hour at all in-State campuses, at the rates of $220.00 and $440.00 for in-State and out-of-State students, respectively; (iii) for all students, a Student Activity Fee and a General Student Fee of $9.00 and $8.00, respectively, per credit hour; and (iv) for all students, a Registration Fee of $50.00.

(f) The University is not at this time in default in the payment of the principal of or interest on any Parity Bonds now outstanding or in the performance of any covenant or provision set forth in the Bond Resolution or any Supplemental Resolution.

(g) The only Parity Bonds that have been previously issued by the University under the provisions of Article VII of the Bond Resolution and that are at this time outstanding are the University's General Student Fee Revenue Bonds, Series 1998, dated September 1, 1998, now outstanding in the principal amount of $5,655,000, its General Student Fee Revenue Bonds, Series 2001, dated August 1, 2001, now outstanding in the principal amount of $7,655,000, the Series 2002 Bonds, the Series 2003 Bonds, its General Student Fee Revenue Bonds, Series 2004, dated January 1, 2004, now outstanding in the principal amount of $3,575,000, its General Student Fee Revenue Bonds, Series 2005, dated May 1, 2005, now outstanding in the principal amount of $6,495,000, and the Series 2007 Bonds.

ARTICLE III

AUTHORIZATION OF SERIES
2009 BONDS

Section 3.1 (a) Pursuant to the authorization so to do contained in the Bond Resolution and in Section 16-3-28 of the Code of Alabama of 1975, as amended, and for the purposes of (i) refunding the Series 2002 Bonds and (ii) providing for the payment of all or a part of the cost of acquiring, constructing, furnishing and equipping the Improvements, including the repayment of any interim or temporary loans or advances made to or by the University for such purpose, there are hereby authorized to be issued, as Parity Bonds under the Bond Resolution, Series 2009 Bonds in an aggregate principal amount currently estimated at $69,130,000, but not to exceed $70,000,000. Notwithstanding the foregoing, the Finance Committee of this Board is hereby authorized, on request of the Chancellor and Treasurer, to approve the issuance of a greater aggregate principal amount of Series 2009 Bonds.

(b) The Series 2009 Bonds shall be issued, if at all, subject to the discretion of the Chancellor and Treasurer, in consultation with the Purchaser, based on prevailing market conditions at the time or times of the proposed sale thereof, and then only in the manner, to the extent, and upon the terms and conditions set forth in Article V hereof. The issuance of any part or series of the Series 2009 Bonds shall in itself conclusively evidence the determination by the Chancellor and the Treasurer that market conditions at that time warranted the issuance of that part or series of the Series 2009 Bonds. Whether or not expressly so stated, all provisions of this Resolution relating to the Series 2009 Bonds and to the representations, covenants and undertakings of the University with respect thereto, shall be deemed qualified by the phrase "if the Series 2009 Bonds are issued".

(c) The Series 2009 Bonds shall be issued, subject to the discretion of the Chancellor and Treasurer of the University, in consultation with Bond Counsel, in one or more series, on a Tax-Exempt and/or Tax-Favored and (if required under the Code) Taxable basis; shall be generally designated "Troy University, General Student Fee Revenue Bonds, Series 2009", with such other or special designations as to any part or series thereof, if any, as the Chancellor and Treasurer are hereby authorized and entrusted to set forth in the Determination Document therefor; and shall be fully registered as to both principal and interest, with each separate series thereof numbered consecutively from R-1 upwards.

(d) The Chancellor and the Treasurer are hereby authorized and entrusted to make the following determinations, among others herein authorized, relating to each series of the Series 2009 Bonds, all of which shall be set forth in the Determination Document therefor: (1) the precise principal amount and authorized denominations thereof and, if applicable, the purposes (such as, for instance, the Improvements or portions thereof) to which the proceeds thereof shall be applied, (2) the dated date thereof, (3) the interest rate or rates, fixed and/or variable, to be borne thereby, and the interest payment dates thereof, (4) the precise series designation and numbers thereof, (5) the years and principal amounts in which they shall mature, in each case on November 1 of such years, and (6) the redemption and, if applicable, tender provisions thereof. Each Determination Document is hereby declared to be and shall be construed as an integral part of this Resolution.

Section 3.2 (a) 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 Depository in exchange, without expense to the owner, for a new Series 2009 Bond of like tenor except in a principal amount equal to the unredeemed portion of the Series 2009 Bond. In the event that less than all of the principal of the Series 2009 Bonds of a maturity is to be redeemed, the Depository shall assign numbers to each $5,000 principal portion of all the Series 2009 Bonds of such maturity and shall, by process of random selection based upon such numbers, select the principal portion of the Series 2009 Bonds of such maturity to be redeemed.

(b) Notice of any intended redemption shall be sent by United States registered or certified mail not fewer than 30 days prior to the proposed redemption date to the owner of each Series 2009 Bond, all or a portion of the principal of which is to be redeemed. Notice having been so given and payment of the redemption price having been duly made or provided, interest on the Series 2009 Bonds (or principal portions thereof) so called for redemption shall cease to accrue from and after the date fixed for redemption unless default shall be made in the payment of the redemption price thereof.

Section 3.3 The principal of and redemption premium, if any, on the Series 2009 Bonds shall be payable at the principal corporate trust office in the City of Birmingham, Alabama, of the Depository, Regions Bank (formerly known as First Alabama Bank, which was the successor by merger to First Farmers and Merchants National Bank of Troy), in any coin or currency which on the respective dates of payment is legal tender for the payment of debts due to the United States of America. Interest on the Series 2009 Bonds will be paid by check or draft of the Depository, mailed to the registered owner of each Series 2009 Bond at the address thereof shown on the bond registration records of the University kept by the Depository as Registrar for the Bonds. The Series 2009 Bonds will be on a parity of lien with each other and with the other Parity Bonds.

Section 3.4 The Series 2009 Bonds shall be executed for and on behalf of the University with the manual or facsimile signature of the Chancellor and attested by the manual or facsimile signature of the Treasurer, and the corporate seal of the University shall be affixed to each Series 2009 Bond by imprinting thereon said seal or a facsimile thereof. In the event that any officer whose manual or facsimile signature appears on any of the Series 2009 Bonds shall cease to be such officer before the authentication, registration, and delivery of such Series 2009 Bonds, or in the event that the seal imprinted manually or in facsimile on any of the Series 2009 Bonds shall cease to be an accurate representation of the seal of the University, such Bonds may, upon the request of the University, be authenticated, registered, and delivered, as herein provided, as though the person who signed such Bonds had not ceased to be such officer of the University or as though the University had not altered its corporate seal prior to the delivery of such Bonds.

None of the Series 2009 Bonds shall be valid or obligatory for any purpose or shall be entitled to any right or benefit hereunder and under the Bond Resolution unless there shall have been endorsed thereon a certificate of authentication and registration in substantially the form set forth as part of the form of the Series 2009 Bonds attached as Exhibit A hereto, duly executed by the Depository, and such certificate of the Depository upon any Series 2009 Bond executed on behalf of the University shall be conclusive evidence and the only evidence that the Series 2009 Bond so authenticated has been duly issued, registered in the name of the owner thereof, and that said owner is entitled to the benefit hereof and of the Bond Resolution. The Depository's certificate of authentication and registration on any Series 2009 Bond shall be deemed to have been executed by it if manually signed by an authorized officer of the Depository, but it shall not be necessary that the same officer sign the certificate of authentication and registration on all of the Series 2009 Bonds.

Section 3.5 In case any of the Series 2009 Bonds shall be or become mutilated, destroyed, stolen or lost, then upon the surrender of such mutilated Bonds to the Depository, or the presentation to the University and to the Depository of evidence satisfactory to them, respectively, of the destruction, theft or loss of such Bond and that the claimant was the owner thereof at the time of such event and, in any event, upon being furnished with indemnity satisfactory to them, respectively, and upon the payment of all necessary expenses incurred by the University and the Depository in investigating said claim and in issuing a new Bond, the University shall issue and the Depository shall thereafter authenticate, register and deliver to or upon the order of such claimant a Series 2009 Bond of like tenor, date, principal amount and maturity as the Series 2009 Bond so mutilated, destroyed, stolen or lost, with such notations thereon as the University and the Depository shall determine.

Section 3.6 Each of the Series 2009 Bonds shall be fully registered as to both principal and interest in the name of the owner on registration books to be maintained for the purpose by the University at the principal corporate trust office of the Depository, which is designated as Registrar. The person in whose name each Series 2009 Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of or on account of the principal of, premium, if any, and interest on any such Bond shall be made only to or upon the order of the owner thereof, or his legal representative, and neither the University, the Depository nor any agent of the University shall be affected by any notice to the contrary, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability of the University upon such Bond to the extent of the sum or sums so paid and each transferee of any of the Series 2009 Bonds takes it subject to all principal and interest payments in fact made.

The Series 2009 Bonds are issuable only in fully registered form. Each of the Series 2009 Bonds may be transferred by the owner in person or by authorized attorney, only on the books of the Depository and only upon presentation and surrender of the Bond to the Depository for cancellation with a written instrument of transfer acceptable to the Depository executed by the owner or his duly authorized attorney, and upon any such transfer, one or more new Series 2009 Bonds of authorized denominations and of like tenor shall be issued to the transferee in exchange therefor.

The owner of any Series 2009 Bond in a face amount greater than the smallest authorized denomination thereof may surrender the same in exchange for multiple Series 2009 Bonds of authorized denominations aggregating the same principal amount as the Bond so surrendered, with each such Bond having the same year of maturity and bearing interest at the same rate (which may be a variable rate) as the Bond so surrendered. The owner of two or more Series 2009 Bonds having the same maturity date and interest rate may surrender the same in exchange for a single Series 2009 Bond in the aggregate principal amount of the Bonds so surrendered and having the same year of maturity and bearing interest at the same rate as the Bonds so surrendered.

The Depository shall not be required to transfer or exchange any Series 2009 Bond during the period of 15 days next preceding any date on which either principal or interest or both is to be paid with respect to such Bond; and in the event that any Series 2009 Bond (or any part thereof) is duly called for redemption, the Depository shall not be required to exchange or transfer any such Bond during the period of 45 days next preceding the date fixed for such redemption. No charge shall be made for the privilege of

transfer or exchange, but the owner of any Series 2009 Bond requesting any such transfer or exchange shall pay any tax or other governmental charge required to be paid with respect thereto.

Section 3.7 The Chancellor and Treasurer are authorized, in the Determination Document, to determine, in consultation with the Purchaser, that the Series 2009 Bonds or any part or series thereof be initially issued in book-entry only form, if circumstances and other considerations at the time of issuance so warrant. In such event, the foregoing provisions of this Article III shall be deemed modified to the extent necessary to comport with any applicable requirements of The Depository Trust Company ("DTC") or other book-entry depository, as generally described in that certain Blanket Issuer Letter of Representations dated August 12, 2002 between the University and DTC.

Section 3.8 Any or all of the Series 2009 Bonds shall, for all purposes of this Resolution, be deemed fully paid and defeased if the Depository or other paying agent therefor shall be provided with the following:

(a) a trust agreement between the University and the Depository or such other paying agent providing for the retirement of such Series 2009 Bonds by creating for that purpose an irrevocable trust fund sufficient to provide for payment in full of such Series 2009 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 this Board calling for redemption those of the Series 2009 Bonds, if any, that are, according to said trust agreement, to be redeemed prior to their respective maturities;

(c) with respect to any Series 2009 Bonds issued on a Tax-Exempt or Tax-Favored basis, 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 2009 Bonds to cease to be Tax-Exempt or Tax-Favored, as the case may be; and

(d) evidence that any applicable requirements of the 1997 Supplemental Resolution have been satisfied.

ARTICLE IV

FORM OF SERIES 2009 BONDS

Section 4.1 The Series 2009 Bonds shall be in substantially the form of Exhibit A attached hereto and made a part hereof, containing the appropriate insertions and variations therein to conform to the provisions hereof and of the applicable Determination Document.

Section 4.2 The officers of the University are hereby authorized and directed to execute and register the Series 2009 Bonds in the manner and with the effect provided herein, and the Depository shall authenticate and deliver them as provided herein.

ARTICLE V

SALE AND DELIVERY OF SERIES 2009 BONDS; DISPOSITION OF PROCEEDS OF SALE

Section 5.1 (a) This Board hereby authorizes and approves the preparation by appropriate officials of the University, in consultation with Bond Counsel, the Purchaser and other professional advisers to the University, of a Preliminary Official Statement of the University (the "POS"), and the conversion by said officials and advisers of the POS into a final Official Statement of the University (the "Official Statement"), relative to the issuance and sale of the Series 2009 Bonds. This Board hereby further authorizes the distribution and use of the POS and the Official Statement by the Purchaser in the offering and sale of the Series 2009 Bonds. This Board further authorizes the Chancellor, in the Determination Document, to "deem final", for purposes and within the meaning of Rule 15c2-12(b)(1) of the SEC, the POS as of its date and to make such other and further representations with respect to the POS and Official Statement as may be customary and desirable.

In the event the Series 2009 Bonds are issued in more than one series and at different times, this Board hereby reaffirms and restates all of the foregoing authorizations for preparation, dissemination and

approval of a separate POS and Official Statement for each later-issued series; and all subsequent references herein to "the" POS or Official Statement shall mean and include the POS and Official Statement for each such series.

(b) The execution and delivery by the Chancellor of select copies of the POS and of the Official Statement, if so requested by the Purchaser, are hereby authorized.

(c) The University will, by the date on which the Purchaser shall have advised the University in writing that it intends to mail confirmations to prospective purchasers of Series 2009 Bonds, furnish to the Purchaser copies of the Official Statement in sufficient quantity to enable the Purchaser to comply with SEC Rule 15c2-12(b)(4) and the rules of the MSRB.

(d) If at any time prior to the Issue Date or within 90 days thereafter any event occurs which is within the Sphere of Knowledge of the University or the Purchaser and which causes the Official Statement as then in effect to contain any untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading in any material respect, the University or the Purchaser, as the case may be, shall promptly notify each other and cooperate with each other in the preparation of an amendment of or supplement to the Official Statement which will correct such statement or omission. The University will advise the Purchaser promptly of any proposal to amend or supplement the Official Statement and will not effect any such amendment or supplement without the consent of the Purchaser. The University will advise the Purchaser promptly of the institution of any action, suit, proceeding, inquiry or investigation of which it has any knowledge seeking to prohibit, restrain or otherwise affect the use of the Official Statement in connection with the offering, sale or distribution of the Series 2009 Bonds.

(e) From the date of the Official Statement until 90 days after the Issue Date, if any event relating to or affecting the University shall occur which is known or becomes known to the Purchaser or Bond Counsel and as a result of which it is necessary, in the opinion of the Purchaser or Bond Counsel, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time such event shall occur, the University will cause to be forthwith prepared and furnished to the Purchaser (at the expense of the University for 90 days after the Issue Date, thereafter at the expense of the Purchaser) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Purchaser and Bond Counsel) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that time, not misleading.

(f) The University shall cooperate with the Purchaser in taking all actions necessary for the qualification of the Series 2009 Bonds for offer and sale (and the continuation of the effectiveness of such qualification so long as required for the distribution of the Series 2009 Bonds) and the determination of eligibility for investment in the Series 2009 Bonds under the laws of such jurisdictions as the Purchaser may reasonably request; provided, however, that the University will not be required to qualify as a foreign corporation or to do business or to file a general consent to service of process in connection with any such qualification in any jurisdiction other than the State of Alabama.

Section 5.2 The Chancellor and Treasurer are hereby entrusted to select and approve the Purchaser of the Series 2009 Bonds or any part or series thereof, and to confirm such selection in the Determination Document therefor. The Series 2009 Bonds are hereby awarded and sold to the Purchaser at a purchase price equal to (a) such percentage of the aggregate principal amount of each series thereof as is herein entrusted to be determined and approved by the Chancellor and Treasurer and confirmed in the applicable Determination Document, plus (b) wherever applicable, interest accrued on said aggregate principal amount of each such series from its dated date to but not including the Issue Date, (c) less such amount of original issue discount, if any, plus such amount of premium, if any, as are herein entrusted to be determined and approved by the Chancellor and Treasurer and confirmed in the applicable Determination Document. The Board authorizes the preparation or review by Bond Counsel, and the execution and delivery on behalf of the University by the Chancellor or the Treasurer, of a Purchase Agreement for the Series 2009 Bonds (including, if the Series 2009 Bonds are issued in more than one series and at different times, a separate Purchase Agreement for each later-issued series).

The Treasurer of the University is authorized and directed to make the necessary arrangements with the Purchaser to establish the date, location, procedure and conditions for the delivery of all or any series of the Series 2009 Bonds to the Purchaser or its order, and to take all steps necessary to effect due execution and delivery of those Series 2009 Bonds under the terms of this Resolution.

Section 5.3 The University may at any time or from time to time execute the Series 2009 Bonds, but before such Bonds shall be delivered to the Purchaser, there shall be filed, with the Secretary of the Board and the Depository, the instruments required by Article VII of the Bond Resolution.

The receipt of the Treasurer of the University shall be full acquittal to the Purchaser for the purchase price of the Series 2009 Bonds, and the Purchaser shall be under no obligation to see to the

application thereof. The University, however, shall hold the proceeds from the sale of such Bonds in trust, and shall dispose of the same only as provided in this Resolution. When received: (a) the part (if any) of the purchase price of the Series 2009 Bonds representing accrued interest thereon to the date of payment of such purchase price shall be transferred by the University to the Depository for deposit in the Bond Fund; (b) if the Series 2002 Bonds are being refunded, such sum as shall be specified in the Determination Document shall be deposited with the Depository for application to the payment on the applicable redemption date of the principal of and accrued interest on the Series 2002 Bonds; and (c) the balance of said purchase price shall be deposited by the University in the Series 2009 Construction Account.

If necessary, the Chancellor of the University is hereby authorized and empowered, on behalf of the Board, to determine and direct alternative allocations of the proceeds of all or any part or series of the Series 2009 Bonds and of amounts on deposit in the Bond Fund and Reserve Fund, such determination and direction to be made, if necessary, in the applicable Determination Document.

ARTICLE VI

SERIES 2009 CONSTRUCTION ACCOUNT

Section 6.1 (a) The University shall open and maintain one or more separate accounts to be known collectively as the "Series 2009 Construction Account" (with such additional designation as may be appropriate to distinguish the accounts, if more than one, from one another), in each case in a bank which is a member of the Federal Deposit Insurance Corporation or any agency which shall hereafter succeed to its functions and duties.

(b) The moneys in the Series 2009 Construction Account shall be applied only to pay or reimburse (i) costs of acquiring, constructing, furnishing and equipping those of the Improvements to which the Chancellor and Treasurer shall have determined the proceeds of that series of Series 2003 Bonds should be applied, including the repayment of any interim or temporary loans or advances made to or by the University for such purpose, and (b) expenses incurred in connection with the issuance of the Series 2009 Bonds. Withdrawals may be made by the University from the Series 2009 Construction Account by check or order accompanied by a certificate or certificates signed by an authorized officer of the University, stating the name of the payee and the amount and purpose of the payment. The bank serving as depository of any Series 2009 Construction Account (which may also be the Depository) shall not be responsible for the application of any moneys so withdrawn from said Account by the University.

(c) Any moneys on deposit in a Series 2009 Construction Account not required for current disbursements shall be invested in Permitted Investments, as hereinafter defined. Any such investments shall be payable in such amounts and at such times as may be necessary to meet required payments from that Series 2009 Construction Account. The earnings from any such investments shall be deposited in that Series 2009 Construction Account. No investment shall be made which would cause any Tax-Exempt or Tax-Favored series of the Series 2009 Bonds to be "arbitrage bonds" or "hedge bonds" as those terms are used in Section 148 and Section 149(g), respectively, of the Code. The depository for any Series 2009 Construction Account in which shall be held the proceeds of any Tax-Exempt or Tax-Favored series of the Series 2009 Bonds, by acceptance of its duties hereunder, agrees to keep such records and supply such information to the University as will enable the University to make any necessary rebate payments in full and timely manner, in accordance with Section 9.1(h) hereof.

(d) As used herein, "Permitted Investments" shall mean and include any of the following (unless proscribed by the issuer of any Policy, Alternate Credit Enhancement or Reserve Credit Facility securing all or any part or series of the Series 2009 Bonds):

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

(2) Obligations of, or obligations guaranteed as to principal and interest by, the United States of America ("U.S.A.") or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the U.S.A., including (i) U.S.A. treasury obligations, (ii) all direct or fully guaranteed obligations, (iii) Farmers Home Administration, (iv) General Services Administration, (v) Guaranteed Title XI financing, (vi) Government National Mortgage Association (GNMA), and (vii) State and Local Government Series;

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

(4) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the U.S.A.: (i) senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation

(FHLMC), (ii) obligations of the Resolution Funding Corporation (REFCORP), (iii) senior debt obligations of the Federal Home Loan Bank System, and (iv) senior debt obligations of other Government Sponsored Agencies approved by Ambac;

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

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

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

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

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

(10) other forms of investments (including investment agreements and repurchase agreements) which may be approved in writing by the issuer of any Policy, Alternate Credit Enhancement or Reserve Credit Facility securing all or any part or series of the Series 2009 Bonds.

ARTICLE VII

CONTINUING DISCLOSURE AGREEMENT

Section 7.1 The University makes the covenants set forth in this Article VII as an agreement (this "Continuing Disclosure Agreement") for the benefit of the holders and beneficial owners from time to time of the Series 2009 Bonds, in accordance with the requirements of SEC Rule 15c2-12 (the "Rule"), with terms used in this Article having the meanings given to them or incorporated by reference in the Rule. This Continuing Disclosure Agreement constitutes a part of the contract between the University and such holders and beneficial owners, pursuant to Section 13.2 of the Bond Resolution; provided, however, that as to matters of default, remedy and amendment with respect to this Continuing Disclosure Agreement, the provisions of this Article VII shall govern.

Section 7.2 The University undertakes to provide, either directly or indirectly through such agent as the University may designate from time to time:

(a) To each "nationally recognized municipal securities information repository" ("NRMSIR") and to the information depository (if any) from time to time designated by the State ("SID"), within 180 days following the end of each Fiscal Year, unaudited annual financial information concerning the University, which shall be internally prepared by appropriate officials of the University in conformity with accounting principles generally accepted in the United States of America;

(b) To each NRMSIR and to the SID, when and if available, audited financial statements of the University;

(c) To each NRMSIR or to MSRB, at 1900 Duke Street, Suite 600, Alexandria, VA 22314-3412 (or at such different address as MSRB may have from time to time), and to the SID, notice in a timely manner of any of the following events, within the meaning of Rule 15c2-12, with respect to the Series 2009

Bonds, if material: (1) principal and interest payment delinquencies; (2) non-payment related defaults; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions or events affecting the Tax-Exempt or Tax-Favored status of any Series 2009 Bonds issued on a Tax-Exempt or Tax-Favored basis; (7) modifications to rights of holders of Series 2009 Bonds; (8) bond calls; (9) defeasances; (10) release, substitution or sale of property securing repayment of the Series 2009 Bonds; and (11) rating changes; and

(d) To each NRMSIR and to the SID, notice in a timely manner of a failure of the University to provide the annual financial information referenced in subsection (a) above within the period of time therein specified.

Section 7.3 The exclusive remedy for any breach of this Continuing Disclosure Agreement by the University shall be limited, to the extent permitted by law and as hereinafter provided, to a right of holders and beneficial owners, or the Depository, to cause proceedings in equity to be instituted and maintained to obtain the specific performance by the University of its obligations hereunder. Any individual holder or beneficial owner may institute and maintain, or cause to be instituted and maintained, such proceedings to require the University to provide or cause to be provided a pertinent filing if such filing is due and has not been made. Any such proceedings to require the University to perform any other obligation under this Continuing Disclosure Agreement (including any proceedings that contest the sufficiency of any pertinent filing) shall be instituted and maintained only by the Depository, which may institute and maintain any such proceedings in its discretion and shall do so, subject to the same conditions, limitations and procedures that would apply under the Bond Resolution if the breach were a default under the Bond Resolution, at the direction of the holders of at least 60% in aggregate principal amount of the Series 2009 Bonds then outstanding, excluding any Series 2009 Bonds held by or for the account of the University. Any failure of the University to comply with the provisions of this Continuing Disclosure Agreement shall not be a default under the Bond Resolution.

Section 7.4 This Continuing Disclosure Agreement may be amended, and noncompliance by the University with any provision of it may be waived, as may be necessary or appropriate to achieve its compliance with any applicable federal securities law or rule, to cure any ambiguity, inconsistency or formal defect or omission, and to address any change in circumstances arising from a change in legal requirements, change in law or change in the identity, nature or status of the University or the type of business conducted by the University. Any such amendment or waiver shall not be effective unless this Continuing Disclosure Agreement (as amended or taking into account such waiver) would have complied with the requirements of the Rule at the time of the primary offering of the Series 2009 Bonds, after taking into account any applicable amendments to or official interpretations of the Rule, as well as any change in circumstances, and until either (a) the University and the Depository shall have received a written opinion of Bond Counsel or other qualified independent special counsel selected by the Depository, or the Depository shall have determined, that the amendment would not materially impair the interests of holders or beneficial owners of the Series 2009 Bonds, or (b) the Depository shall have received the written consent to the amendment or waiver of the holders of at least a majority in aggregate principal amount of the Series 2009 Bonds then outstanding, excluding any Series 2009 Bonds held by or for the account of the University.

Section 7.5 The obligations of the University under this Continuing Disclosure Agreement shall remain in effect only for such period that (a) the Series 2009 Bonds are outstanding in accordance with their terms and (b) the University remains an obligated person with respect to the Series 2009 Bonds within the meaning of the Rule. The obligation of the University to provide notices of material events shall terminate, if and when the University no longer remains an obligated person with respect to the Series 2009 Bonds, provided that the University shall provide notice of such termination to MSRB and the SID.

ARTICLE VIII

SOURCES OF PAYMENT OF BONDS: PLEDGES, FUNDS AND THE APPLICATION THEREOF

Section 8.1 The Series 2009 Bonds are issued as Parity Bonds under the Bond Resolution and all applicable provisions of the Bond Resolution referring to the Bonds shall be construed to refer to the Series 2009 Bonds as well as all other Bonds issued thereunder, and the moneys in the Bond Fund and the moneys in or other securities held to the credit of the Reserve Fund shall be applied for the payment and benefit of all such Bonds to the extent and in the manner therein provided, even though all or a portion of such moneys may have been paid into the Funds prior to the issuance of the Series 2009 Bonds -- all to the end that the Series 2009 Bonds shall be secured in all respects on a parity with all other Parity Bonds. Neither the principal of nor the interest on any of the Bonds, including the Series 2009 Bonds, shall constitute an obligation or debt of the State within the meaning of any constitutional or statutory provision whatsoever. The Bonds shall not be a charge on the general credit or the tax revenues of the State, and shall not in any event be payable out of any moneys at any time provided for or appropriated by the State. Neither the State nor the University shall be obligated, directly or indirectly, to contribute any funds, property or resources to

the payment of the Bonds, except the fees and moneys pledged and the moneys in the Bond Fund and the moneys in or other securities held to the credit of the Reserve Fund, as provided in the Bond Resolution and this Resolution. Reference is made to Article XI of this Resolution regarding the authorization to commence negotiations for the issuance and delivery of a Policy or Alternate Credit Enhancement, as additional security for the Series 2009 Bonds.

Section 8.2 The semiannual payments into the Bond Fund as provided for in Section 8.4 of the Bond Resolution shall be adjusted to provide for such additional amounts as may be necessary to pay the principal of and interest on the Series 2009 Bonds, as well as all other outstanding Bonds. In determining the amounts to be transferred by the Depository to the Bond Fund on or before April 25 and October 25 in each year as provided in Section 8.4 of the Bond Resolution, the Bonds shall be deemed to include the Series 2009 Bonds as well as all other outstanding Bonds. In the event any series of Series 2009 Bonds may require deposits to the Bond Fund to pay interest on that series of the Series 2009 Bonds more frequently than semi-annually, the Chancellor and Treasurer are hereby authorized and empowered to set forth such deposit dates in the applicable Determination Document. In making any such transfers to the Bond Fund, the Depository shall take account of and give credit for any moneys paid therein from the proceeds of the Series 2009 Bonds, and any amounts paid therein pursuant to the covenant contained in Section 8.1 of this Resolution.

Section 8.3 In accordance with Section 7.4 of the Bond Resolution, as amended by the 1997 Supplemental Resolution, on or before the Issue Date, and as a further condition precedent to the issuance of any series of the Series 2009 Bonds, the University shall deposit or cause to be deposited with the Depository an amount equal to the Maximum Annual Debt Service Requirement in respect of those Series 2009 Bonds, provided that such condition may be satisfied by delivery to the Depository of a Reserve Credit Facility (such as the 2001 Surety Bond, the 2003 Surety Bond or the 2007 Surety Bond) in face amount equal to such Maximum Annual Debt Service Requirement. Reference is made to Article XI of this Resolution regarding the authorization to commence negotiations for the issuance and delivery of a Reserve Credit Facility satisfying such Maximum Annual Debt Service Requirement.

Section 8.4 All additional payments into the Bond Fund and any payments into or securities added to the credit of the Reserve Fund as hereinabove provided shall be made in the same order, with the same priority and from the same sources as the payments provided to be made into the Funds by the Bond Resolution.

ARTICLE IX

TAX-RELATED REPRESENTATIONS AND COVENANTS

Section 9.1 Any reference in this Article IX to the "Series 2009 Bonds" shall be deemed to refer, on a series by series basis, only to that series or those series of Series 2009 Bonds issued on a Tax-Exempt or Tax-Favored basis. The University makes the following representations, warranties and covenants as the basis for its issuance of the Series 2009 Bonds, which representations, warranties and covenants are intended to be relied upon:

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

(b) The University will not apply or permit the proceeds of the Series 2009 Bonds to be applied in a manner that would cause any of them to be deemed "private activity bonds" within the meaning of Section 141 of the Code. There are and will be no leases from the University to any person or any other arrangement, express or implied, that would result, in the aggregate, in (i) the use, directly or indirectly, for any "private business use", within the meaning of Section 141(b) of the Code, of more than five percent (5%) of (A) those Improvements financed with the proceeds of the Series 2009 Bonds, (B) the improvements financed with the proceeds of the Series 2002 Bonds, or (C) the proceeds of the Series 2009 Bonds; or (ii) the payment of debt service on more than 5% of the proceeds of the Series 2009 Bonds being directly or indirectly (A) secured by any interest in property used or to be used for any such "private business use" or in payments in respect of such property or (B) derived, directly or indirectly, from payments (whether or not to the University) in respect of property or borrowed money used or to be used for any such "private business use"; provided, however, that the 5% limit set forth in clause (i) and/or (ii) may be exceeded if Bond Counsel opines that that will not cause interest on the Series 2009 Bonds to cease to be Tax-Exempt or (if applicable) that that will not cause the Series 2009 Bonds to cease to be Tax-Favored.

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

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

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

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

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

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

Section 9.2 In the event that the aggregate principal amount of Series 2009 Bonds issued during calendar year 2009 or 2010 is equal to or less than $30,000,000, the Chancellor is hereby authorized, upon consultation with Bond Counsel, to designate such Series 2009 Bonds as "qualified tax-exempt obligations" within the meaning and for purposes of Section 265(b)(3)(B) of the Code. Such designation, if made, shall be made in the Determination Document or the Tax Compliance Certificate for that series of Series 2009 Bonds and shall be accompanied by such representations and warranties as are customarily made in connection with such a designation.

ARTICLE X

REFUNDING OF SERIES 2002 BONDS

Section 10.1 All provisions of this Article X shall be effective if and only if the Chancellor and Treasurer, in the exercise of the discretion herein vested in them, shall have determined, based on prevailing market conditions, to proceed with the issuance of Series 2009 Bonds for the purpose of refunding the Series 2002 Bonds.

Section 10.2 This Board hereby calls for redemption, on that Business Day selected by the Chancellor and Treasurer in the applicable Determination Document, which date shall nevertheless enable the Depository to give the prescribed 30 days' advance notice thereof and be not be more than 90 days following the Issue Date of that part or series of the Series 2009 Bonds being issued to effect such redemption, all of the Series 2002 Bonds which are outstanding as of that date. This Board further declares and determines that the foregoing call for redemption is irrevocable.

Section 10.3 This Board hereby finds and determines that this Resolution, together with the applicable Determination Document, constitutes the "trust agreement" referenced in Section 10.3(a) of the Series 2002 Resolution. This Board further finds and determines that this Resolution, together with the applicable Determination Document, fully satisfies the requirements of Section 10.3(b) of the Series 2002 Resolution, in order that the Series 2002 Bonds be deemed fully paid and defeased upon the issuance of that part or series of the Series 2009 Bonds being issued to effect the aforesaid redemption.

ARTICLE XI

EFFORTS TO OBTAIN CREDIT ENHANCEMENT

Section 11.1 The Chancellor and the Treasurer are hereby authorized and directed to enter into negotiations as promptly as is practicable with MBIA, Ambac and/or such other municipal bond insurers or providers of Alternate Credit Enhancement as the Purchaser may recommend for the purpose of obtaining (i) a Policy and/or Alternate Credit Enhancement covering all or any part or series of the Series 2009 Bonds and (ii) a Reserve Credit Facility, analogous to the 2001 Surety Bond, the 2003 Surety Bond or the 2007 Surety Bond, satisfying the Maximum Annual Debt Service Requirement for all or any part or series of the Series 2009 Bonds. Such officers are authorized and directed to provide to the insurers and providers of Alternate Credit Enhancement such financial and other information regarding the University, including without limitation such information as appears or will appear in the POS, as they may reasonably require to reach a credit and pricing decision. If successful in obtaining satisfactory commitments for such Policy and/or Alternate Credit Enhancement and Reserve Credit Facility, the Chancellor and the Treasurer are hereby authorized to execute and deliver, subject to the review of Bond Counsel, any and all documents (including without limitation one or more commitment letters or reimbursement agreements and a guaranty agreement with the provider of such Reserve Credit Facility similar to the 2001 Guaranty, the 2003 Guaranty or the 2007 Guaranty), and to take any and all other actions (including without limitation the payment of the agreed-upon premiums therefor), necessary to consummate the issuance of such Policy and/or Alternate Credit Enhancement and Reserve Credit Facility. The Chancellor and Treasurer are further authorized, subject to the review of Bond Counsel, to approve and adopt, in the Determination Document, such provisions and amendments supplementing this Resolution as are customarily requested and approved in connection with the issuance of such Policy and/or Alternate Credit Enhancement, which provisions and amendments shall appear as an appendix to the Determination Document and are hereby authorized to be designated and to constitute "Article XIV" of this Resolution.

ARTICLE XII

MISCELLANEOUS

Section 12.1 This Resolution is adopted as a Supplemental Resolution in order to provide for the issuance of the Series 2009 Bonds as Parity Bonds pursuant to Article VII of the Bond Resolution, and the provisions of this Resolution shall be so construed. All provisions, covenants, terms, conditions, rights and remedies set forth in the Bond Resolution, as hereby supplemented, are hereby ratified and reaffirmed and are hereby adopted as being applicable to and shall for any and all purposes apply to the Series 2009 Bonds, as if such Bonds had been originally issued under the Bond Resolution.

Section 12.2 This Board hereby authorizes Bond Counsel to prepare such other and further documents, certifications, assignments and instruments as Bond Counsel, the Depository or the Purchaser may require or as may be necessary or appropriate to consummate the transactions contemplated in this Resolution, including without limitation any certificates or reports referred to in Articles IX or XI hereof. The Chancellor, Treasurer or any other appropriate officer or agent of the University is hereby authorized and directed to execute and deliver any and all such additional documents or certificates, including without limitation any elections made to establish Tax-Favored status or for any other tax-related reason.

Section 12.3 If any one or more of the covenants, agreements or provisions provided in this Resolution shall be contrary to law, then such covenant or covenants, agreement or agreements, provision or provisions shall be null and void, and shall in no way affect the validity of the other provisions of this Resolution or of the Series 2009 Bonds.

Section 12.4 This Resolution shall take effect upon its adoption by the Board, as evidenced by the endorsement hereon by the undersigned officers of the Board.

ARTICLE XIII

ALTERNATIVE METHODS FOR INCURRING INDEBTEDNESS

Section 13.1 This Board hereby acknowledges that the Bond Resolution, having been originally prepared in 1969, may contain provisions and requirements that have become antiquated, superfluous and inefficient in light of the changes in financial practices and opportunities that have occurred in the ensuing 40 years. In recognition of this possibility, and in order to provide greater flexibility to the University to finance or refinance new and existing facilities, the Board hereby authorizes the Chancellor and Treasurer, working in conjunction with Bond Counsel, the University's financial advisors, and the rating agencies:

(i) to explore alternative methods for the University's incurring of indebtedness, including without limitation entry by the University into one or more new trust indentures or similar instruments that would

enable the University to incur debt (A) secured by a pledge of General Student Fees subordinated to the pledge thereof securing Parity Bonds under the Bond Resolution, (B) secured by a pledge of revenues or moneys other than General Student Fees, and/or (C) secured in other innovative ways not deleterious to the marketability of such debt; and

(ii) if, in the discretion of the Chancellor and Treasurer, any such alternative method or methods prove feasible, to execute and deliver, for and on behalf of the University, such new trust indentures or similar instruments and such other and further documents, certifications, assignments and instruments (including without limitation bonds, notes, or other evidences of indebtedness issued by the University pursuant to any such new indenture or similar instrument, which bonds may in whole or in part replace the Series 2009 Bonds otherwise authorized hereunder) as may be necessary or appropriate to consummate the incurring of indebtedness pursuant to such alternative method or methods.

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EXHIBIT A
(Form of Series 2009 Bond)

(Form of Face of Bond)

UNITED STATES OF AMERICA
STATE OF ALABAMA

TROY UNIVERSITY
GENERAL STUDENT FEE REVENUE BOND, SERIES 2009

REGISTERED
NO. R-

REGISTERED
$

Interest Rate: Maturity Date: Dated: CUSIP:

_____ November 1, ____ _____ _____
percent (_____%)
per annum

On the Maturity Date stated above, **TROY UNIVERSITY**, a public corporation and instrumentality of the State of Alabama (the "University"), for value received, hereby promises to pay to _____, or registered assigns, but solely from the Bond Fund hereinafter referred to, the principal sum of

_____ and NO/100 DOLLARS

and to pay interest thereon at the per annum Interest Rate stated above, computed on the basis of a 360-day year composed of twelve 30-day months, payable semiannually on the first days of May and November in each year beginning _____ 1, 200_, 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 shown above. The principal of and redemption premium, if any, on this Bond are payable at the principal corporate trust office in the City of Birmingham, Alabama, of Regions Bank, formerly known as First Alabama Bank (the "Depository"), in any coin or currency which at the time of payment thereof shall be legal tender for the payment of debts due the United States of America. Interest on this Bond will be paid by check or draft of the Depository, mailed to the registered owner hereof at the address thereof shown on the bond registration records of the University kept by the Depository as registrar.

This Bond is one of a duly authorized issue of Bonds authorized in the aggregate principal amount of $_____ (the "Series 2009 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 of the Code of Alabama of 1975, as amended, (b) a resolution duly adopted by the Board of Trustees of the University on August 15, 1969, as amended by subsequent resolutions duly adopted by the Board of Trustees of the University on August 14, 1970, on May 30, 1997, and on September 10, 2005 (collectively, the "Bond Resolution") and (c) a resolution supplemental to the Bond Resolution relative to the Series 2009 Bonds (the "Series 2009 Resolution"). Terms used but not otherwise defined herein shall have the meanings given to them in the Series 2009 Resolution.

The Series 2009 Bonds are issued as Parity Bonds under and as defined in the Bond Resolution. The principal of and interest on the Series 2009 Bonds are payable solely from and are secured pro rata with all other bonds heretofore or hereafter issued as Parity Bonds pursuant to the Bond Resolution (collectively, the "Bonds") by a first lien upon and pledge of (a) moneys in or other securities held to the credit of the special funds designated the Bond and Interest Sinking Fund (the "Bond Fund") and the Debt Service Reserve Fund (the "Reserve Fund"), and (b) general fees levied by the University against students enrolled at the University (the "General Fees"), all as more particularly described in the Bond Resolution (collectively referred to herein as the "Revenues"). Additional bonds may hereafter be issued in successive series from time to time by the University payable from the Revenues equally and ratably and on a parity of lien with the Bonds (including the Series 2009 Bonds) theretofore issued pursuant to the Bond Resolution, subject, however, to the terms and conditions of the Bond Resolution. The Bond Resolution provides that the Revenues shall be segregated and paid into the Bond Fund in an amount sufficient to pay the principal of and interest on the Bonds as and when they mature and become due and (unless other provision be made for funding the reserve requirement) also paid into the Reserve Fund in an amount sufficient to establish and thereafter maintain a debt service reserve. Neither the University nor the State of Alabama (the "State") is obligated to make any payment to the Bond Fund or to the Reserve Fund except from the Revenues. Neither the principal of nor the interest on this Bond shall constitute an obligation or debt of the State within the meaning of any constitutional or statutory provision whatsoever. This Bond shall never be payable from any funds at any time provided for or appropriated by the State, and shall not be a charge on the general credit or tax revenues of the State. 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 or the interest thereon, except the Revenues.

The University has covenanted and agreed in the Bond Resolution and does hereby covenant and agree that, so long as this Bond is outstanding, it will continue to levy and collect fees from student attending the University in such amounts and at such times as will produce Revenues sufficient at all times to pay the principal of and interest on the Bonds as and when such principal and interest mature and become due, and also to establish and thereafter maintain or otherwise fund a debt service reserve.

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 Bond Resolution and the Series 2009 Resolution until the certificate of authentication and registration hereon shall have been executed by the Depository 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 in its behalf by a facsimile of the signature of its Chancellor, has caused its seal to be hereunto imprinted in facsimile and to be attested by a facsimile of the signature of its Treasurer and has caused this Bond to be dated the first day of _____, _____.

TROY UNIVERSITY

By:_____
Its Chancellor

(S E A L)

Attest:

By:_____
Its Treasurer

AUTHENTICATION AND REGISTRATION DATE:

Authentication and Registration Certificate

The within Bond is one of those described in the resolution adopted by the Board of Trustees of Troy University authorizing its General Student Fee Revenue Bonds, Series 2009, and has been registered by the University on the registration books maintained with the undersigned in the name of the above-named owner on the authentication and registration date specified above.

REGIONS BANK

By:_____
Its Authorized Officer

(Form of Reverse of Bond)

Those of the Series 2009 Bonds having a stated maturity in _____ and thereafter are subject to redemption prior to their respective maturities, at the option of the University, on or after November 1, _____, as a 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 Series 2009 Bonds of a maturity are to be redeemed, in installments of $5,000 or any integral multiple thereof, selected from such maturity by the Depository by random selection) at the redemption prices (expressed as percentages of principal amount) set forth in the following table, plus accrued interest to the date fixed for redemption:

Redemption Period (Both Dates Inclusive)	Redemption Price

[The Series 2009 Bonds maturing on November 1, _____ (the "_____ Bonds") are subject to mandatory sinking fund redemption in part, by operation of mandatory sinking fund requirements, 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:

Year	Principal Amount

If retired only by mandatory sinking fund redemption prior to their stated maturity, there would remain $_____ in principal amount of the ____ Bonds to be paid at maturity.

The University has the option to deliver ____ Bonds to the Depository as registrar for cancellation, in any aggregate principal amount, and to receive a credit against the then-current mandatory sinking fund requirements and corresponding mandatory redemption obligation for such Bonds. Each such Bond so delivered, or previously redeemed, or purchased and cancelled, shall be credited by the Depository at 100% of the principal amount thereof against the then-current mandatory sinking fund obligation for such Bonds. Any excess of that amount over the then-current mandatory sinking fund requirements shall be credited against subsequent mandatory sinking fund redemption obligations for such Bonds.**]**

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 Depository in exchange, without expense to the owner, for a new Series 2009 Bond of like tenor except in a principal amount equal to the unredeemed portion of the Series 2009 Bond. Notice of any intended redemption shall be sent by United States registered or certified mail not fewer than 30 days prior to the proposed redemption date to the owner of each Series 2009 Bond, all or a portion of the principal of which is to be redeemed. Notice having been so given and payment of the redemption price having been duly made or provided for, interest on the Series 2009 Bonds (or principal portions thereof) so called for redemption shall cease to accrue from and after the date fixed for redemption unless default shall be made in the payment of the redemption price thereof.

The Series 2009 Bonds are issuable only as fully registered bonds in the denominations of $5,000 and any integral multiple thereof. Provision is made in the Series 2009 Resolution for the exchange of Series 2009 Bonds for a like aggregate principal amount of Series 2009 Bonds of the same maturity and series and in authorized denominations, all upon the terms and subject to the conditions set forth in the Series 2009 Resolution with respect thereto.

This Bond is transferable by the owner hereof, in person or by authorized attorney, only on the books of the Depository (as registrar and transfer agent of the University) and only upon surrender of this Bond to the Depository for cancellation, and upon any such transfer one or more new Series 2009 Bonds of authorized denominations and of like tenor hereof will be issued to the transferee in exchange herefor, all as more particularly described in the Series 2009 Resolution. Each owner, by receiving or accepting this Bond, shall consent and agree and shall be estopped to deny that, insofar as the University and the Depository are concerned, this Bond may be transferred only in accordance with the provisions of the Series 2009 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. The Depository shall not be required to transfer or exchange this Bond during the period of

15 days next preceding any interest payment date; and, in the event that this Bond is duly called for redemption, the Depository shall not be required to transfer or exchange this Bond during the period of 45 days next preceding the date fixed for such redemption.

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

The Bond Resolution may be amended and supplemented subject to the terms, conditions and limitations prescribed therein. Reference is hereby made to the Bond Resolution and the Series 2009 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 2009 Bonds.

STATEMENT OF INSURANCE

[*IF APPLICABLE***]**

LEGAL OPINION

The following is a true copy of the opinion rendered by Roy S. Goldfinger, P.C. in connection with the issuance of, and dated as of and premised on facts and law in effect on the date of the original delivery of, the Series 2009 Bonds.

_____
Treasurer, Troy University

[Opinion Text]

Respectfully submitted,
ROY S. GOLDFINGER, P.C.

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).

Passed by the Board of Trustees of Troy University this 8th day of May, 2009.

_____
President pro tempore of the Board
of Trustees

(S E A L)

Attest:_____
Secretary of the Board
of Trustees

In conclusion, Mr. Harrison inquired of Mr. Bookout as to where the findings in the recent audit report had been addressed. Mr. Bookout responded that it has been handled.

- **Academic Affairs Committee, Honorable Gerald Dial**

Mr. Dial called upon Dr. John Dew, Associate Vice Chancellor for Institutional Research, Planning and Effectiveness, to provide an update on SACS.

- **SACS After-action**

Dr. Dew reported that the on-site SACS team has completed visits to all campuses and the draft report is being prepared. The team was very pleased with interactions with students and faculty, impressed by our facilities, and believes Troy is years ahead of other institutions in our eCampus offerings. However, the University still has issues to address. Dr. Dew said that we must show evidence that our full-time faculty are providing oversight of our overseas and domestic programs, and have time to conduct research. The team was very supportive of the focus of the Quality Enhancement Plan –Creating a Culture of Reading. However, we will need to narrow the scope of our activities for the plan. Dr. Dew further added that the team would like us to improve our institutional effectiveness system for planning and assessing programs in all locations. The team identified administrative issues that included the following: (1) would like us to improve our institutional effectiveness system for planning and assessing programs in all locations; and (2) administrative issues in Global Campus to address, such as review of Memorandums of Understanding, more details on faculty credentials, and more attention to information on partners' web sites. Dr. Dew added that the University's next steps are as follows:

- to review the team's report when it is received in May for fact checking
- An action plan has already been developed to address the issues that the team has identified
- Goal is to have responses ready by the end of July with final submission dues in September
- SACS will then review the team's report and the University's responses and provide feedback with any recommendations in December, 2009

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

- **Yellow Ribbon Program**

Dr. Earl Ingram, Vice Chancellor of Global Campus, briefed Board members on the Yellow Ribbon Program. He said the Yellow Ribbon GI Education Enhancement Program (Yellow Ribbon Program) is a provision of the Post-9/11 Veterans Educational Assistance Act of 2008. This program allows institutions of higher learning (degree granting institutions) in the United States to voluntarily enter into an agreement with the Veteran Administration to fund tuition expenses that exceed the highest public in-state undergraduate tuition rate. He added that the institution can waive up to 50% of those expenses and the VA will match the same amount as the institution. Institutions that voluntarily enter into a Yellow Ribbon Agreement with the VA choose the percentage of tuition and fees that will be waived and the VA will match that percentage and issue payment directly to the institution. He added that in late March the Chancellor's Cabinet approved and pledged the support of military veterans and active-duty personnel who are attending college by providing the maximum tuition assistance available under the Yellow Ribbon Program. This is initiative further demonstrates Troy University's commitment to support veterans and active-duty students.

Dr. Ingram responded to comments and questions from the Board members.

V. Resolution No. 4—Honoring SGA President

ACTION: MR. LATTA MADE A MOTION TO APPROVE ROLUTION NO. 4. A SECOND WAS PROVIDED BY MR. DIAL. THERE BEING NO FURTHER DISCUSSION, RESOLUTION NO. 4 WAS ADOPTED. MR. CROWELL ABSTAINED.

Mr. Parr was presented a framed copy of Resolution No. 4 honoring his service as SGA President and for his leadership in representing the student body on the Board of Trustees.

RESOLUTION NO. 4

Commending Tim Parr

WHEREAS, Tim Parr served as President of the Troy University Student Government Association for the 2008-2009 academic year; and

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

WHEREAS, Mr. Parr's administration was marked by a promotion on environmental awareness among students, faculty, and staff; and

WHEREAS, the work of Mr. Parr's administration on voter registration resulted in record numbers of Troy University students registering to vote in the 2008 national elections; and

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

WHEREAS, Mr. Parr's term as SGA President came to an end during spring semester 2009;

THEREFORE BE IT RESOLVED, that the Board of Trustees hereby recognizes Tim Parr for hard work and exemplary leadership of the Student Government Association and wishes him the best for future success.

VI. Resolution No. 5 – Condolences to the Walter Hennigan Family

ACTION: MR. OWEN MADE A MOTION TO ADOPT RESOLUTION NO. 5. A SECOND TO THE MOTION WAS MADE BY MRS. CARTER. THERE BEING NO FURTHER DISCUSSION, RESOLUTION NO. 5, WHICH FOLLOWS, WAS ADOPTED BY THE BOARD, WITH MR. CROWELL ABSTAINING.

RESOLUTION NO. 5

CONDOLENCES TO WALTER HENNIGAN FAMILY

WHEREAS, the Board of Trustees at Troy University received with profound regret the news of the passing of Walter Hennigan; and

WHEREAS, we are all aware of the many contributions he made to this University in his many roles in Alumni Affairs, Development, and Human Resources, as well as his service to the fraternity system; and

WHEREAS, we are also aware of the contributions and sacrifices he made for our country during his military career;

THEREFORE BE IT RESOLVED, that we, the Troy University Board of Trustees, do express our deepest sympathy to the Hennigan family upon the loss of one of America's great patriots.

(A copy of this resolution will be sent to Mr. Hennigan's widow and each of his children.)

VII. Resolution No. 6 -- Honoring Dr. James Andrews

Dr. D. Hawkins called for a motion to adopt Resolution No. 6 honoring Dr. James Andrews for his service to the Board. The following action was taken.

ACTION: A MOTION WAS MADE BY MR. DIAL TO APPROVE RESOLUTION NO. 6; SECONDED BY MR. DRINKARD, RESOLUTION NO. 6 PASSED, WITH AN ABSTENTION FROM MR. CROWELL.

RESOLUTION NO. 6

Honoring Dr. James Andrews

WHEREAS, Dr. James Andrews has served as a member of the Board of Directors of the Troy University Foundation and Trustee of Troy University; and

WHEREAS, during Dr. Andrews tenure, Troy University enjoyed unprecedented growth and progress; and

WHEREAS, Dr. Andrews' leadership and vision led Troy University to make great strides in both academics and athletics; and

WHEREAS, Dr. Andrews played an important role in the move of our Athletics program to achieve Division I status; and

WHEREAS, Dr. Andrews played an important role in the success of our athletics program, serving as team doctor for our football team and physician to many of our athletes; and

WHEREAS, Dr. Andrews' term as trustee ends concluded on April 15, 2009; and

WHEREAS, Dr. Andrews' continued leadership is deemed important to the continued success of Troy University;

THEREFORE BE IT RESOLVED, that the Board of Trustees hereby recognizes Dr. James Andrews for his contributions to Troy University and expresses its heartfelt appreciation for his extraordinary service as a Trustee.

VIII. Adjournment

There being no further business to come before the Board, Dr. D. Hawkins called for a motion to adjourn.

ACTION: ON A MOTION BY MR. DIAL AND SECONDED BY MR. OWEN, THE BOARD ADJOURNED.

_____

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

_____

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