

MARSHALL UNIVERSITY
BOARD OF GOVERNORS
Memorial Student Center
August 26, 2010

Members present, in person: Verna K. Gibson, John G. Hess, Dale Lowther, Joe Touma, Michael G. Sellards, Michael Farrell, Joe McDonie, Oshel Craigo, Brent Marsteller, Larry Stickler, Mike Dunn, Letitia Neese Chafin, Ed Howard, Edward Pride IV

By Phone: General Mooney

Members Absent: Gary Adkins, A. Michael Perry (Emeritus member);

Others in Attendance: Stephen Kopp, Ron Area, Layton Cottrill, Jan Fox, Anita Lockridge, Gayle Ormiston, Matt Turner, Mike Hamrick, Dr. Charles McKown, Perry Chaffin, Karen Kirtley, Jeff O'Malley, David Steele, Michael McGuffey, Dave Wellman, Ginny Painter, Lance West, Frances Hensley, Jim Schneider, Gretchen Oley, Rudy Pauley, Mary Ellen Heuton, Ann Knotts, Donna Spindel, Bill Burdette, Beth Wolfe, Chuck Hossler, Stan Maynard, Bob Bookwalter, Mary Todd, Don Van Horn, Tammy Johnson, Byron Clercx, Corley Dennison, Rudy Pauley, Ginny Painter, Stan Maynard, Steve Hensley, Frances Hensley. Special guests attended regarding the bond proposals. Media was also present from the Herald-Dispatch, and The Parthenon, Justice Brent Benjamin.

I. Swearing in of New Board Members

Justice Brent Benjamin gave the Oath of Office, swearing in the two new members, Oshel Craigo and Joe McDonie and one re-appointed member, Michael G. Sellards, to the Board.

II. Call to Order

Verna Gibson, Chair, called the meeting to order and welcomed the members to the Board.

III. Minutes Approval

Upon a motion by Joe Touma, seconded by Dale Lowther, the minutes of the June 17, 2010 meeting were approved.

IV. President's Report

The President announced that Libby Drinko passed away and a moment of silence was held in her memory. A video for WOW (week of welcome) was shown. The Student Resource Center is now open and the students are working on their UNI 101 E-Portfolios. Full time freshmen students are at 2,077; an overall increase of 540 students in one year. The overall enrollment goal of 15,000 undergraduate students is ambitious but achievable.

We are looking at the feasibility of retaining the services of an international student recruiting firm

through an RFP process. This area of opportunity is one that merits due consideration and evaluation with respect to the long-term interest of Marshall.

Tammy Johnson, Admissions Director was recognized for flawless and seamless applications. Beth Wolfe was recognized for the success of the Office of Recruitment.

Summer Highlights:

- Regional Soccer Tournament hosting. Our participation in hosting the opening ceremonies for this large regional event provided an excellent opportunity to showcase Marshall University. The participants and their families gained a familiarity with the campus and hopefully will consider MU in the future;
- State of the University address given in Washington, DC: a marvelous showcase for Marshall University at the Newseum. Our alumna, Pam Tabb, who is an executive with the Neuseum, did an amazing job ensuring that the arrangements for the event were flawless. Board Member Brent Marsteller attended this event, which he said was “well done.” He also enjoyed the Congressional visits.
- Senator Carte Goodwin was on campus yesterday;
- BOG Summit on July 23 and 24 showed good participation by the MU Board of Governors;
- Greenbrier Classic – Marshall University was well represented. The Fife and Drum Corps marched at the opening of this major event. Alumni were very supportive and have committed to continuing their support in the future. The PGA will play at least five more years at The Greenbrier.
- Bond Re-issue with Bank of America for the First Year Residence Halls and the Recreation Center was completed successfully. The reason for this re-issue is to strengthen our financial position with a new partner, Bank of America.
- Updates on renovations – there were currently 21 buildings updated over the summer. Everything from air handling systems, renovations in the Memorial Student Center, College of Science, Henderson Center, Stadium. Dr. Kopp commended all staff involved, and Buildings & Grounds for keeping campus beautiful.
- Notice has been received that the Engineering Bachelor of Science Degree has received full accreditation by ABET. The next review will be in 2015-2016.
- Dr. Penny Kroll has been hired as the new founding director for the Doctor of Physical Therapy Program. Much work is to be done regarding filing application for accreditation. The pro-forma is being fine tuned for this new and exciting program.
- Core Foundations Committee is finalizing course offerings for 2011-12.
- The Service Agreement with Mountwest for FY 2011-12 is being finalized.
- Honors College has officially become operational and is full.
- Tom Herrion, the new head men’s basketball coach was introduced and welcomed by the Board. He brought the Board up to date on the Men’s Basketball team, noting that their GPA in the summer was 3.1. Their theme is “You are what you emphasize.” He is excited and thrilled to be at Marshall and recognized the key ingredients of leadership: Dr. Kopp and Mike Hamrick.
- Dr. Michael Prewitt was introduced as he is the new Dean of the College of Health Professions. This program is growing by leaps and bounds. Mike has many ideas for new

programs.

V. Committee Reports

Finance, Audit and Facilities Planning Committee, John G. Hess, Chair

Updates from various areas were given. From Athletics, David Steele and Mike Hamrick gave a report regarding Academic Performance. He noted that 200 athletes were enrolled in Summer School and there was one failure, one withdrawal. A new policy was placed into effect that the student who fails or withdraws must reimburse the cost to the University for fees paid on their behalf.

Action Items:

The first action item discussed was #4 on the agenda under “action items.” This is the “Approval of Resolution to Authorize Management to Effect an Advanced Refunding of University Facilities Revenue Bonds Series 2001A.” At this time guests from Citigroup, Crews & Associates, Raymond James & Associates, Lewis Glasser Casey & Rollins, and Steptoe & Johnson-Bond Counsel were introduced. Dr. Kopp gave a brief history of the University Facilities Revenue Bonds, Series 2001A noting that we have looked at this refinancing before and the opportunity disappeared. However, we left it open that if the interest rate allowed the opportunity to work together, to let us know, which they have now done. Today we are asking the Board to **consider for adoption** a resolution authorizing the refunding of all or a portion of the \$40,690,000 outstanding principal amount Higher Education Interim Governing Board University Facilities Revenue Bonds, Series 2001A and the possible financing of certain capital projects through the issuance of one or more series of bonds in a principal amount not to exceed \$45,000,000, the appointment of a financing team, the execution and delivery of certain documents, and other matters relating to such bond issuance. Today we ask that we work with the Executive Committee to move forward when the timing is right. John Hess, Dale Lowther, and Joe Touma all voiced their agreement that with the lower interest rate environment, this refunding is smart. Mike Farrell had three concerns: 1) The fiduciary obligation of the utilization of funds; 2) debt reduction and 3) take dollar savings to refinance new bonds and not compromise integrity. He asked for disclosure from Administration as to which option will be selected; he does not want MU to be “at risk. Mike asked if Bond Counsel would be willing to indemnify and Fred Williams offered to provide an opinion on the use of funds. Dr. Kopp clarified that the lump sum at closing of the bond covenant would be disclosed. A question was asked if a new resolution would need to be drawn up and Fred Williams, with Steptoe & Johnson (Bond Counsel) said that he did not think it would amend the resolution. However, when the decision is made, a supplemental resolution will be done. Mr. Farrell endorsed his approval with this understanding and thanked management for bringing this item forward. Upon a motion by Dale Lowther, seconded by Joe Touma, the board unanimously approved the following resolution:

**RESOLUTION AUTHORIZING THE REFUNDING OF CERTAIN
OUTSTANDING BONDS PREVIOUSLY ISSUED BY THE WEST VIRGINIA**

HIGHER EDUCATION INTERIM GOVERNING BOARD ON BEHALF OF MARSHALL UNIVERSITY AND THE FINANCING OF CERTAIN CAPITAL IMPROVEMENTS; AUTHORIZING THE FINANCING OF THE COSTS OF SUCH REFUNDING, CERTAIN CAPITAL IMPROVEMENTS AND RELATED EXPENSES THROUGH THE ISSUANCE BY THE MARSHALL UNIVERSITY BOARD OF GOVERNORS OF REVENUE BONDS IN ONE OR MORE SERIES OF TAXABLE OR TAX-EXEMPT OBLIGATIONS, OR ANY COMBINATION THEREOF, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$45,000,000; AUTHORIZING THE EXECUTION OF A TRUST INDENTURE WITH RESPECT TO EACH SERIES OF BONDS; AUTHORIZING THE SALE OF EACH SERIES OF BONDS TO CITIGROUP GLOBAL MARKETS INC., CREWS & ASSOCIATES, INC. AND RAYMOND JAMES & ASSOCIATES, INC. PURSUANT TO ONE OR MORE BOND PURCHASE AGREEMENTS WITH RESPECT TO THE BONDS AND THE EXECUTION AND DELIVERY OF SUCH BOND PURCHASE AGREEMENTS; AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT FOR EACH SERIES OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS AND AGREEMENTS IN CONNECTION WITH EACH SERIES OF THE BONDS, INCLUDING BUT NOT LIMITED TO A CONTINUING DISCLOSURE AGREEMENT, PRELIMINARY OFFICIAL STATEMENT, OFFICIAL STATEMENT AND A TAX CERTIFICATE; DELEGATING TO THE PRESIDENT AND THE SENIOR VICE PRESIDENT FOR FINANCE AND ADMINISTRATION OF MARSHALL UNIVERSITY AND THE CHAIRMAN AND VICE-CHAIRMAN OF THE MARSHALL UNIVERSITY BOARD OF GOVERNORS CERTAIN RESPONSIBILITIES IN CONNECTION WITH THE SALE AND ISSUANCE OF EACH SERIES OF THE BONDS, INCLUDING THE SELECTION OF A TRUSTEE THEREFOR, THE PURCHASE OF MUNICIPAL BOND INSURANCE FOR EACH SERIES OF THE BONDS, THE DESIGNATION OF A PORTION OF THE BONDS AS TAXABLE BUILD AMERICA BONDS AND THE INVESTMENT OF BOND PROCEEDS; AND TAKING OTHER ACTIONS IN CONNECTION WITH THE SALE AND ISSUANCE OF THE BONDS

WHEREAS, the Board of Governors of Marshall University (the "Board") proposes to refinance all or a portion of the following outstanding bonds previously issued by the West Virginia Higher Education Interim Governing Board (the "Refunding"): \$40,690,000 West Virginia Higher Education Interim Governing Board, University Facilities Revenue Bonds, Series 2001 A (Marshall University Projects) and to provide for the financing of certain capital improvements (the "Projects"), if any, as may be determined by an Authorized Representative (as defined herein) and listed in Exhibit C to the Certificate of Determination (as defined herein); and

WHEREAS, pursuant to the authority contained in Chapter 18, Article 23 of the Code of West Virginia, 1931, as amended (the "Bond Act") and Chapter 13, Article 2G of the Code of West Virginia, 1931, as amended (the "State Refunding Bond Act," and together with the Bond Act, hereinafter collectively referred to as the "Act"), this Board is authorized to issue revenue bonds to finance the costs of the Refunding, the Projects, if any, and related expenses, including the costs of issuance of the Bonds; and

WHEREAS, this Board has determined to issue revenue bonds in one or more series as tax-exempt obligations in an aggregate principal amount of not to exceed \$45,000,000 with respect to the Refunding and the financing of the Projects, if any, (collectively, the "Bonds"), pursuant to the Act and for the purposes set forth above (provided, that the portion of the Bonds allocable to the Projects, if any, may be issued as federally tax-exempt or taxable bonds); and

WHEREAS, the Bonds will be issued pursuant to the terms of and secured under one or more Bond Trust Indentures or other Security Agreements (whether one or more, the "Indenture") between the Board and the trustee to be selected as described herein (the "Trustee"); and

WHEREAS, the principal of and interest on the Bonds will be payable and secured by rents, fees, charges or other income received by or accrued to Marshall University (the "University") from the operation and use of all dormitories, student housing facilities, food service facilities and motor vehicle parking facilities now or hereafter situate on the Huntington, West Virginia campus of the University and owned by the University (collectively, the "Revenues") and other sources of revenue and otherwise in the manner and to the extent provided for in the Indenture for each series of Bonds and shall be special obligations of the State of West Virginia (the "State") and shall not constitute debts of the State; and

WHEREAS, it is in the best interest of this Board to grant to the President and Senior Vice President for Finance and Administration of the University and the Chairman and Vice-Chairman of the Board, acting together or individually (each, an "Authorized Officer"), the power and authority to establish the final terms and provisions of and execute the Bonds, the Indenture and the Bond Purchase Agreement, to select a Trustee, bond insurer, if any, and other participants, each as hereinafter defined, to determine the Projects, if any, to be financed with the proceeds of the Bonds and to designate, if in the best interests of the Board and the University, such portion of the Bonds, if any, as are allocable to Projects as "Build America Bonds" and make such tax elections as are consistent therewith; and

WHEREAS, this Board finds and represents that it has full power and authority to issue the Bonds and to make the respective pledges for the payment thereof as will be set forth in the Indenture and the Bonds, and to execute and deliver the Indenture and such other documents hereinafter described and, on behalf of the owners of the Bonds, to grant a lien on and security interest in the Revenues, other sources of revenue and funds described in each Indenture, as permitted under the Act, and to execute and deliver such other documents and to take the actions contemplated thereby.

NOW, THEREFORE, BE IT RESOLVED BY THE MARSHALL UNIVERSITY BOARD OF GOVERNORS, AS FOLLOWS:

Section 1. Findings and Determinations. This Board specifically finds and determines as follows:

(a) It has full power and authority to issue the Bonds and to make the respective pledges for the payment thereof as are described in the recitals hereto and more particularly set forth in the respective Indenture for each series of Bonds, and to enter into the respective Indenture and the other agreements relating to the Bonds, the Refunding and the Projects, if any, and this Board has taken or will take by the adoption of this Resolution all actions necessary to authorize its proper officers to sign, seal and deliver the Indenture, the Bond Purchase Agreement, the Bonds, the Continuing Disclosure Agreement and the other agreements relating thereto and to

authorize the distribution of one or more Preliminary Official Statements and authorize the distribution of one or more Official Statements.

(b) This Resolution is adopted pursuant to and in accordance with the provisions of the Act, and the Bonds shall be issued pursuant to and in accordance with the Act.

(c) Citigroup Global Markets Inc. (as lead underwriter), Crews & Associates, Inc. and Raymond James & Associates, Inc. (collectively the "Underwriters") are hereby appointed as the underwriters for the Bonds. The Authorized Officers are hereby authorized and directed, upon advice of counsel, to enter into one or more Bond Purchase Agreements with the Underwriters for each respective series of the Bonds (whether one or more, the "Bond Purchase Agreement"). It is understood by this Board that the Underwriters will be compensated only from the proceeds of the Bonds.

(d) Steptoe & Johnson PLLC ("Bond Counsel") is hereby appointed as bond counsel for the Bonds. It is understood by the Board that Bond Counsel will be compensated only from the proceeds of the Bonds.

(e) It is in the best interests of this Board and the University that an Authorized Officer have the power and authority to execute and deliver one or more certificates of this Board (whether one or more, the "Certificate of Determination") setting forth the final terms and provisions of the Bonds and the Bond Purchase Agreement.

Section 2. The Bonds. There is hereby authorized to be issued and the Board hereby determines to issue, pursuant to the Act, its Bonds in one or more series, in an aggregate principal amount not to exceed \$45,000,000, and to expend all of the proceeds to finance the costs of the Refunding, the Projects, if any, and of related expenses, including but not limited to all costs incurred in connection with the issuance of the Bonds, such Bonds to be secured by and payable exclusively from the respective Revenues, other sources of revenue and funds pledged under the Indenture. The exact aggregate principal amount of the Bonds, not to exceed \$45,000,000, shall be approved by an Authorized Officer, such approval to be evidenced by the execution by an Authorized Officer of the Certificate of Determination, substantially in the form attached hereto as Exhibit A and incorporated herein by reference. The Bonds shall contain a recital that they are issued pursuant to the Act or other applicable provisions of state law, which recital shall be conclusive evidence of their validity and of the regularity of their issuance. The portion of the Bonds that are allocable to the Refunding shall be issued as tax- exempt obligations. If the Bonds are issued in part to finance the Projects, then such portion of the Bonds shall either be in a separate Series of the Bonds or the Series financing both the Refunding and the Project shall be referred to as "Improvement and Refunding" Bonds. In addition, should a portion of the Bonds be issued to finance the Project, then the Authorized Representatives shall have the authority to, in their discretion, designate such Bonds as Federally taxable "Build America Bonds" and make such tax elections as are consistent therewith.

Section 3. Indenture, Bond Purchase Agreement, Continuing Disclosure Agreement, Preliminary Official Statement, Official Statement and Tax Certificate.

It is anticipated that the Indenture, Bond Purchase Agreement, Continuing Disclosure Agreement, Preliminary Official Statement, Official Statement and one or more Tax Certificates shall be prepared, delivered and executed in connection with the issuance of the Bonds (all of the foregoing documents, except the Bonds, are hereinafter collectively referred to as the "Bond Documents"). The Authorized Officers, with the assistance of counsel, are authorized to negotiate and approve the form and content of the Bond Documents under such terms and conditions as are, in the opinion of such Officers, in the best interests of the Board and the State. The Authorized Officers are

hereby authorized, empowered and directed to execute and deliver the Bond Documents prior to or simultaneously with the issuance of the Bonds for and on behalf of the Board, in the form and upon those terms and conditions as approved by the Authorized Officers, with assistance of counsel, and such approval shall be conclusively evidenced by the execution of the Bond Documents by an Authorized Officer.

Section 4. Terms of Bonds. The Bonds shall be designated and dated such date or dates, shall be issued in one or more series, not to exceed \$45,000,000 in aggregate principal amount, shall mature on such date or dates not later than 22 years from their respective issuance dates, shall bear interest at such rate or rates of interest not to exceed seven percent (7%) per annum and shall have such redemption provisions and other terms all as set forth in the Certificate of Determination. The Bonds shall be in the denominations and in registered form, be payable in the medium of payment and at such places, be subject to mandatory and optional redemption prior to maturity and be entitled to the priorities and Revenues, other sources of revenues and funds, all as provided in the Indenture. The estimated cost of the Projects is not more than \$5,000,000.

Section 5. Bond Insurance. The Authorized Officers, with the assistance of counsel, are, at their discretion, authorized to negotiate and approve bond insurance to insure the payment of principal of and interest on the Bonds ("Bond Insurance"), under such terms and conditions as are in the best interests of the Board and the University. Bond insurance shall not be obtained unless in the opinion of the Authorized Officers it is in the best interests of the University to do so. The Authorized Officers are hereby authorized, empowered and directed to execute and deliver the documents relating to the Bond Insurance prior to or simultaneously with the issuance of the Bonds for and on behalf of the Board, in the form and upon those terms and conditions as approved by the Authorized Officers, and such approval shall be conclusively evidenced by the execution of the documents relating to the Bond Insurance by an Authorized Officer.

Section 6. Sale of the Bonds. The Bonds shall be sold to the Underwriters pursuant to the Bond Purchase Agreement, for the price or prices and upon the terms set forth in the Certificate of Determination and the Bond Purchase Agreement. The execution and delivery of the Bond Purchase Agreement is hereby authorized. Following the execution of the Certificate of Determination, the Authorized Officers are hereby authorized and directed to execute the Bond Purchase Agreement with such changes, insertions and omissions as may be approved by the Authorized Officer, his or her execution thereof to be conclusive evidence of such approval.

Section 7. Certificate of Determination. An Authorized Officer is hereby authorized and directed to set forth the separate series, if any, the final principal amount or amounts, the maturities, the interest rates, the redemption provisions, the price or prices, the Projects to be financed with the proceeds of the Bonds, if any, and other terms and details of the Bonds, subject to the parameters set forth herein, including but not limited to Section 4, in the Certificate of Determination to be executed and delivered in connection with the sale of the Bonds. Assuming such parameters are met, the Certificate of Determination shall have full force and effect as if adopted as a part of this Resolution.

Section 8. Official Statements. (a) The preparation and distribution of a preliminary official statement with respect to each series of the Bonds (whether one or more, the "Preliminary Official Statement"), is hereby authorized in such form as may be approved by an Authorized Officer; and (b) The preparation and distribution of a final Official Statement with respect to each series of the Bonds (whether one or more, the

“Official Statement”) is hereby authorized in such form as may be approved by an Authorized Officer, such approval to be evidenced by the execution by an Authorized Officer of such Official Statement; and the delivery by the Underwriters to prospective purchasers of the Bonds of the Official Statement is hereby authorized and approved with respect to each series of Bonds.

Section 9. Continuing Disclosure Agreement. So long as any of the Bonds remain outstanding, the Board and the University shall provide certain annual financial information and material event notices regarding the University as described in paragraph (b)(5)(i) of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission and/or as otherwise required by law.

Section 10. Bonds Are Special Obligations. The Bonds are special obligations of the Board payable solely from and secured by the Revenues, other sources of revenue and funds pledged under the Indenture. Each series of the Bonds, together with the interest thereon, is a special obligation of the State and shall not constitute a debt of the State, and the credit or taxing power of the State shall not be pledged therefor, but the Bonds shall be payable only from the respective Revenues, revenues and funds pledged for their payment as provided in the Indenture. No recourse shall be had for the payment of the principal of, premium, if any, or interest on the Bonds or for any claim based thereon, on this Resolution or on any of the documents executed in connection therewith, including but not limited to the Bonds and the Bond Documents, against any official, member, officer or employee of this Board, the University or the State or any person executing the Bonds, and neither members of this Board nor any person executing the Bonds shall be liable personally on the Bonds by reason of the issuance thereof.

Section 11. Personal Liability. None of the present or future employees, officers or board members of the Board or the University, or any person executing the Bonds or the Bond Documents relating thereto shall be personally liable for the Bonds or any other obligation relating to the issuance of such Bonds, or be subject to any personal liability by reason of the issuance of the Bonds.

Section 12. Appointment of Trustee. The Authorized Officer shall appoint a fiduciary to serve in the capacities of Trustee, Registrar and Paying Agent under the Indenture, as set forth in the Certificate of Determination.

Section 13. Formal Actions. The Board hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in an open meeting of the Board, and that all deliberations of the Board which resulted in formal action, were meetings open to the public, in full compliance with all applicable legal requirements.

Section 14. Incidental Actions. The Authorized Officers are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates, including but not limited to guaranteed investment contracts with respect to the Bond proceeds, and to take such other action as may be necessary or appropriate in order to effectuate the execution, delivery and/or receipt of the Indenture, the Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement, the Continuing Disclosure Agreement, the issuance and sale of the Bonds and the investment of the Bond proceeds, and for carrying out the transactions contemplated therein, all in accordance with the Act and other applicable provisions of the Code of West Virginia of 1931, as amended, including any action necessary with respect to The Depository Trust Company. The execution, delivery and due performance of the Bond Documents and all documents and instruments required in connection therewith are hereby in all respects approved, authorized, ratified and confirmed,

including any and all acts heretofore taken in connection with the issuance of the Bonds.

Section 15. Effective Date. This Resolution shall take effect immediately upon its adoption, and all prior resolutions or parts thereof inconsistent herewith are hereby repealed.

Adopted this 26th day of August, 2010.

MARSHALL UNIVERSITY
BOARD OF GOVERNORS

Chairman

Secretary

EXHIBIT A

CERTIFICATE OF DETERMINATIONS

The undersigned, [Chair or Vice-Chair of the Marshall University Board of Governors (the "Board")][President or Senior Vice President of Finance Administration of Marshall University], in accordance with a Bond Resolution adopted by the Board on August 26, 2010 (the "Resolution"), with respect to the \$_____ Marshall University Board of Governors [Improvement and] Refunding Revenue Bonds, Series 2010 (the "Bonds"), hereby finds and determines as follows:

1. [She][He] is an Authorized Officer within the meaning of the Resolution.
2. The Bonds shall be dated _____, 2010.
3. The Bonds shall be issued in the aggregate principal amount of \$_____.
4. Such principal amount does not exceed \$45,000,000, being the maximum principal amount authorized by the Resolution.
5. The Bonds shall mature in the amounts and on the dates and shall be subject to mandatory sinking fund redemption in the amounts and on the dates set forth on Schedule 1 attached hereto and incorporated herein.
6. The Bonds shall bear interest at the rates and produce the yields set forth on Schedule 1 attached hereto and incorporated herein, which rates do not exceed seven percent (7%) per annum.
7. The Bonds shall be subject to optional redemption as set forth on Schedule 2 attached hereto and incorporated herein.
8. The Bonds shall be sold to Citigroup Global Markets Inc., Crews & Associates, Inc. and Raymond James & Associates, Inc. (the "Underwriters"), pursuant to the terms of the Bond Purchase Agreement by and between the Underwriters and the Board, at an aggregate purchase price of \$_____ (representing par value, less an underwriting discount of \$_____ plus a net original issue [premium/discount] of \$_____ (original issue premium of \$ minus original issue discount of \$_____)), plus accrued interest of \$_____ on the Bonds from _____, 2010 to _____, 2010 (the "Closing Date").
9. The proceeds of the Bonds shall be applied as set forth on Schedule 3 attached hereto and incorporated herein, including any additional determinations deemed necessary by the [Authorized Officer].
10. _____ is hereby designated by the [Authorized Officer] to serve in the capacities of Trustee, Registrar and Paying Agent under the Indenture.
11. The Preliminary Official Statement of the Board dated _____, 2010, is hereby ratified and deemed final within the meaning of paragraph (b)(1) of Rule 15c3-12 under the Securities Exchange Act of 1934, with such changes, omissions, insertions

and revisions as the Authorized Officer (as defined in the Resolution) shall deem advisable. Such signature to evidence approval thereof.

12. The final Official Statement of the Board attached hereto is hereby authorized and deemed final within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934, with such changes, omissions, insertions and revisions as the Authorized Officer (as defined in the Resolution) shall deem advisable, such signature to evidence approval thereof.

13. The Bonds, if any, listed on Schedule 3 shall be designated as that portion of the Bonds allocable to the Projects, if any, and which are designated as Build America Bonds for Federal income tax purposes.

14. [(“Bond Insurer”) has offered Bond Insurance for the Bonds pursuant to the terms of a commitment letter dated _____, 2010 (the “Commitment”). The Bond Insurer is approved and the Commitment for the Bond Insurance is accepted.] The undersigned hereby certifies that the foregoing terms and conditions of the Bonds are within the limitations prescribed by the Resolution, and the Bonds may be issued with such terms and conditions as authorized by the Resolution.

WITNESS my signature this day of _____, 2010.

MARSHALL UNIVERSITY
BOARD OF GOVERNORS

By: _____

Its: _____

Schedule 1 Maturities Mandatory Redemption.

Schedule 2 Optional Redemption Extraordinary Optional Redemption of the Bonds

Schedule 3 Application of Proceeds and Other Funds.

[EXHIBIT WILL SHOW APPLICATION OF BOND PROCEEDS TO REFUNDING AND PROJECTS, IF ANY]

Mr. Hess discussed information regarding the June 30th audit. The Financial Audit begins next week. The audit results will be reported at the October 21, 2010 meeting.

An “East Bonds” update was given noting that this item was discussed at length during the Committee Meeting held earlier. Some highlights regarding this bond issue with lottery funds are that the bulk of the East Bond disbursement went to Education (60%). MU will receive \$17.6 million for deferred maintenance projects in existing facilities. Expressions of interest are being prepared and we are reviewing timetables to determine the order of projects to minimize disruptions in operations. We have three years to undertake the renovation projects and encumber 85% of the funds. The alternate projects totaling \$306,000 will be included in the Expression of Interest as “Add Alternates.”

The property purchase of the Stone and Thomas building closed and the property is now owned by Marshall University. Determinations of how to use the building are in process. No definitive timeline regarding renovation will occur. Funding options are being explored. Heating capabilities and a sprinkler system will need to be added to this property to comply with specifications outlined by the Fire Marshall.

As part of the MCTC agreement, an information item, which became an action item during the Committee Meeting, Marshall University will use \$350,000 of the University Heights sale proceeds

for the second payment to the MCTC to satisfy the initial commitment total of \$3.5 million over 10 years at \$350,000 per year as settlement for real assets. Upon a motion by John G. Hess, seconded by Michael G. Sellards, this item was unanimously approved.

An investment earning update was given as a handout to the Board. Upon a motion by Brent Marsteller, seconded by Michael J. Farrell, the update was unanimously approved for management to re-invest with CommonFund.

A brief financial update was given noting this meeting is between report dates and the final audit will not be completed until the next meeting.

Highlights regarding housing were given; First Year Freshmen Halls, managed by Capstone, are full. MU residence halls are 80% occupied. It was stressed that on-campus living promotes retention and graduation rates. New facilities help in the recruitment process.

The graduation rate for student-athletes in our football program again exceeds 70%. David Steele gave a full athletics update regarding enhancements made at the stadium. These enhancements were funded by the ISP contract totaling \$3 million in upgrades. Updates include the following at the Henderson Center: new video boards, lights, tables, and boards. Also, soccer boards and a new softball board have been installed. Season ticket sales are at 15,000 – an increase of 40% over last year. 5,500 are new season ticket holders. Big Green has 2,868 members; a 530 increase over one year. Pledges are up over \$700,000 to almost \$2 million. Most of these increases involve pledges for the football enhancement fund. Academically, summer school was attended by 207 athletes who finished with a 3.11 GPA overall. Football exposure is that 10 of the 12 games will be televised.

A brief update on Audit functions was given by Perry Chaffin. A more comprehensive report will be given to the Committee in October.

Other items:

- 1) No action was needed for the Financial/Budget Report for twelve months ending June 30, 2010.
- 2) Approval to change the Program Structure and Financing of the India MBA Program. Discussion regarding the change and delivery of this program due to a change in the Foreign Educational Institutions Bill in this country in March 2010 and is pending in the Indian Parliament. If this Bill passes, then the India students who are enrolled in the MU MBA program must take all of their MBA Core courses on the Huntington campus. This approval will allow the Lewis College of Business to offer the India MBA program over three consecutive semesters at the rate of \$15,000 per student upon this Bill passage. Upon a motion by Dale Lowther, seconded by Letitia Neese Chafin, the following resolution was unanimously approved:

Resolved, that the Marshall University Board of Governors approve the Change to Program

Structure and Financing of the India M.B.A. Program

- 3) Approval of temporary salary increases for certain University employees.

BACKGROUND:

For classified employees:

The base salary for each classified employee (including those of the School of Medicine) will be increased by 25% of the difference between the employee's current salary and the appropriate salary on the statutory salary schedule. Only employees whose current base salaries are below the appropriate salary on the salary schedule will receive an increase. The cost of these increases is expected to be approximately \$484,500 (including benefits costs) per year. These salary increases are added to the employee's base salary, are not temporary, and will become effective date on October 1, 2010.

For instructional and research faculty employees:

Each (eligible) tenured, tenure-track, librarian, clinical, or term faculty member employed in their current position/status on May 1, 2010 will receive a temporary salary increase of approximately \$1,215.

This temporary increase will be given under Section 5, Alternative Salary Adjustment Procedures of *MUBOG Policy AA-7, Salary Increases for Tenure and Tenure-track Faculty* and will not be distributed under the usual market/merit faculty salary distribution methodology. The policy requires the following information be provided to the Board:

1. A rationale for the alternative procedure;

Since the increase is temporary and not a permanent addition to the base salary, President Kopp requested that the Faculty Senate determine the methodology for the increase. The faculty, through their faculty senate representatives, elected to receive the increase as equal, "across-the-board," amounts for each individual.

2. A description of the methodology for adjusting faculty salaries;

A salary increase pool calculated as two percent of the total base salaries for the eligible faculty will be divided by the total number of eligible faculty. Each faculty member will have that amount paid in equal semi-monthly installments beginning with the October 1, 2010 pay period and ending with the May 1, 2011 pay period for 9-month faculty and with the June 16, 2011 pay period for 12-month faculty. The increase is temporary and has no effect on the individual's salary after FY2011.

3. Identification of the set of faculty for whom the alternative procedures shall apply;

Four-year tenured, tenure-track, librarian, clinical, and term faculty employed in their current position and status on May 1, 2010 will receive the increase described in #2 above. Temporary faculty and faculty newly-hired for the fall 2010 term are not eligible for the increase. Faculty of the School of Medicine are not eligible for the increase.

4. The anticipated cost of such salary adjustments;

The total cost of the increase for faculty is expected to be \$644,000 (including benefits costs) for FY2011.

5. The effective date for implementing such salary adjustments.

The increases will be effective on the pay period beginning October 1, 2010.

For non-classified and other employees:

Each (eligible) non-classified employee, coach, and faculty administrator will receive a temporary salary increase equal to 2% times the employee's base salary on July 1, 2010. The increase will be paid to the employee in equal semi-monthly installments beginning with the October 1, 2010 pay period and ending with the June 16, 2011 pay period or until the employee ceases employment with the University. Employees not employed by the University on July 1, 2010 and employees of the School of Medicine are not eligible for the increase. The increase is temporary and will have no effect on the employee's salary after FY2011. The cost of these increases is expected to be \$353,000 (including benefits costs) for FY2011.

Summary

The expected total cost of this increase for FY2011 is approximately \$1,481,500 (including benefits costs), and was included in the FY2011 budget approved by the Board. All amounts are subject to change pending final determination of increase-eligible employees.

Upon a motion by Michael G. Sellards, seconded by Joe McDonie, the following resolution was unanimously approved:

Resolved, That the Marshall University Board of Governors approves base salary increases, as described, above for classified employees, and temporary salary increases, as described above, for faculty and non-classified employees.

Academic & Student Affairs Committee, Letitia Neese Chafin, Chair

Tammy Johnson and Beth Wolfe reported on recruitment and admissions efforts at the Committee meeting. They noted that to reach the increase in enrollment we had achieved, first-time freshman applications were up 16% over the 2009-10 academic year. To a large extent, these increases are attributed to attendance at “College Fairs” both in and out of the State of West Virginia. Beth also discussed the Facebook page during the Board Meeting and how it has allowed better connection between students and the Recruitment Office. The newest page is the 2014 Facebook group. A new page will begin in the fall recruitment season for the class of 2015—the class that enters the university in fall 2011. Postcards were sent to incoming freshmen inviting them to join the group before classes started; approximately 91% of the new freshman participated in the Facebook page. This will be analyzed after classes actually begin. They were able to connect with their roommate before coming to campus.

Relationships are the key to retention. Beth also discussed some upcoming high school visits that Dr. Kopp is attending. During high school visits, we take “on the spot” admissions, which includes a waiver of the application fee. Others that reported at the Committee Meeting were Steve Hensley and Denise Hogsett regarding marketable degrees and the interview process.

Kelly Sweetwater Nikvenda, from Veterans/Military Affairs, reported on her new area and that she is working on a recruitment package. Also, a reminder was given to members to notice the “neon sign” for the new Student Resource Center in the Memorial Student Center.

Dr. McKown discussed the Medical School and the Corridor G project in southern West Virginia is going well. Jeff O’Malley also spoke to the Committee about athletes’ GPAs, the Mackie Award, and that fundraising is up 50%.

An informational update was given by Dr. Gayle Ormiston to the Board. He discussed selected faculty achievements and graduate education accomplishments. 270 faculty members worked with students to produce 22 doctoral dissertations, 43 masters degrees, and 13 education special degrees.

In the College of Engineering and Technology, the Bachelor of Science degree was accredited by ABET. He also mentioned awards that were given to faculty members.

VI. Announcements and Adjournment

There was no Executive Session. The date of the next meeting is October 21, 2010. As there were no other matters to bring before the Board, upon a motion by Brent Marsteller, seconded by Joe McDonie and unanimously approved, the meeting was adjourned.