

Minutes  
Troy University Board of Trustees' Meeting  
September 10, 2005

**I. Call to Order**

The Board of Trustees met at 2:30 p.m. on September 10, 2005, in the Hawkins Adams Long Hall of Honor on the Troy University Campus in Troy, Alabama. Dr. Doug Hawkins, President Pro Tem 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. John D. Harrison, Mr. Roy H. Drinkard, Dr. James Andrews (via teleconference), Mr. Lamar P. Higgins, Mr. Milton E. McGregor, Mr. Allen E. Owen III, Mr. C. Charles Nailen, Mr. Forest Latta, and Ms. Jennings Shepherd, SGA President (non-voting member). Absent: Governor Bob Riley, State Superintendent of Education Dr. Joe Morton, and Senator Gerald Dial.

**III. Approval of Minutes (March 11, 2005 ratification of mail approval and May 6, 2005)**

On a motion made by Mr. Harrison, seconded by Mr. Nailen, the above referenced Minutes were approved.

**IV. University Reports**

**A. Chancellor**

Chancellor Hawkins welcomed newly appointed Board member, Mr. Forest Latta, to the Board. Dr. Doug Hawkins took this opportunity to welcome Mr. Latta as well and to appoint him to serve on the following Board committees: Academic Affairs and Development.

A summary of the Chancellor's report follows:

Chancellor Hawkins stated that in February of 2002, the Board of Trustees launched the "One Great University" (OGU) initiative, and in August 2002, the university initiated the development of a five-year strategic plan. He added that these initiatives were completed on 1 August 2005 and we have merged three independently accredited universities into one. Great progress has been made in the implementation process in several areas and the Chancellor elaborated on academics, administration, Student Services, and Advancement. Some of the progress being made in these areas includes revising the Faculty Handbook, establishing an eCommerce system, entering a contract with Barnes and Noble for the bookstore operation and in advancing the university with "one message."

In our fundraising efforts, Chancellor Hawkins reported that the university has received gifts from the following organizations:

NEW CLASSROOM BUILDING--The Daniel Foundation (\$250,000) and SouthTrust (\$250,000)

BIBB GRAVES HALL--Alabama Power (\$200,000 matching grant)

The Chancellor reported that the university has: (1) implemented a university-wide giving program, (2) begun a new Capital Campaign – Bibb Graves Campaign (to be chaired by Mr. Bill Carr), and (3) been awarded a Case III Award for the Quad Project.

It was also noted that recognition for the university is represented in the following areas:

- The Nursing school ranks # 1 in the state
- Accounting ranks 1 or 2 in %CPA exams passed
- Pre-health professions—80% acceptance to professional schools
- Art & Design—37 students won 65 "ADDY Awards"
- Athletic Training—one of the highest pass rates in the country for NATA certification
- Risk Management & Insurance most sought after business graduates
- Second-highest number of graduate degrees in the state

Progress is also being made in the Grant and Contracts area. A goal was set for \$20M by 2010 and we are currently at \$16M for 2005. It was noted that our first university-wide grant has

been received in Rehabilitation and Counseling and the university has received a grant from the Alabama Math, Science and Technology Initiative (AMSTI). The university community is also proud that it was listed recently in the Princeton Review as “Best in the Southeast” and U.S. News and World Report cited Troy University for high graduation rates and international student diversity.

Of historical note, enrollment figures were shared that reflected an enrollment in 1887 of 200, 9,800 in 1974, and 14,000 in 1989. The total enrollment for Troy University, according to Chancellor Hawkins, is predicted to be approximately 27,850 students, although numbers are not firm until October. Early indications are good, he stated.

It was reported that the new academic building, a \$4M project, will be dedicated in October. The building has been a year-long project spearheaded by Dr. Dianne Barron, Associate Provost and Dean of the university’s Graduate School.

Chancellor Hawkins provided information on the university’s efforts to achieve diversity in the student body as well as its efforts in achieving diversity in faculty and staff ranks. The university continues to grow in this area and there are a number of students who are being sponsored by the university to pursue their doctorate. Chancellor Hawkins added that the university will continue to work hard in order to become as diverse as we can.

In regard to international student enrollments, Chancellor Hawkins reported that there are a total of 630 students, up 43% from 433 last fall. Fifty countries are represented on campus. The goal by 2010 is to be at 800 international students.

An update was given on the university’s international initiatives and expansion of programs. International sites recently opened include Sharjah, UAE; Guam; Columbo, Sri Lanka. University College has also expanded the university’s outreach on the domestic front as well. Programs/locations have been established in Vidalia, Georgia (Master of Education) and in Clarksville, Tennessee (an expansion site of the eArmyU program for a Bachelor of Science in Criminal Justice and the MSM. Other sites for programs include Savannah, Georgia; Jacksonville, Florida; Philadelphia, Pennsylvania; Washington, D.C. and San Antonio, Texas. Most of the sites are in close proximity to military installations, allowing TROY to serve both military and civilian students. These expansion sites will add approximately 700 new students in the first year, growing to over 1500 more students by the second year, according to Chancellor Hawkins.

Chancellor Hawkins provided an update on the eCampus transition. The transition from nine different locations each offering separate distance learning courses to one eCampus allows the university to fulfill the Board’s mission of a seamless system. He reported that in January there will be one schedule for all distance learning courses throughout the system. It was noted that approximately 40 percent of the Troy University students take at least one on-line course every year.

In conclusion, Chancellor Hawkins called upon Dr. Don Jeffrey, Dean, College of Health and Human Services, to report on efforts by our nursing faculty and student nurses to assist in New Orleans in the aftermath of Hurricane Katrina. Dr. Jeffrey introduced Ms. Carolyn Andrews and Dr. Amy Spurlock who also accompanied our nursing students to New Orleans. Chancellor Hawkins and the Board commended the group for the outstanding work.

#### B. SGA Report by Outgoing President Ryan Spry

Mr. Spry gave an overview of what the SGA accomplished last year. He elaborated on the Voter Registration Drive sponsored by the SGA; over 150 TROY students were registered during the drive. He reported on the success enjoyed by the university during Homecoming activities last year, and he commended the Alumni Association for its outstanding support of activities sponsored by the SGA. Another initiative included the teaming up of the Freshman Forum and the International Students Cultural Organization in sponsoring a Thanksgiving meal for international students. This is a way to reach out to our international students and make them feel at home, he said. Mr. Spry also reported that the SGA sponsored “Town Hall” type

meetings with the administration throughout the year and these meetings proved beneficial for both sides. Black History Month events sponsored this year included the “Step Show” which was a success. Following Black History Month, the SGA sponsored Women’s History Month events as well.

In closing, Mr. Spry introduced Ms. Jennings Shepherd, newly elected SGA President, and he expressed appreciation to Chancellor Hawkins and the Board of Trustees for their support.

Mr. Higgins, a former TROY SGA President and Board member, along with Chancellor Hawkins and Dr. Doug Hawkins commended Mr. Spry for his service and presented him with a framed resolution honoring him.

#### C. Financial Affairs

Mr. Bookout provided a detailed overview of the FY 2004 financial report as well as the FY 2005 budget report. He provided Board members with paper copies of the analyses and responded to comments and questions.

A summary of the proposed operating budget for FY 2006 was provided as well. He added that it’s important to note that the 2006 budget will be the first budget prepared and presented under the “One Great University” initiative. As a result, the budget columns previously submitted for each campus as independent operating units have been consolidated to form the Troy University proposed operating budget for the FY ending September 30, 2006.

### V. Board Committees

#### A. Finance Committee, Mr. John Harrison

Mr. Harrison reiterated that Board members have been given a paper copy of the 2006 proposed operating budget. He called upon Dr. Doug Patterson, Senior Vice Chancellor for Administration, to give an overview of Resolution No. 1.

- **Resolution No. 1—Approval of 2005-2006 Budget**

Following Dr. Patterson’s comments, Mr. Harrison, upon the unanimous recommendation of the Finance Committee, made a motion for approval of Resolution No. 1. Seconded by Mr. Nailen, Resolution No. 1 was approved.

#### **Approving the 2005-2006 Budget**

**WHEREAS**, the administration of Troy University has developed and recommended the Troy University budget for FY 2005-2006; and

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

**WHEREAS**, Troy University, as of August 1, 2005, is one university functioning under the auspices of one budget; and

**WHEREAS**, the Board members were briefed on various new revenues and proposed new expenditures at the annual Board retreat in March of 2005; and

**WHEREAS**, there are sufficient funds to provide for a salary increase and provide additional funding for employee health insurance;

**THEREFORE, BE IT RESOLVED** by the Board of Trustees on this 10<sup>th</sup> day of September 2005 the attached budget for the 2005-2006 fiscal year is approved with the understanding that the chancellor is authorized to make such changes from time to time as, in his judgment, may be necessary; and

**BE IT FURTHER RESOLVED** that the Board of Trustees authorizes a four percent salary increase for faculty, staff, and classified employees of the university and authorizes the

Chancellor to increase the funds allocated to providing health insurance consistent with university's goal of achieving health insurance cost for employees at a rate comparable with the average paid by employees of Alabama's public universities.

- **Resolution No. 2-- Purchase of Property**

Mr. Harrison stated that Resolution No. 2 deals with the purchase of a facility for office space to be used by the Alabama Math and Science Technology (AMSTI) grant program. Upon the unanimous approval of the Finance Committee, Mr. Harrison made a motion that the Board approve Resolution No. 2. Seconded by Mr. Nailen, Resolution No. 2 passed.

Purchase of Property at  
1101 South Brundidge Street, Troy, Alabama

**WHEREAS**, Troy University is applying for a grant from the Alabama State Department of Education to support science, math, and technology education in K-12 public schools in Southeast Alabama; and

**WHEREAS**, this grant requires Troy University to provide 8,000 square feet of office, classroom, and warehouse space to provide the above referenced services to public schools; and

**WHEREAS**, the grant, if funded, will provide Troy University with \$1,250,000 per year for the next three years, including \$60,000 per year for the purchase or lease of a facility and \$25,000 per year for maintenance and operation of the facility; and

**WHEREAS**, this grant has a significant possibility of continuing beyond three years; and

**WHEREAS**, it would be beneficial to consolidate the In-Service Center that serves area public schools with this new grant; and

**WHEREAS**, Troy University has significant space needs, including administrative office space and warehouse and storage space; and

**WHEREAS**, the administration and staff have reviewed and evaluated the Pro Marketing facility (previously Miltope computer manufacturing) located at 1101 South Brundidge Street, Troy, Alabama; and

**WHEREAS**, the facility offers 15,000 square feet of office space and 45,000 square feet of warehouse space and this space has been determined to meet the space needs as stated above; and

**WHEREAS**, this space is available at a cost that is much lower than the cost of new construction;

**THEREFORE**, the Troy University Board of Trustees on this 10<sup>th</sup> day of September 2005 hereby authorizes the Chancellor to pursue the purchase of this facility at a cost not to exceed \$1,000,000 and consistent with the laws of Alabama regarding the appraisal value of property purchased by public entities, and pending other due diligence to include an environmental review of the property.

- Report on E-Policy Manual, Mr. Harrison

Mr. Harrison called attention to the following report on the E-Policy Manual which was provided to Board members in their packets. He added that the Board will be expected to approve the E-Policy Manual at its next meeting.

### **Report on E-Policy Manual**

As a part of the process of converting to one university, the administration has merged the existing policies from the three previously separately accredited universities (Troy, Montgomery and Dothan) into one common policy document. The new document will be known as the *ePolicy* Manual since it will be in an electronic format. The electronic format will allow for ease of access and accommodate future changes without having to report the entire manual. An initial draft is available for review and input from board members at <http://www.troy.edu/epolicy/>.

If you have suggestions or comments, please provide them to Dr. Doug Patterson, Senior Vice Chancellor for Administration. The Chancellor's Cabinet will continue to review and edit the manual and we will bring the updated *ePolicy* Manual to the board for approval at the next board meeting.

- **Resolution No. 3—Bond Issue Amendment 2005**

Mr. Harrison provided background information on Resolution No. 3 and added that the Finance Committee unanimously recommends adoption of the following resolution. There was no further discussion. On a motion by Mr. Harrison, seconded by Mr. Drinkard, Resolution No. 3 was adopted.

**RESOLUTION RATIFYING AND APPROVING ACTIONS TAKEN AND DETERMINATIONS MADE BY THE CHANCELLOR AND TREASURER OF THE UNIVERSITY IN CONNECTION WITH THE ISSUANCE BY THE UNIVERSITY OF ITS GENERAL STUDENT FEE REVENUE BONDS, SERIES 2005; AND AMENDING CERTAIN PROVISIONS OF (1) THE GENERAL BOND RESOLUTION PERTAINING TO ANNUAL AUDITS AND (2) PRIOR SERIES RESOLUTIONS CLARIFYING RESPONSIBILITY FOR CONTINUING DISCLOSURE.**

WHEREAS, the Board of Trustees of Troy State University System (the "University") heretofore on March 11, 2005 adopted a resolution (the "Series 2005 Resolution") authorizing the issuance by the University of up to \$8,750,000 in principal amount of its General Student Fee Revenue Bonds, Series 2005 (the "Series 2005 Bonds"); and

WHEREAS, the Series 2005 Resolution entrusted to the discretion of the Chancellor and Treasurer of the University the taking of various actions and the making of various determinations on behalf of the Board in connection with the timing of issuance, terms and provisions, securitization, pricing and application of proceeds of the Series 2005 Bonds, such actions and determinations to be commemorated in the Determination Document (said term and others used but not otherwise defined herein having the meanings given to them in the Series 2005 Resolution); and

WHEREAS, the Chancellor and Treasurer have taken the actions and made the determinations so entrusted to them, and have jointly executed the Determination Document on and as of May 22, 2005, a true and complete copy of which has been attached hereto as Annex A; and

WHEREAS, by the terms of the Series 2005 Resolution, the Determination Document, upon its execution, became and shall be construed as an integral part of the Series 2005 Resolution; and

WHEREAS, at the instance of the Depository, it is appropriate and desirable that certain modifications be made to certain provisions of the Bond Resolution and of the following numbered Supplemental Resolutions to the Bond Resolution which respectively authorized the issuance of the following series of Bonds: No. 8, Series 1996; No. 10, Series 1998; No. 11, Series 1999; No. 12, Series 2001; No. 13, Series 2002; and No. 14, Series 2003 and Series 2004 (herein, collectively, the "Series Resolutions").

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF TROY STATE UNIVERSITY SYSTEM, that the actions heretofore taken and the determinations heretofore made by the Chancellor and Treasurer of the University in connection with the Series 2005 Bonds, as heretofore authorized in the Series 2005 Resolution and commemorated in the Determination Document, be and the same are hereby ratified and approved in all respects.

BE IT FURTHER RESOLVED, that in accordance with Section 12.1(d) of the Bond Resolution, Section 9.03 of the Bond Resolution be and the same is hereby amended such that it shall be replaced in its entirety by the new Section 9.3 appearing as Annex B hereto.

BE IT FURTHER RESOLVED, that in accordance with Section 12.1(d) of the Bond Resolution, and notwithstanding any contrary or inconsistent provisions that may appear in the Series Resolutions, the Depository shall have no role or responsibility, direct or indirect, in the performance by the University of its continuing disclosure obligations under and as contained in the Series Resolutions, or in the ascertainment of compliance by the University therewith.

BE IT FURTHER RESOLVED, that because this Resolution amends the Bond Resolution and the Series Resolutions, this Resolution shall constitute Supplemental Resolution No. 17 to the Bond Resolution.

Passed by the Board of Trustees of Troy State University System this 10th day of September, 2005.

\_\_\_\_\_  
President pro tempore of the Board  
of Trustees

(S E A L)

Attest: \_\_\_\_\_  
Secretary of the Board  
of Trustees

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**ANNEX A**

**SERIES 2005 DETERMINATION DOCUMENT**

Troy State University System  
General Student Fee Revenue Bonds  
Series 2005

DETERMINATION DOCUMENT

The undersigned officers of Troy State University System (the "University"), a public corporation and instrumentality duly created and validly existing under the laws of the State of Alabama (the "State"), hereby acknowledge the express authorization given to them in the resolution adopted by the Board of Trustees of the University (the "Board") on March 11, 2005 (the "Series 2005 Resolution"), which authorized the issuance by the University of the above-captioned obligations, to make certain determinations relative to said obligations. Terms used but not otherwise defined herein shall have the meanings given to them in the Series 2005 Resolution, of which (by the terms of the Series 2005 Resolution) this document shall constitute an integral part. Subject to the foregoing, the following determinations are hereby made:

1. The undersigned have heretofore determined, as authorized pursuant to Section 3.1(b) of the Series 2005 Resolution, that prevailing market conditions warranted proceeding with the sale and issuance of the Series 2005 Bonds (hereinafter, the "Bonds"), and more particularly, that such market conditions will enable the University to realize, as a result of the advance refunding of the Series 1999 Bonds as hereinafter referenced, not less than \$250,000 in both net present value savings and cash at the closing of the Bonds. As such, and as authorized pursuant to Section 5.1(a) of the Series 2005 Resolution, the POS of the University relative to the Bonds was prepared and distributed by the Underwriter. As further authorized pursuant to said Section 5.1(a), that POS dated April 29, 2005 is hereby "deemed final" as of its date, for purposes of SEC Rule 15c2-12.

2. As authorized pursuant to the following numbered clauses of Section 3.1(c) of the Series 2005 Resolution, the undersigned hereby make the following determinations with respect to the terms and provisions of the Bonds:

(1) The precise principal amount of the Bonds will be \$8,270,000.

(2) The entire \$7,485,000 outstanding principal amount of the Series 1999 Bonds, and all outstanding maturities thereof, will be refunded (i.e., paid at maturity, for those of the Series 1999 Bonds maturing on November 1 of the years 2005 through 2007, or redeemed, for those of the Series 1999 Bonds maturing on November 1, 2008 and thereafter) with the proceeds of the Series 2005 Bonds.

(3) The dated date of the Bonds shall be May 1, 2005.

(4) The Bonds shall bear interest at the fixed rates set forth in the table below, payable semi-annually on May 1 and November 1 of each year (each, an "Interest Payment Date").

(5) The first Interest Payment Date shall be November 1, 2005.

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

Year	Interest		Year	Interest	
	Amount	Rate		Amount	Rate
2005	\$405,000	4.000%	2013	\$ 560,000	3.400%
2006	445,000	3.000	2014	580,000	3.550
2007	460,000	3.000	2015	600,000	4.400
2008	465,000	3.000	2016	630,000	4.400
2009	500,000	3.000	2017	655,000	4.400
2010	500,000	3.500	2018	685,000	4.000
2011	525,000	3.200	2019	720,000	4.000
2012	540,000	3.300			

(7) Bonds maturing on and after November 1, 2014 are subject to optional redemption at par on November 1, 2013. The Bonds are not subject to mandatory redemption.

3. As authorized pursuant to Section 5.2 of the Series 2005 Resolution, the undersigned hereby determine that the purchase price at which the Bonds shall be sold to the

Underwriter shall be (a) 99% of the aggregate principal amount thereof, or \$8,187,300.00, plus (b) net premium in the amount of \$56,715.00 (being the difference obtained by subtracting (i) original issue discount in the aggregate amount of \$33,305.45, from (ii) premium in the aggregate amount of \$90,020.45), less (c) the premium for the 2005 Policy (as hereinafter defined) in the amount of \$37,241.15, which the University authorizes the Underwriter to pay to AMBAC on the University's behalf, plus (d) the sum of \$21,054.86, representing accrued interest on the Bonds from their date to May 26, 2005, being the intended Issue Date, for a total price of \$8,227,828.71.

4. Pursuant to Section 5.3 of the Series 2005 Resolution, the undersigned hereby determine that, of the proceeds of the Bonds, the sum of \$7,874,058.15 shall be deposited with the Escrow Trustee for application, pursuant to the terms and provisions of the Escrow Agreement, to the advance refunding of the entire outstanding principal amount of the University's Series 1999 Bonds.

5. As authorized pursuant to Section 8.3 of the Series 2005 Resolution, the undersigned hereby determine, in accordance with Section 7.4 of the Bond Resolution, as amended by the 1997 Supplemental Resolution, that the Maximum Annual Debt Service Requirement in respect of the Series 2005 Bonds is already satisfied and provided for by the MBIA Surety Bond (which satisfies the current Maximum Annual Debt Service Requirement for all Outstanding Series 1999 Bonds, among others).

6. As authorized pursuant to Section 9.2 of the Series 2005 Resolution, the undersigned hereby designate the Bonds as "qualified tax-exempt obligations" within the meaning and for purposes of Section 265(b)(3)(B) of the Code. The University hereby represents and warrants, as to itself, all subordinate entities, all entities which issue obligations on behalf of the University and all entities (if any) on behalf of which the University is deemed to issue obligations (within the meaning of Section 265(b)(3) of the Code and the Regulations and rulings promulgated thereunder), that the total amount of all tax-exempt obligations heretofore issued (including for this purpose the Bonds) and reasonably anticipated to be issued by the University and such other entities during calendar year 2005 will not exceed \$10,000,000.

7. Having successfully concluded negotiations with AMBAC, the correct full name of which is Ambac Assurance Corporation (hereinafter, "Ambac Assurance"), the undersigned officers, as authorized pursuant to Section 10.1 of the Series 2005 Resolution, have determined to accept from Ambac Assurance a commitment for the issuance by Ambac Assurance of a financial guaranty insurance policy covering the payment of debt service on the Bonds (the "2005 Policy"). Attached hereto as Appendix I and hereby made a part hereof and of the Series 2005 Resolution (as authorized by Section 10.1 thereof), are the provisions, supplemental to and designated as and constituting "Article XII" of the Series 2005 Resolution, required by Ambac Assurance in connection with the issuance of the 2005 Policy.

8. Pursuant to and for the purposes specified in Section 6.4 of the Series 2005 Resolution, the undersigned hereby select and engage The Arbitrage Group, Inc., Tuscaloosa/Buhl, Alabama, as the Accountant in connection with the issuance of the Bonds.

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IN WITNESS WHEREOF, we have hereunto set our hands and the seal of Troy State University System, this 23rd day of May, 2005.

[S E A L]

/s/ Jack Hawkins, Jr.  
Chancellor of the University and  
Secretary of the Board of Trustees

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

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## **APPENDIX I**

### **PROVISIONS RELATING TO THE 2005 POLICY**

## ARTICLE XII

### PROVISIONS RELATING TO THE POLICY

The provisions of this Article XII are adopted and entered into as a condition to the issuance by Ambac Assurance of the financial guaranty insurance policy covering the payment of debt service on the Series 2005 Bonds (the "Policy"), and shall remain in effect so long as the Series 2005 Bonds remain Outstanding within the meaning of the Bond Resolution and this Resolution.

#### Section 12.1 Payment Procedure Pursuant to the Policy.

(a) At least one (1) day prior to all payment dates on the Series 2005 Bonds, the Depository will determine whether there will be sufficient funds in the Funds to pay the principal of or interest on the Series 2005 Bonds on such payment date. If the Depository determines that there will be insufficient funds in such Funds, the Depository shall so notify Ambac Assurance. Such notice shall specify the amount of the anticipated deficiency, the Series 2005 Bonds to which such deficiency is applicable and whether such Bonds will be deficient as to principal or interest, or both. If the Depository has not so notified Ambac Assurance at least one (1) day prior to a payment date, Ambac Assurance will make payments of principal or interest due on the Series 2005 Bonds on or before the first (1st) day next following the date on which Ambac Assurance shall have received notice of nonpayment from the Depository.

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

(c) The Depository shall provide Ambac Assurance and the Insurance Trustee with a list of registered owners of Series 2005 Bonds entitled to receive principal or interest payments from Ambac Assurance under the terms of the Policy, and shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the registered owners of Series 2005 Bonds entitled to receive full or partial interest payments from Ambac Assurance and (ii) to pay principal of Series 2005 Bonds surrendered to the Insurance Trustee by the registered owners of Series 2005 Bonds entitled to receive full or partial principal payments from Ambac Assurance.

(d) The Depository shall, at the time it provides notice to Ambac Assurance pursuant to (a) above, notify registered owners of Series 2005 Bonds entitled to receive the payment of principal thereof or interest thereon from Ambac Assurance (i) as to the fact of such entitlement, (ii) that Ambac Assurance will remit to them all or a part of the interest payments next coming due upon proof of bondholder entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the registered owner's right to payment, (iii) that should they be entitled to receive full payment of principal from Ambac Assurance, they must surrender their Series 2005 Bonds (along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to permit ownership of such Bonds to be registered in the name of Ambac Assurance) for payment to the Insurance Trustee, and not the Depository, and (iv) that should they be entitled to receive partial payment of principal from Ambac Assurance, they must surrender their Series 2005 Bonds for payment thereon first to the Depository, who shall note on such Bonds the portion of the principal paid by the Depository, and then, along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee, to the Insurance Trustee, which will then pay the unpaid portion of principal.

(e) In the event that the Depository has notice that any payment of principal of or interest on a Series 2005 Bond which has become Due for Payment (as defined in the Policy) and which is made to a bondholder by or on behalf of the University has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Depository shall, at the time Ambac Assurance is notified pursuant to (a) above, notify all registered owners that in the event that any registered owner's payment is so recovered, such registered owner will be entitled to payment from Ambac Assurance to the extent of such recovery if sufficient funds are not otherwise available, and the Depository shall furnish to Ambac Assurance its records evidencing the payments of principal of and interest on the Series 2005 Bonds which have been made by the Depository and subsequently recovered from registered owners and the dates on which such payments were made.

(f) In addition to those rights granted Ambac Assurance under this Resolution, Ambac Assurance shall, to the extent it makes payment of principal of or interest on Series 2005 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Depository shall note Ambac Assurance's rights as subrogee on the registration books

of the University maintained by the Depository upon receipt from Ambac Assurance of proof of the payment of interest thereon to the registered owners of the Series 2005 Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Depository shall note Ambac Assurance's rights as subrogee on the registration books of the University maintained by the Depository upon surrender of the Series 2005 Bonds by the registered owners thereof together with proof of the payment of principal thereof.

## Section 12.2 Notices, Etc.

(a) While the Policy is in effect, the University shall furnish to Ambac Assurance (to the attention of the Surveillance Department, unless otherwise indicated), upon request, the following: (i) a copy of any financial statement, audit and/or annual report of the University; (ii) a copy of any notice to be given to the registered owners of the Series 2005 Bonds, including without limitation notice of any redemption of or defeasance of Series 2005 Bonds, and any certificate rendered pursuant to the Bond Resolution or this Resolution relating to the security for the Series 2005 Bonds; and (iii) such additional information as it may reasonably request.

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

(c) The University will permit Ambac Assurance to discuss the affairs, finances and accounts of the University or any information Ambac Assurance may reasonably request regarding the security for the Series 2005 Bonds with appropriate officers of the University. The Depository and the University, as applicable, will permit Ambac Assurance to have access to the Improvements and to have access to and make copies of all books and records relating to the Series 2005 Bonds at any reasonable time.

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

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

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

(g) Upon receipt of any notice pursuant to (d) above, Ambac Assurance shall have the right to direct an accounting by and at the expense of the University, and the University's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from Ambac Assurance shall be deemed a default under this Resolution; provided, however, that if the accounting cannot be completed within such period, then such period will be extended so long as the accounting is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any registered owner of the Series 2005 Bonds.

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

## Section 12.3 Consents; Remedies.

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

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

(c) Any reorganization or liquidation plan with respect to the University must be acceptable to Ambac Assurance. In the event of any reorganization or liquidation, Ambac Assurance shall have the right to vote on behalf of all holders who hold Ambac Assurance-insured Series 2005 Bonds absent a default by Ambac Assurance under the Policy.

(d) Anything in this Resolution to the contrary notwithstanding, upon the occurrence and continuance of a default, Ambac Assurance shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of Series 2005 Bonds or the Depository for the benefit of such holders under the Bond Resolution.

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

Section 12.4 Miscellaneous.

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

(b) Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the University, the Depository, Ambac Assurance and the registered owners of the Series 2005 Bonds, any right, remedy or claim under or by reason of this Resolution or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Resolution contained by and on behalf of the University shall be for the sole and exclusive benefit of the University, the Depository, Ambac Assurance and the registered owners of the Series 2005 Bonds.

(c) Notwithstanding any other provision of this Resolution, in determining whether the rights of the holders of the Series 2005 Bonds will be adversely affected by any action taken pursuant to the terms and provisions of the Bond Resolution or this Resolution, the Depository shall consider the effect on such holders as if there were no Policy.

(d) Notwithstanding anything herein to the contrary, in the event that the principal and/or interest on the Series 2005 Bonds shall be paid by Ambac Assurance pursuant to the Policy, the Series 2005 Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not considered paid by the University, and the assignment and pledge of the General Student Fees and the Funds and all covenants, agreements and other obligations of the University to the registered owners of the Series 2005 Bonds shall continue to exist and shall run to the benefit of Ambac Assurance, and Ambac Assurance shall be subrogated to the rights of such registered owners.

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

**ANNEX B**

**AMENDED SECTION 9.3 OF THE  
BOND RESOLUTION**

Section 9.3 Accounts and Audits. The University shall keep proper books of records and accounts in which complete and correct entries shall be made with respect to, among other things, the collection of the General Student Fees and any other pledged fees and Pledged Net Revenues, which books and accounts, at reasonable hours and subject to the reasonable rules and regulations of the University, shall be subject to the inspection of the Depository, or of any Bondholder or his representative duly authorized in writing. The University shall cause such books and accounts to be audited as of the close of each fiscal year and a written report thereof made within one (1) year after the end of each fiscal year, either by a certified public accountant or by the Department of Examiners of Public Accounts of the State (or any successor agency of the State performing a similar function). Within thirty (30) days after the receipt of the report of such audit by the University, a copy of such report, together with the list of insurance policies and the certificate referred to in the last paragraph of Section 9.4, shall be furnished to the Depository. The Depository shall have no responsibility with respect to any such report except to receive and hold the same for inspection by any Bondholder.

- **Resolution No. 4—Refinancing of 1997 Bond Issue (Joint bond issue between the City and the University)**

Mr. Harrison stated that Resolution No. 4 deals with refinancing the 1997 bond issue, which is between the City of Troy and the University. Following his comments, Mr. Harrison made a motion, on behalf of the Finance Committee, to approve Resolution No. 4. Seconded by Mr. Drinkard, Resolution No. 4 was adopted.

**CERTIFIED COPY  
OF  
RESOLUTION OF**

**THE BOARD OF TRUSTEES OF TROY UNIVERSITY**

I, Jack Hawkins, Jr., Ph.D., Secretary of THE BOARD OF TRUSTEES OF TROY UNIVERSITY, hereby certify that the aforesaid Board of Trustees unanimously approved the following resolution on September 10, 2005, at its regularly scheduled meeting and that the resolution was unanimously approved, has not been amended or revoked and is in full force and effect:

\* \* \*

A Resolution authorizing the issuance, sale, and delivery of up to \$5,000,000 principal amount of Troy University Special Limited Obligation Refunding Revenue Bonds, Series 2005 (the “Series 2005 Bonds”), for the purpose of (a) refunding Troy University Special Limited Obligation Revenue Bonds, Series 1997 (the “Series 1997 Bonds”) and (b) acquiring and constructing improvements (the “Improvements”) to Pace-Riddle Field at Troy University, Troy, Alabama, (the “University”); providing for a pledge of revenues to the bonds to be issued as aforesaid as well as bonds hereafter authorized, and making provisions incident thereto.

## RESOLUTION NO. 4

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of Troy University (the "Board"), as follows:

**Section 1. Findings and Determinations.** The Board has ascertained and found and does hereby declare as follows:

(a) The Board hereby finds and determines that it is necessary and advisable for the University to refund its Special Limited Obligation Revenue Bonds, Series 1997 (the "Series 1997 Bonds") dated June 1, 1997 and currently outstanding in the principal amount of \$3,785,000.

(b) The Board hereby finds and determines that it is necessary and advisable for the University to issue its Special Limited Obligation Refunding Revenue Bonds, Series 2005 (the "Series 2005 Bonds"), in the aggregate principal amount of up to \$5,000,000, in order to effect the refunding of the Series 1997 Bonds and to finance a portion of the costs of certain improvements to Pace-Riddle Field (the "Improvements").

(c) The expenses anticipated to be incurred by the University in connection with the sale and issuance of the Series 2005 Bonds hereinafter referred to are estimated to aggregate approximately \$185,000, which amount shall include the cost of bond insurance, ratings, underwriting, legal fees, discounts and other costs, the entire amount of which is anticipated to be paid from proceeds of the sale of the Series 2005 Bonds.

**Section 2. Authorization and Description of the Series 2005 Bonds.** Pursuant to the applicable provisions of the Constitution and laws of the State of Alabama, including particularly Section 16-3-28 of the Code of Alabama of 1975, as amended, and for the purposes of (a) refunding the Series 1997 Bonds, (b) financing a portion of the costs of construction of the Improvements and (c) paying the costs of issuing the Series 2005 Bonds, there are hereby authorized to be issued by the University not to exceed \$5,000,000 in aggregate principal amount of Special Limited Obligation Refunding Revenue Bonds, Series 2005 (the "Series 2005 Bonds"). The precise principal amount of the Series 2005 Bonds to be issued are hereby entrusted by this Board to be determined, either by further resolution hereafter adopted by this Board or by appropriate certification of the Chancellor of the University or both (either or both, collectively or singularly, the "Determination Document") to be adopted or executed and delivered at or about the time of confirmation of the precise terms and conditions of the sale of the Series 2005 Bonds to Blount Parrish & Company, Inc., Montgomery, Alabama (the "Underwriter"). The Series 2005 Bonds shall be dated September 1, 2005, shall be issuable in fully registered form in the denominations of \$5,000 and any integral multiple thereof, shall be transferable or exchangeable as provided in the Indenture hereinafter mentioned, shall be numbered consecutively from R-1 upwards, and shall mature on September 1 in the years 2006 through 2027, both inclusive. The respective principal amounts of the Series 2005 Bonds maturing in those years are hereby entrusted by this Board to be determined in the Determination Document.

The Series 2005 Bonds shall bear interest from the most recent date to which interest shall have been paid or provided for or, if no interest shall have been paid or provided for, from their Dated date until their respective maturities at such per annum rate or rates, not exceeding 5%, as this Board hereby entrusts to be determined in the Determination Document. Such interest shall be payable semiannually on March 1 and September 1 in each year, commencing March 1, 2006.

The principal of and premium, if any, and interest on the Series 2005 Bonds shall be payable in lawful money of the United States of America without deduction for the services of Troy Bank & Trust Company, Inc., Troy, Alabama, the Trustee for the Series 2005 Bonds hereinafter designated (the "Trustee"), as paying agent. Such principal of, premium, if any, and interest (but only at maturity or redemption) on a Series 2005 Bond shall be paid only upon presentation and surrender thereof at the corporate trust office in Troy, Alabama of the Trustee as paying agent. Interest payable on a Series 2005 Bond on each other interest payment date shall

be paid by check or draft mailed by the Trustee to the person in whose name that Series 2005 Bond was registered on the registration books of the University (the "Register"), maintained on behalf of the University by the Trustee, as of the close of business on the 15th day next preceding that interest payment date, at the address appearing therein.

The Series 2005 Bonds shall at all times be in fully registered form; provided that the University shall permit the exchange of fully registered Series 2005 Bonds, at the option and expense of the registered owners thereof for bonds in coupon form of the same series payable to bearer, in an aggregate principal amount not exceeding the unmatured and unredeemed principal amount of the Series 2005 Bonds being replaced, bearing interest at the same rate or rates and maturing on the same date or dates, with coupons attached representing all unpaid interest due or to become due thereon, but only if, in the opinion of Vines & Waldrep, L.L.C., Montgomery, Alabama ("Bond Counsel"), or other nationally recognized bond counsel selected by Board ("Bond Counsel"), that exchange would not result in the interest on any of the Series 2005 Bonds outstanding becoming subject to inclusion in the gross income of an owner thereof for federal income tax purposes.

The Series 2005 Bonds shall otherwise be in substantially the forms thereof set forth in the Indenture hereinafter mentioned.

**Section 3. Execution of Series 2005 Bonds.** The Series 2005 Bonds shall be executed on behalf of the University with facsimiles of the signatures of its Chancellor and of its Treasurer. A facsimile of the corporate seal of the University shall be imprinted on each of the Series 2005 Bonds, and the signature of the Treasurer of the University on the Series 2005 Bonds shall constitute attestation thereof. The Series 2005 Bonds shall be registered by the University Treasurer in the records maintained by him as claims against the University, which registration shall be made simultaneously with respect to all the Series 2005 Bonds. Said officers are hereby directed so to execute, attest and register the Series 2005 Bonds and to cause a facsimile of said seal to be imprinted on the Series 2005 Bonds.

No Series 2005 Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this resolution or the Indenture hereinafter mentioned unless and until the Authentication Certificate printed on each Series 2005 Bond shall have been signed by the Trustee. Such signature by the Trustee shall be conclusive evidence that the Series 2005 Bond has been duly issued, executed and delivered under this resolution and the Indenture and is entitled to the security and benefit of this resolution and the Indenture. The Authentication Certificate may be signed by any authorized officer or employee of the Trustee or by any other person acting as an agent of the Trustee. The same person need not sign the Authentication Certificate on all of the Series 2005 Bonds.

**Section 4. Security for the Series 2005 Bonds.** The indebtedness evidenced and ordered paid by the Series 2005 Bonds is and shall be a special limited obligation of the University, the principal of and premium, if any, and interest on which are payable solely out of the revenues derived by the University from payments received from the City of Troy (the "City") under that certain Funding Agreement dated as of June 1, 1997 (the "Original Funding Agreement"), as amended and supplemented by that certain Supplemental Funding Agreement dated as of September 1, 2005 (the "Supplemental Funding Agreement"). The Original Funding Agreement and the Supplemental Funding Agreement are referred to collectively herein as the "Funding Agreement." The Supplemental Funding Agreement, a draft copy of which is attached to the minutes of the meeting of the Board at which this resolution is adopted provides for an extension of the term of the Original Funding Agreement by two fiscal years of the City, and increases the annual Funding Agreement obligation of the City to an amount not exceeding \$325,000.

The Series 2005 Bonds will be secured, pursuant to the terms of a Trust Indenture dated as of September 1, 2005 (the "Indenture") to be entered into between the University and the Trustee, by a pledge of the aforesaid revenues, pro rata on a parity with any additional parity obligations that may thereafter be issued by the University in accordance with the requirements of the Indenture. The full faith and credit of the University are not pledged for payment of the principal of or premium, if any, or interest on the Series 2005 Bonds, and the obligation of the University to make such payments does not constitute a general obligation of the University.

**Section 5. Severability.** The provisions of this resolution are hereby declared to be severable. In the event any court of competent jurisdiction should hold any provision hereof to be invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provisions of this resolution.

**Section 6. Sale of the Series 2005 Bonds.** The Series 2005 Bonds are hereby awarded and sold to the Underwriter at a purchase price equal to (a) such percentage of the aggregate principal amount thereof as is hereby entrusted by this Board to be determined in the Determination Document, plus (b) interest accrued on said aggregate principal amount of the Series 2005 Bonds from their dated date to but not including the date of their delivery and payment. The Treasurer is authorized and directed to make the necessary arrangements with the Underwriter to establish the date, location, procedure and conditions for the delivery of the Series 2005 Bonds to the Underwriter or its order, and to take all steps necessary to effect due execution, authentication and delivery of the Series 2005 Bonds under the terms of this resolution and the Indenture. The Chancellor is hereby authorized to execute and deliver a Purchase Contract with the Underwriter setting forth the specific terms and conditions of the sale and delivery of the Series 2005 Bonds to the Underwriter.

**Section 7. Authorization of Official Statement.** This Board hereby ratifies and approves the initial preparation by appropriate officials of the University, in consultation with Bond Counsel, the Underwriter and other professional advisers to the University, of a draft Preliminary Official Statement of the University relative to the issuance and sale of the Series 2005 Bonds, which draft is now on file with the Treasurer in the records of the University. Such officials and advisers are hereby authorized to continue work on and complete the Preliminary Official Statement, such that the Preliminary Official Statement may, in the Determination Document, be “deemed final” for purposes and within the meaning of Rule 15c2-12(b)(1) of the Securities and Exchange Commission (“SEC”). The distribution and use of such “final” form of the Preliminary Official Statement by the Underwriter in the offering and sale of the Series 2005 Bonds are hereby authorized and approved.

This Board hereby authorizes and directs such officials of the University, in consultation with such professional advisers and such other parties as may be necessary or desirable, to prepare a final form of Official Statement (the “Official Statement”), to be dated the date of the Determination Document, by making such additions to, modifications of and deletions from the Preliminary Official Statement (including, without limitation, in respect of pricing and redemption information relative to the Series 2005 Bonds) as shall be appropriate.

The Chancellor of the University is hereby authorized to execute and deliver, for and in the name and behalf of the University, the Official Statement with respect to the Series 2005 Bonds, to be in substantially the form of the so-called “final” Preliminary Official Statement to be approved in the Determination Document, with such changes and amendments thereto as are not inconsistent with this resolution and not substantially adverse to the University and as are approved by the Chancellor on behalf of the University, all of which shall be conclusively

evidenced by the Chancellor’s execution and delivery thereof. The Official Statement is hereby approved, and the use thereof in the offering and sale of the Series 2005 Bonds is hereby authorized.

**Section 8. Designation of Trustee; Form of Indenture.** Troy Bank & Trust Company, Inc., Troy, Alabama, is appointed to act as the trustee, registrar, transfer agent and paying agent (collectively, the “Trustee”) for the Series 2005 Bonds. This Board hereby authorizes Bond Counsel, in consultation with the Underwriter, the Trustee and relevant officials of the University, to prepare the form of Indenture to be entered into in connection with the issuance of the Series 2005 Bonds and the other transactions contemplated hereby. The form of such document is hereby entrusted by this Board to be approved in the Determination Document. The Chancellor and Treasurer are hereby authorized and directed, in the name and on behalf of the University, to execute, attest, seal and deliver, as appropriate, the Indenture in the form thereof so approved, together with any changes or amendments thereto that are not inconsistent with this

resolution and not substantially adverse to the University and that are approved by the Chancellor on behalf of the University, all of which shall be conclusively evidenced by the signing of the Indenture or amendments thereto. The University shall provide for the payment of the services rendered and for reimbursement of expenses incurred pursuant to the Indenture from funds lawfully available and appropriated or to be appropriated for that purpose.

**Section 9. Call for Redemption of Series 1997 Bonds; Approval of Escrow Agreement.** Pursuant to the applicable provisions of the Indenture pursuant to which the Series 1997 Bonds were issued, the Board hereby calls for redemption prior to their respective maturities all of the University's Series 1997 Bonds, maturing in 2008 and thereafter to be redeemed on June 1, 2007, together with applicable premium thereon of 103%.

The Board hereby states and declares that the University is not in default in payment of the principal or of interest on any of the Series 1997 Bonds currently outstanding. The Board shall, simultaneously with the issuance of the Series 2005 Bonds, enter into an Escrow Trust Agreement dated as of September 1, 2005 (the "Escrow Agreement") with Troy Bank & Trust Company, Inc., Troy, Alabama, as Escrow Trustee (the "Escrow Trustee"). Among other things, the Escrow Agreement will require that the Escrow Trustee shall, on behalf of the University, cause to be mailed by first class mail a Notice of Redemption to the owners of the Series 1997 Bonds being so called at their addresses appearing in the Bond Register with respect to the Series 1997 Bonds, such mailing to be made not less than 30 days prior to said redemption date. The Notice of Redemption shall be in a form acceptable to the Escrow Trustee and provide, among other things that all Series 1997 Bonds having stated maturities in 2008 and thereafter have been called for redemption on June 1, 2007, at a redemption price equal to 103% of the par or face value thereof plus accrued interest thereon to said date of redemption and that all interest thereon will cease to accrue after said redemption date. The Chancellor is hereby authorized and directed to execute the Escrow Agreement for and on behalf of the University.

**Section 10. Representations and Covenants Concerning Federal Tax-Exempt Status of Series 2005 Bonds.**

(a) The University warrants that the interest on the Series 2005 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 the Series 2005 Bonds.

(b) The University will not apply or permit the proceeds of the Series 2005 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 of more than five percent (5%) of the Project or of the proceeds of the Series 2005 Bonds for any "private business use" within the meaning of Section 141(b) of the Code; or (ii) the payment of debt service on more than 5% of the proceeds of the Series 2005 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 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."

(c) The University will not use (directly or indirectly) any of the proceeds of the Series 2005 Bonds to make or finance loans to persons other than governmental units, as provided in Section 141(c) of the Code.

(d) Except to the extent permitted under Section 149(b)(3) of the Code, (i) payment of principal or of interest on the Series 2005 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 2005 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 of the proceeds of the Series 2005 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 2005 Bonds, so that the Series 2005 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 shall give an appropriate certificate of the University (the "Tax Compliance Certificate") for inclusion in the transcript of proceedings for the Series 2005 Bonds, to be made as of the date of delivery of and payment for the Series 2005 Bonds. 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 2005 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 Underwriter shall request to evidence the tax-exempt status of the Series 2005 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 2005 Bonds.

**Section 11. Other Documents.** The University hereby authorizes Bond Counsel to prepare such other and further documents, certifications, assignments and instruments as the Trustee or the Underwriter may require or as may be necessary or appropriate to consummate the transactions contemplated in this resolution, including without limitation the Determination Document and any certificates or reports referred to in Sections 9, 10 and 12 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.

**Section 12. Municipal Bond Insurance Policy.** This Board recognizes that, in part dependent upon advice of the Underwriter, it may be desirable to procure a policy of municipal bond insurance covering payment of principal of and interest on the Series 2005 Bonds. The determination as to whether or not such a policy should be procured is hereby entrusted by this Board to be made in the Determination Document. In the event such a policy is procured, this Board further recognizes that it may be necessary to amend certain provisions of this resolution, the form of the Series 2005 Bonds to be contained in the Indenture, the form of the Preliminary Official Statement, the form of the Indenture and other related documents or certificates, and/or to prepare, execute and deliver additional agreements, certificates or instruments not expressly mentioned in this resolution. This Board hereby entrusts to be specified, in the Determination Document, any and all such changes and authorizes and directs any and all such changes to be effected and any and all such additional agreements, certificates or instruments to be prepared and to be executed and delivered in the manner described in Section 10 hereof.

**Section 13. Effective Date.** This resolution shall become effective upon its approval as provided by law; provided, however, that this resolution shall not be deemed effective until, unless, and upon the express condition that the City approves the execution of the Supplemental Funding Agreement.

\* \* \*

IN WITNESS WHEREOF, I have hereunto subscribed my signature and affixed the seal

of the University, this 10<sup>th</sup> day of September, 2005.

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**Jack Hawkins, Jr., Ph.D.**  
Secretary

( S E A L )

## SUPPLEMENTAL FUNDING AGREEMENT

This Supplemental Funding Agreement (“Supplemental Funding Agreement”) is entered into as of September 1, 2005 by and between Troy University (the “University”) and the City of Troy, Alabama (the “City”).

### RECITALS:

A. The City and the University have heretofore entered into that certain Funding Agreement, dated as of June 1, 1997 (the “Funding Agreement”), which Funding Agreement is hereby ratified and incorporated by reference herein.

B. The City and the University desire to amend the Funding Agreement as more fully set forth herein.

C. The City desires to assist the University in providing improvements to certain baseball and other athletic facilities for the use and benefit of its residents and for the students, faculty and staff of the University (the “Series 2005 Improvements”).

D. The University has heretofore issued its Special Limited Obligation Revenue Bonds, Series 1997 in the principal amount of \$4,400,000, dated June 1, 1997 and now outstanding in the aggregate principal of \$3,785,000 (the “Series 1997 Bonds”). The Bonds were issued pursuant to a trust indenture (the “Indenture”) by and between the University and Troy Bank & Trust Company, Inc., as trustee (the “Trustee”).

E. The University can achieve substantial debt service savings on a present value basis by the refunding and redemption of the Series 1997 Bonds from the proceeds of Special Limited Obligation Refunding Revenue Bonds, Series 2005 (the “Series 2005 Bonds”), which savings the University can use to acquire, construct and equip the Series 2005 Improvements.

G. In order to provide for the payment of the principal of and interest on the Series 1997 Bonds, the City has heretofore granted, pursuant to the Funding Agreement, to the University a sum not to exceed Three Hundred Six Thousand and 00/100 (\$306,000.00) Dollars per annum to assist the University with the financing of the improvements constructed with the proceeds of the Series 1997 Bonds. The City desires to confirm and amend the pledge made in the Funding Agreement to the University with reference of such pledge to the Series 2005 Bonds and also to amend the amount of the annual pledge and the final date of such pledge.

H. The University acknowledges the agreement by the City to pay such amounts to the Trustee for the Series 2005 Bonds (the “Trustee”) on the University's behalf and agrees to cause such money to be applied to the payment of the principal of and interest on the Series 2005 Bonds.

NOW, THEREFORE, in consideration of these premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the University and the City agree as follows:

1. The University will, as soon as practicable, begin the necessary preliminary work to create, structure and design the Series 2005 Improvements, and will use any savings realized from the refunding of the Series 1997 Bonds, as well as any additional proceeds realized from the issuance of the Series 2005 Bonds, to acquire, construct and equip the Series 2005 Improvements.

2. The University will retain the necessary professionals to assist them with the preparation of an Official Statement and other documents necessary to sell and issue the Series 2005 Bonds.

3. In connection with the issuance of the Series 2005 Bonds and to provide funds to the Trustee on behalf of the University to pay the principal of and interest on the Series 2005 Bonds, the City will pay, pursuant to this Supplemental Funding Agreement, a sum per annum not to exceed Three Hundred Twenty-five Thousand and 00/100 (\$325,000.00) Dollars to the Trustee on behalf of the University.

4. The amounts so paid by the City to the Trustee on behalf of the University have been paid by the City for each fiscal year of the City that began on October 1, 1997 under the original Funding Agreement and will continue under such original Funding Agreement and pursuant to this Supplemental Funding Agreement to and including the fiscal year of the City that begins on October 1, 2028. On the day which is twenty (20) days before a payment of principal and/or interest on the Series 2005 Bonds (provided the City's obligation under this Supplemental Funding Agreement has not been canceled pursuant to Section 5 hereof), the City will pay to the Trustee for the account of the University, the amount of principal and/or interest that will come due on the next succeeding interest payment date or maturity date as more particularly specified in the Indenture pursuant to which the Series 2005 Bonds are issued; provided, however, that no such payment shall exceed the amount authorized in Section 3 hereof. Such sum shall be payable in good and immediate funds in lawful money of the United States of America and shall be in consideration for the University's efforts to acquire, construct, equip and operate the Improvements and shall become absolutely and unconditionally due on each such date.

5. The City will renew and confirm the grant made to the University hereunder on an annual basis; provided, however, that the City's agreement to make such grant for each and every fiscal year beginning October 1, 2005 shall be renewed and shall be due and payable according to the terms of the Indenture unless the City shall notify the University, the Trustee and any company providing a policy of municipal bond insurance for the benefit of the Series 2005 Bonds ("the Bond Insurer") in writing no later than 12:00 midnight on June 30 of any such fiscal year that it will not renew the grant made hereunder for the next succeeding fiscal year. Unless such notice is sent and received by the University, the Trustee and the Bond Insurer, the City will be unconditionally obligated to make the payments provided hereunder to the Trustee on behalf of the University for and during the succeeding fiscal year. The City will be obligated in each successive fiscal year to make the payments provided hereunder unless the notices provided for herein are given. In the event such notices shall be given, they shall be effective only with respect to the next succeeding fiscal year following the giving of such notice. Should the City desire not to renew such grant for any succeeding fiscal year, the City shall be required to give such notice again with respect to any succeeding fiscal year for as long as the Bonds shall be outstanding and unpaid. Notwithstanding anything to the contrary contained herein, all obligations of the City hereunder shall terminate with the payment for the fiscal year beginning October 1, 2028 of an annual amount not to exceed Three Hundred Twenty-five Thousand and 00/100 (\$325,000.00) Dollars made to the Trustee on behalf of the University hereunder and under the original Funding Agreement.

6. The City recognizes that its obligation to make such grant and pay over to the Trustee on behalf of the University the annual amounts set forth hereinabove is absolute and unconditional during the fiscal year in which such amount is due and payable and during which this Agreement is in full force and effect. Therefore, the City acknowledges that its annual obligation to make such payment to the Trustee on behalf of the University constitutes an indebtedness of the City, to the extent of such annual obligation, within the meaning of Section 225 of the Constitution of Alabama of 1901, as amended, and is subject to the limitation on indebtedness contained in such Section as amended.

7. This Agreement and the obligation of the City to pay such annual sum to the Trustee on behalf of the University as described hereunder, shall constitute a general obligation indebtedness, to the extent of such annual payment, of the City for which the full faith and credit of the City are hereby irrevocably pledged.

8. The notices required hereunder to be given by and to the respective parties shall be given, unless notice of a change of address is given in writing to all such parties, at the following addresses:

**If to the City:**

City of Troy  
City Hall  
300 Railroad Avenue  
Troy, Alabama 36081  
Attention: City Clerk

**If to the University:**

Troy University  
Adams Administration Building, 2nd Floor  
Troy, Alabama 36082  
Attention: Vice President for Financial Affairs

**If to the Trustee:**

Troy Bank & Trust Company, Inc.  
1000 U.S. Highway 231 South  
Troy, Alabama 36081

Attention: Trust Department

9. The Holders of the Series 2005 Bonds shall be deemed to be third party beneficiaries of this Agreement and the covenants and agreements on the part of the University and the City contained herein shall be construed as if the Holders of such Series 2005 Bonds were parties hereto and beneficiaries hereof.

10. This Agreement may not be amended except with the written consent of the City, the University, the Trustee and the Bond Insurer.

11. The provisions of this Agreement shall be severable. In the event any provision hereof shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any of the remaining, provisions hereof.

IN WITNESS WHEREOF, the University and the City have caused this Supplemental Funding Agreement to be executed in their respective names and have caused their representatives to indicate their agreement and fix their respective seals hereto and to have this Agreement attested by their duly authorized officers and counterparts, each of which shall be deemed an original.

**TROY UNIVERSITY**

[SEAL]

By: \_\_\_\_\_  
Its: \_\_\_\_\_

ATTEST:

\_\_\_\_\_

**THE CITY OF TROY, ALABAMA**

[SEAL]

By: \_\_\_\_\_  
Its: \_\_\_\_\_

ATTEST:

\_\_\_\_\_

B. Academic Committee, Mr. Lamar P. Higgins (representing Senator Dial)

Mr. Higgins presented Resolutions 5 through 8 on behalf of Academic Committee Chair Senator Dial. Resolution No. 5 approves the Faculty Handbook for Troy University and Mr. Higgins added that this is a product of “One Great University.” He commended Dr. Roach and others for their work on this project and called upon Dr. Roach to give an overview of the process and proposed resolution.

1. **Resolution No. 5—Approving Faculty Handbook**

Dr. Roach provided background information on the process for revising the Faculty Handbook. Following his comments, Mr. Higgins, on behalf of the Academic Committee, presented Resolution No. 5 for approval. On a motion by Mr. Higgins, seconded by Mr. Owen, Resolution No. 5 was adopted.

**Resolution for Approval of the Troy University Faculty Handbook**

**WHEREAS**, on August 1, 2005, Troy University combined three separately accredited institutions into an integrated, multi-campus University; and

**WHEREAS**, prior to this date there were separate faculty handbooks for each of the accredited universities in the Troy State University system of independently accredited institutions; and

**WHEREAS**, there was the necessity of creating one *Faculty Handbook* for the unified Troy University; and

**WHEREAS**, the administration and faculty have worked over the past four years in a collegial way to develop a single *Faculty Handbook* from the three previously existing handbooks; and

**WHEREAS**, the *Faculty Handbook* has been reviewed widely by all campuses of Troy University, input and questions have been sought, and consensus has been gained on the content of the *Faculty Handbook*; and

**WHEREAS**, the Chancellor’s Cabinet has both reviewed and approved the *Faculty Handbook*; and

**WHEREAS**, the *Faculty Handbook* is available for review on the Troy University Web site at [www.troy.edu/academics](http://www.troy.edu/academics),

**BE IT THEREFORE RESOLVED** that this *Faculty Handbook*, the official *Faculty Handbook* of Troy University, effective Aug. 1, 2005, supersedes all previous publications and revisions of all Troy University faculty handbooks.

Done this 10<sup>th</sup> day of September, 2005.

2. **Resolution No. 6-- Reaffirming Commitment to Equal Opportunity**

Mr. Higgins introduced Resolution No. 6, stating that it reaffirms our commitment to equal opportunity. This is an annual resolution that the Board acts upon in compliance with the Consent Decree. On a motion by Mr. Higgins, seconded by Mr. Drinkard, Resolution No. 6 was approved.

**Reaffirming Commitment to Equal Opportunity**

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

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

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

**THEREFORE, BE IT RESOLVED** by the Board of Trustees on this 10th day of September, 2005, that the Board reaffirms its strong commitment on behalf of Troy University to equal employment opportunities to all employees and applicants for employment.

**3. Resolution No. 7—Commending Retiring Faculty and Staff**

Mr. Higgins said that Resolution No. 7 commends retiring faculty and staff members. On behalf of the Academic Committee, Mr. Higgins made a motion to adopt Resolution No. 7. Seconded by Mr. Harrison, Resolution No. 7 was approved.

**Commending Retiring Faculty and Staff Members**

**WHEREAS**, the following Troy University faculty and staff members have retired or will retire from the University:

FACULTY: Dr. William R. Denison, Professor, School of Music; Dr. Elizabeth Fell, Professor, College of Education; Ms. Kay L. Fowler, Associate Professor/Director, Library/School of Nursing; Dr. Jesse Drew Harrington, Associate Professor, History Services, College of Arts and Sciences; Dr. Sandra Lee Jones, Dean, College of Education; Dr. Carolyn D. Jordan, Assistant Professor, School of Business; Dr. Charles R. McArthur, College of Education; Dr. Priscilla G. McArthur, Professor of History; Dr. Thomas Ratcliffe, Eminent Scholar in Accounting and Finance & Director/Professor, School of Accountancy; Dr. Paul W. Schreiner, Professor, College of Business; Mr. Sergei L. Shillabeer, Associate Professor, Department of Art & Design; and Dr. James Windle, Associate Professor, College of Education.

STAFF: Dr. Barbara G. Alford, President, Troy University, Dothan Campus; Mrs. Sue Beasley, Departmental Secretary, College of Business; Mrs. Clara S. Culpepper, Account Clerk, Accounts Payable; Mrs. Verbie Curtis, Benefits Administrator, Human Resources; Mrs. Linda DeRamus, Foundation Business Manager, Institutional Development; Mrs. Saralene Hines, Departmental Secretary, Aerospace Studies; Mr. Johnny Huffman, Director, Telecommunications; Mrs. Ann Marie Hussey, Library Assistant, Library Services; Mrs. Janet Kervin, Director, Center for Business & Economic Services/Small Business Development Center; Ms. Carolyn J. Kornegay, Clerk, Phenix City; Mrs. Marian C. Morgenstern, Coordinator, Academic Affairs; Mr. Donald Norsworthy, Chief Photographer, Office of Creative Services; Mrs. Rebecca Norsworthy, Director, Health Center; Mrs. Jane Pinckard, Account Clerk, Accounts Receivable; Mrs. Doristine Sankey, Coordinator, Retired Senior Volunteer Program (RSVP); and Mr. William G. Schofield, Lieutenant, University Police;

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

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

**4. Resolution No. 8—Commending Outgoing SGA President, Mr. Ryan Spry**

Mr. Higgins called upon Ms. Jennings Shepherd, as ex-officio Board member, to make a motion to adopt Resolution 8. Ms. Shepherd so moved for adoption of Resolution No. 8. Seconded by Mr. Harrison and Mr. Higgins, the resolution was approved. A framed copy of the resolution was presented to Mr. Spry as reported previously in the minutes.

### **Commending Ryan Spry**

**WHEREAS**, Ryan Spry served as President of the Troy University Student Government Association for the 2004-2005 academic year; and

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

**WHEREAS**, Mr. Spry's administration ably led the student body during a year of transition to a unified Troy University and was marked by a spirit of cooperation to students, faculty, staff, and administrators; and

**WHEREAS**, Mr. Spry 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. Spry's term as SGA President came to an end during spring semester 2005;

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

C. Athletics Committee, Mr. Allen Owen  
Mr. Owen called upon Mr. Steve Dennis, Athletics Director, to make a report.

A summary of Mr. Dennis' report follows:

The Athletic Department is in the process of developing a five-year strategic plan and is working with Carr and Associates.

In regard to NCAA certification, our draft report is due October 1, 2005 with the final report due January 15, 2006. The university's peer review visit is set for May 2006.

The 2005 and 2006 athletic schedules were shared with Board members.

TROY will again host the USTA Professional Tennis Tournament this year. The tournament is set for October 4-9 and we anticipate players from over 20 countries to participate.

The NIRA Rodeo is set for October 6-8. Teams from all over the Ozark Region (from Notre Dame to Michigan State) will participate.

Troy Athletics—Year in Review:

#### **FOOTBALL---**

- Posted a 7-5 overall record, including a perfect 5-0 mark at Movie Gallery Stadium
- Recorded a 24-14 victory over nationally-ranked Missouri on national television (ESPN2)
- Earned a first-bowl bid in school history, playing in the Silicon Valley Football Classic against Northern Illinois on December 20<sup>th</sup>
- DeMarcus Ware was selected by the Dallas Cowboys with the 11<sup>th</sup> overall pick in the NFL Draft, making him the highest drafted player in Troy football history (and the highest in Sun Belt Conference history)

#### **BASEBALL---**

- Captured the Atlantic Sun Conference regular season title with a 23-7 mark, earning the No. 1 seed for the A-Sun Tournament.

- Adam Godwin was named A-Sun Player of the Year while senior Brent Adcock was named A-Sun Pitcher of the Year. Coach Bobby Pierce also earned A-Sun Coach of the Year honors.

#### BASKETBALL---

- Men's team posted a 12-18 record this season including a 10-10 mark in the A-Sun Conference
- Bobby Dixon earned A-Sun Player of the Week honors on January 24 following a week where he averaged 25 points and five steals over two games.
- Women's team posted 12 conference wins, the most since joining the A-Sun.
- Laura Lee Holman was named to All A-Sun second team, and Amy Lewis named Freshman of the Year.

#### CROSS COUNTY---

- Seniors Belinda Bargmann and Lindsey Waldrop earned All-Conference honors for the 2004 season.
- Belinda Bargmann earned A-Sun Runner-of-the-Week honors for her performance at the University of Arkansas-Little Rock.
- Lindsey Waldrop earned A-Sun Player-of-the-Week honors for her performance at Georgia State Invitational.
- Both Belinda and Lindsey finished at TROY's top two finishers in all but one race in their four-year careers.

#### GOLF---

- The men's team finished seventh at the A-Sun Championship Tournament and the women's team finished fourth.

#### RODEO---

- The Trojans won their fires rodeo in November, claiming the title at the Murray State Rodeo in Kentucky with 335 points.

#### SOFTBALL---

- Captured the A-Sun regular season title and advanced to the A-Sun Tournament Championship before losing to UCF.
- Jocelyn McCallum was named A-Sun Pitcher of the Year and Coach Melanie Davis was named league Coach of the Year.

#### TENNIS---

- The Trojan men topped defending A-Sun champion UCF 4-3 in Troy for TROY's first conference win of 2005. The women finished the year at 8-10, including a 4-3 win over future Sun Belt opponent Arkansas State.

#### TRACK & FIELD---

- Michael Acree and Louis Harris, both juniors, became the first TROY track and field athletes to qualify for the NCAA Championship.

#### VOLLEYBALL---

- The Trojan volleyball team season was highlighted by victories over A-Sun rival Campbell, Gardner-Webb, Mercer, and Lipscomb.

In conclusion, Mr. Dennis thanked the administration and the Board for the support given the athletics program and for the opportunity to be a part of the university.

Mr. Owen recognized Mr. Scott Farmer for his outstanding work as Interim Athletics Director during the search process.

D. Executive Committee, Dr. Doug Hawkins

Chancellor Hawkins was called upon to present Resolution No. 9 which deals with a role change for the University to create an avenue by which a doctoral program can be offered. Chancellor Hawkins stated that the Board began discussions about offering a terminal degree in 1999. He added that on 12 October 2001 ACHE established a moratorium on any role changes for institutions under ACHE's control. The moratorium is scheduled to be lifted by 31 December 2005. He added that the following outline provides background on this topic:

- Goal of Board of Trustees since 2001

- Research conducted during 2002
- Postponed due to OGU/SACS
- March 2005: Goal to establish Doctoral Degree by 2010
- Announced goal to Board of Trustees during March 2005
- Announced goal to Administrative leadership on 29 July 2005
- Recommended to Board of Trustees 10 September 2005

The process outlined by Chancellor Hawkins in moving forward follows:

- September 2005: OGU-SACS Review
  - SACS will conduct review to finalize OGU
- October-December 2005
  - Staff will develop Case Statement for role change and new unit of instruction
  - Board of Trustees and administrative leadership will meet with ACHE Commissioners
- December 2005
  - Troy University will submit proposal to ACHE
  - 31 December ACHE lifts moratorium

In conclusion, Chancellor Hawkins stated that Resolution No. 9 proposes the offering of a doctorate in Public Administration. He added that Troy University is prepared to invest \$1,000,000 in the initial establishment of a doctoral level program. He stated that the Board will be provided with “talking points” on this proposal. He further suggested to the Board’s Academic Affairs Committee that we move forward with the recommendation to begin the process of authorizing the university to pursue a role change to offer doctoral level programs.

**1. Resolution No. 9— Authorizing the Chancellor to Pursue a Role Change to Offer Doctoral Level Programs**

Based upon the recommendation of the Academic Affairs Committee, a motion for adoption of Resolution No. 9 was made by Mr. Higgins. A second was provided by Mr. Harrison.

Discussion: Mr. Harrison inquired as to whether the additional \$1M, as outlined in Resolution No. 9, should be included in the 2006 budget? Following discussion, the Chancellor noted that this will be accomplished and would be good to have in place when the university makes its presentation to ACHE.

**ACTION:** There being no further discussion, the chair called for the vote. Resolution No. 9 was unanimously adopted.

**Authorizing the Chancellor to Pursue a Role Change To Offer Doctoral Level Programs**

**WHEREAS**, Troy University is a dynamic organization serving more than 27,000 students worldwide; and

**WHEREAS**, Troy University has set forth a series of goals to be achieved by 2010 that include increased enrollment to 40,000, expansion of academic program offerings by 20%, increasing faculty salaries to the southeast average, and the offering of doctoral level programs; and

**WHEREAS**, Troy University is a global institution offering programs in 17 states and 13 different countries; and

**WHEREAS**, the bold goals of the University provide for being located in 25 different countries by 2010; and

**WHEREAS**, approximately half of the enrollment of Troy University exists outside the State of Alabama and services educational needs far beyond those identified for the State of Alabama; and

**WHEREAS**, Troy University is prepared to invest \$1,000,000 in the initial establishment of a doctoral level program;

**THEREFORE, BE IT AUTHORIZED** by this Board of Trustees on the 10<sup>th</sup> day of September, 2005, that the Chancellor is authorized to pursue a role change with the Alabama Commission on Higher Education and the Commission of Colleges of the Southern Association of Schools & Colleges which authorizes Troy University to offer doctoral level programs; and

**BE IT FURTHER RESOLVED** that the Chancellor be authorized to submit to ACHE a new unit of instruction to offer a Doctorate of Public Administration.

## **VI. Adjournment**

There being no further business, the meeting adjourned.

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R. Douglas Hawkins, D.V.M  
President pro tempore  
Board of Trustees

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