

**Minutes of the Formal Session
of the
Oakland University Board of Trustees
February 12, 2013**

Present: Chair Michael R. Kramer; and Trustees Monica E. Emerson, Scott G. Kunselman, Dennis K. Pawley, Ronald E. Robinson and Mark E. Schlusel

Absent: Vice Chair Richard A. Flynn and Trustee Jay B. Shah

Also Present: President Gary D. Russi; Interim Senior Vice President Susan M. Awbrey; Vice Presidents John W. Beaghan, Rochelle A. Black and Mary Beth Snyder; Vice President and Secretary to the Board of Trustees Victor A. Zambardi; and Student Liaisons Jessica M. Drogowski and Benjamin S. Eveslage

A. Call to Order

Trustee Ronald E. Robinson called the meeting to order at 2:01 pm. in the Auditorium of Elliott Hall of Business and Information Technology.

B. Roll Call

Mr. Victor A. Zambardi, Vice President for Legal Affairs, General Counsel and Secretary to the Board of Trustees, conducted a roll call and all of the Board members were present, except for Vice Chair Richard A. Flynn and Trustee Jay B. Shah. Chair Michael R. Kramer was present via teleconference.

C. Reports

Treasurer's Report

Mr. John W. Beaghan, Vice President for Finance and Administration, presented the Treasurer's Report as set forth in the agenda item.

D. Consent Agenda for Consideration/Action

Chair Michael R. Kramer removed the Approval of Honorary Degree for Baroness Caroline Cox from the Consent Agenda

Consent Agenda

Minutes of the Board of Trustees Formal Session of December 3, 2012 and Special Formal Session of December 21, 2012

University Personnel Actions

I. Administrative Appointments

Brown, Nancy M., Associate Dean, School of Education and Human Services, and Associate Professor of Education, with tenure. Effective August 15, 2012 pursuant to the Employment Agreement between Nancy M. Brown and Oakland University that was reviewed and approved by the Office of the Vice President for Legal Affairs and is in compliance with the law and University policies and regulations and conforms to the legal standards and policies of the Vice President for Legal Affairs and General Counsel.

Harper, Graeme, Dean of the Honors College and Professor of English, with tenure. Effective January 15, 2013 pursuant to the Employment Agreement between Graeme Harper and Oakland University that was reviewed and approved by the Office of the Vice President for Legal Affairs and is in compliance with the law and University policies and regulations and conforms to the legal standards and policies of the Vice President for Legal Affairs and General Counsel.

Jhashi, Tamara, Acting Dean, College of Arts and Sciences, and Associate Professor of Art History, with tenure. Effective August 27, 2012 pursuant to the Employment Agreement between Tamara Jhashi and Oakland University that was reviewed and approved by the Office of the Vice President for Legal Affairs and is in compliance with the law and University policies and regulations and conforms to the legal standards and policies of the Vice President for Legal Affairs and General Counsel.

II. Oakland University William Beaumont School of Medicine Standard Appointments, effective February 12, 2013.

The following standard appointments in the Oakland University William Beaumont School of Medicine are for three years, commencing on February 12, 2013, and are renewable. These standard appointments are without salary support from Oakland University and are not tenured positions. Appointees must maintain active status on the staff of Beaumont Hospital; meet all applicable School of Medicine participation requirements, and maintain the continued support of their Department Chairs, who are responsible for assessing their performance. Appointees' standard appointments may also be terminated at any time, upon the recommendation of their Department Chair or, for reasons that are at the exclusive discretion of the Dean of the School of Medicine:

Bahado-Singh, Ray O.	Professor	Obstetrics & Gynecology
Fischer, Anne	Professor	Surgery
Ysunza, Pablo A.	Professor	Physical Medicine & Rehabilitation
Best, Lydia R.	Assistant Professor	Family Medicine
Burgin, Jode J.	Assistant Professor	Family Medicine
Cecil, Leah M.	Assistant Professor	Family Medicine
Chen, Neng	Assistant Professor	Pathology
Cothery, Jill	Assistant Professor	Family Medicine
Paredes, Azrael A.	Assistant Professor	Family Medicine
Zelch, James M.	Assistant Professor	Family Medicine

III. Change of Status

Eis, Andrea, from Associate Professor of Art to Associate Professor of English, effective January 1, 2013.

Hawley, Lisa D., from Associate Professor of Education and Chair, Department of Counseling, to Associate Professor of Education, effective January 1, 2013.

Leibert, Todd W., from Associate Professor of Education to Associate Professor of Education and Acting Chair, Department of Counseling, effective January 1, 2013.

Roth, Bradley J., from Professor of Physics and Acting Chair, Department of Physics to Professor of Physics, effective January 1, 2013.

Saliga, Susan E., from Assistant Professor of Physical Therapy to Special Instructor in Physical Therapy, effective November 30, 2012.

Slavin, Andrei N., from Professor of Physics to Professor of Physics and Chair, Department of Physics, effective January 1, 2013.

IV. Faculty Reappointments

The faculty agreement requires that certain reviews for possible reemployment and promotion be completed by March 1, 2013. The following recommendations are made by the President. Standard review processes were followed.

A. Reappointments (Probationary)

1. Assistant Professors eligible for reemployment to final two-year probationary terms as assistant professor, effective August 15, 2013, through August 14, 2015.

Jain, Sachin	Counseling	Reemploy
Vonk, Jennifer	Psychology	Reemploy
Zeigler-Hill, Virgil	Psychology	Reemploy

V. Correction

Refai, Wael, Assistant Professor of Surgery, effective December 3, 2012 (originally reported as Associate Professor of Surgery).

Acceptance of Gifts and Pledges to Oakland University for the Period of November 19, 2012 through January 31, 2013

RESOLVED, that the Board of Trustees accept the gifts and pledges to Oakland University identified in the Gifts and Pledges Report, Attachment A, for the period of November 19, 2012 through January 31, 2013.

(A copy of Attachment A is on file in the Board of Trustees Office.)

Acceptance of Grants and Contracts to Oakland University for the Period of November 1, 2012 through December 31, 2012

RESOLVED, that the Board of Trustees accept the grants and contracts to Oakland University identified in the Grants and Contracts Report, Attachment A, for the period of November 1, 2012 through December 31, 2012.

(A copy of Attachment A is on file in the Board of Trustees Office.)

Approval of Honorary Degree for Sergio Marchionne

RESOLVED, that the Board of Trustees awards the honorary degree of Doctor of Science *Honoris Causa*, to Sergio Marchionne.

Trustee Dennis K. Pawley, seconded by Trustee Scott G. Kunselman, moved approval of the Consent Agenda, as amended without the Approval of Honorary Degree for Baroness Caroline Cox, and the motion was unanimously approved by those present.

Approval of Honorary Degree for Baroness Caroline Cox

RESOLVED, that the Board of Trustees awards the honorary degree of Doctor of Humanities *Honoris Causa*, to Baroness Caroline Cox.

After a thorough discussion about the Board of Trustees' processes for considering individuals for honorary degrees, Trustee Mark E. Schlüssel, seconded by Trustee Monica E. Emerson, moved approval of the Honorary Degree for Baroness Caroline Cox, and the motion was approved with five positive votes and one negative vote by Chair Michael R. Kramer.

E. New Items for Consideration/Action

Approval of Schematic Design for the Student Housing Complex

Mr. Terry Stollsteimer, Associate Vice President for Facilities Management, presented the Approval of Schematic Design for the Student Housing Complex recommendation as set forth in the agenda item.

RESOLVED, that the Board of Trustees approves the schematic design for the Student Housing Complex (Attachment A, as may be immaterially amended during continuing design and construction phases of the project); and, be it further

RESOLVED, that the Board of Trustees authorizes the Vice President for Finance and Administration to proceed with the completion of design and construction of the Student Housing Complex, and perform all acts and deeds required by this resolution, consistent with the project scope and schematic design.

(A copy of Attachment A is on file in the Board of Trustees Office.)

After discussion, Trustee Pawley, seconded by Trustee Emerson, moved approval of the recommendation, and the motion was approved with five positive votes and one abstention by Chair Kramer.

Approval of Schematic Design for the P-32 Parking Structure

Mr. Beaghan presented the Approval of Schematic Design for the P-32 Parking Structure recommendation as set forth in the agenda item.

RESOLVED, that the Board of Trustees approves the schematic design for the P-32 Parking Structure (Attachment A, as may be immaterially amended during continuing design and construction phases of the project) at a not to exceed cost of \$22,831,000; and, be it further

RESOLVED, that the Board of Trustees authorizes the Vice President for Finance and Administration to proceed with the completion of design of the P-32 Parking Structure, and perform all acts and deeds required by this resolution, consistent with the project scope and schematic design.

(A copy of Attachment A is on file in the Board of Trustees Office.)

After discussion, Trustee Schlüssel, seconded by Trustee Emerson, moved approval of the recommendation, and the motion was approved with five positive votes and one abstention by Chair Kramer.

Approval of Schematic Design for Upper Fields Recreation and Athletic Complex

Dr. Mary Beth Snyder, Vice President for Student Affairs and Enrollment Management, presented the Approval of Schematic Design for Upper Fields Recreation and Athletic Complex recommendation as set forth in the agenda item.

Dr. Snyder called on Mr. Tracy A. Huth, Director of Athletics, to further present the Schematic Design for Upper Fields Recreation and Athletic Complex.

RESOLVED, that the Board of Trustees approves the schematic design for the Upper Fields Recreation and Athletic Complex (Attachment A, as may be immaterially amended during continuing design and construction phases of the project) at a not to exceed cost of \$7,850,000; and, be it further

RESOLVED, that the Board of Trustees authorizes the Vice President for Finance and Administration to proceed with the completion of design of the Upper Fields Recreation and Athletic Complex, and perform all acts and deeds required by this resolution, consistent with the project scope and schematic design.

(A copy of Attachment A is on file in the Board of Trustees Office.)

After discussion, Trustee Pawley, seconded by Trustee Schlusel, moved approval of the recommendation, and the motion was approved with five positive votes and one abstention by Chair Kramer.

Approval of Schematic Design for the Library Drive Extension

Mr. Beaghan presented the Approval of Schematic Design for the Library Drive Extension recommendation as set forth in the agenda item.

RESOLVED, that the Board of Trustees approves the schematic design for the Library Drive Extension (Attachment A, as may be immaterially amended during continuing design and construction phases of the project) at a not to exceed cost of \$1,950,000; and, be it further

RESOLVED, that the Board of Trustees authorizes the Vice President for Finance and Administration to proceed with the completion of design of the Library Drive Extension, and perform all acts and deeds required by this resolution, consistent with the project scope and schematic design.

(A copy of Attachment A is on file in the Board of Trustees Office.)

The Board of Trustees then had a thorough discussion with the administration about the administration's prior and ongoing discussions with both Oakland County and the City of Auburn Hills to cooperate in traffic control, such as traffic signals and other road improvements, to relieve congestion both on campus and on Squirrel Road. The Board of Trustees supported those ongoing cooperative efforts.

Trustee Schlusel then moved to amend the foregoing recommendation as set forth in the agenda item to instead require the administration to return to the Board of Trustees for further review, as follows:

RESOLVED, that the Board of Trustees authorizes the Vice President for Finance and Administration to proceed with the completion of design of the Library Drive Extension consistent with the project scope and schematic design, subject to return to the Board of Trustees for further review.

The resolution as amended above was seconded by Trustee Kunselman and unanimously approved with five positive votes and one abstention by Chair Kramer.

Approval of Schematic Design for the Facilities Management Building

Mr. Beaghan presented the Approval of Schematic Design for the Facilities Management Building recommendation as set forth in the agenda item.

The Board of Trustees then had a thorough discussion about economies of scale and cost savings that may be generated in this and the foregoing construction projects.

Trustee Pawley then moved to amend the foregoing recommendation as set forth in the agenda item to add that the administration report back to the Board of Trustees as to how much savings has been achieved before construction of the building is initiated.

RESOLVED, that the Board of Trustees approves the schematic design for the Facilities Management Building (Attachment A, as may be immaterially amended during continuing design and construction phases of the project) at a not to exceed cost of \$1,750,000; and, be it further

RESOLVED, that the administration report back to the Board of Trustees as to how much savings has been achieved before construction of the building is initiated; and, be it further

RESOLVED, that the Board of Trustees authorizes the Vice President for Finance and Administration to proceed with the completion of design of the Facilities Management Building, and perform all acts and deeds required by this resolution, consistent with the project scope and schematic design

(A copy of Attachment A is on file in the Board of Trustees Office.)

The resolution as amended was seconded by Trustee Kunselman, and the motion was approved with five positive votes and one abstention by Chair Kramer.

Authorizing Resolution – General Revenue Bonds, Series 2013

Mr. Beaghan presented the Authorizing Resolution – General Revenue Bonds, Series 2013 recommendation as set forth in the agenda item.

RESOLUTION OF THE BOARD OF TRUSTEES OF OAKLAND UNIVERSITY AUTHORIZING THE ISSUANCE AND DELIVERY OF GENERAL REVENUE BONDS AND PROVIDING FOR OTHER MATTERS RELATING THERETO

WHEREAS, the Board of Trustees of Oakland University (the “Board”) is a constitutional body corporate established pursuant to Article VIII, Section 6 of the Michigan Constitution of 1963, as amended, with general supervision of Oakland University (the “University”) and the control and direction of all expenditures from the University’s funds; and

WHEREAS, in the exercise of its constitutional duties and in order to properly serve the needs of students attending the University, the Board proposes to undertake the acquisition, construction, installation and equipping of the capital improvements described in Exhibit A hereto (collectively, the “Projects”); and

WHEREAS, the Board has previously issued and has outstanding certain series of General Revenue Bonds (the "Outstanding Bonds"), and has incurred certain other debt obligations payable from and secured by a lien on General Revenues (as hereinafter defined) (such other debt obligations, together with the Outstanding Bonds, are collectively referred to herein as the "Outstanding Obligations"); and

WHEREAS, the financing of all or a portion of the Projects through the issuance of General Revenue Bonds will serve proper and appropriate public purposes; and

WHEREAS, in the exercise of its constitutional duties, and in order to prudently control and direct expenditures from the University's funds, the Board determines that it is necessary and desirable to authorize the issuance of General Revenue Bonds (the "Bonds") in order to provide funds which, together with other available funds, will be used to pay all or part of the costs of the Projects and to pay costs incidental to the issuance of the Bonds; and

WHEREAS, it may be desirable and in the best interests of the University to secure all or part of the principal and interest on the Bonds by bond insurance, a letter of credit or other form of credit enhancement from an insurance company, bank or other credit enhancement provider; and

WHEREAS, a trust indenture (the "Trust Indenture") or loan agreement (the "Loan Agreement") must be entered into by and between the Board and a trustee (the "Trustee") or a direct placement lender, in either case to be designated by the President or the Vice President for Finance and Administration of the University (each an "Authorized Officer"), pursuant to which the Bonds will be issued and secured; and

WHEREAS, the trust indentures or agreements authorizing the Outstanding Bonds create certain conditions for the issuance of General Revenue Bonds secured by a pledge of General Revenues on a parity basis with the Outstanding Obligations; and

WHEREAS, an Authorized Officer shall, on or prior to the delivery of the Bonds, certify that the conditions for issuing the Bonds, secured on a parity basis by General Revenues with the Outstanding Obligations, have been met; and

WHEREAS, it is necessary to authorize each of the Authorized Officers, individually, to negotiate the sale of the Bonds with an underwriter or group of underwriters to be selected by an Authorized Officer (collectively, the "Underwriter") or with a direct placement lender or lenders to be selected by an Authorized Officer (collectively, the "Purchaser"), and to enter into one or more bond purchase agreements with the Underwriter or Purchaser (collectively, the "Bond Purchase Agreement") setting forth the terms and conditions upon which the Underwriter or Purchaser will agree to purchase the Bonds and the interest rates thereof and the purchase price therefor, or, in the alternative, to select the Underwriter for all or any portion of the Bonds and to establish the terms for such Bonds through a competitive bidding process pursuant to a notice of sale; and

WHEREAS, in order to be able to market the Bonds at the most opportune time, it is necessary for the Board to authorize the Authorized Officers, or either of them individually, to negotiate, execute and deliver on behalf of the Board, the Trust Indenture or Loan Agreement, the Bond Purchase Agreement, one or more remarketing agreements with the Underwriter or other parties (collectively, the "Remarketing Agreement"), and other related documents, to publish any notice of sale required for the sale of all or any portion of the Bonds, to establish the specific terms of the Bonds and to accept the offer of the Underwriter or Purchaser to purchase the Bonds, all within the limitations set forth herein; and

WHEREAS, the Board has full power under its constitutional authority for supervision of the University, and control and direction of expenditures from the University funds, to acquire, construct, furnish and equip the Projects and to pay all or a portion of the costs of the Projects by issuance of the Bonds, and to pledge General Revenues for payment of the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF OAKLAND UNIVERSITY, AS FOLLOWS:

- 1. Approval of the Projects.** The Board hereby approves each of the "Projects" as set forth on Exhibit A attached hereto, and authorizes the Authorized Officers, or either of them, to select the portions of the Projects to be financed, in whole or in part, from the proceeds of the Bonds, and to fund, as appropriate, the remaining portion of the costs of the Projects from available funds of the University or from other available funds, and to proceed with the acquisition, equipping and construction of the Projects.
- 2. Authorization of the Bonds and Related Agreements; Terms of the Bonds; Related Matters.** The Board hereby authorizes the issuance, execution and delivery of the Bonds in one or more series, to be designated GENERAL REVENUE BONDS, SERIES 2013 (with appropriate alternative or additional series designations) in the aggregate principal amount to be established by an Authorized Officer, but not to exceed the amount necessary to produce proceeds of \$65,000,000, plus an amount necessary to fund capitalized interest on the Bonds as an Authorized Officer deems appropriate. The Bonds shall be dated as of the date or dates determined by an Authorized Officer. The proceeds of the Bonds shall be used to pay all or a portion of the costs of the Projects, as shall be determined by an Authorized Officer, and costs incidental to the issuance of the Bonds, including the cost of bond insurance, if any, and funding capitalized interest on the Bonds for such period, if any, in each instance as an Authorized Officer deems appropriate. The Bonds shall be serial bonds, or term bonds which may be subject to redemption requirements, or both, as shall be established by an Authorized Officer, but the first maturity or mandatory redemption date shall be not earlier than November 15, 2014, and the final maturity shall be not later than November 15, 2043. The Bonds may bear no interest or may bear interest at stated fixed rates for the respective maturities thereof as shall be established by an Authorized Officer, but the weighted average yield (computed using the stated coupon and the stated original

offering price) for the Bonds shall not exceed 7.5% per annum for tax-exempt Bonds and not in excess of 10.0% per annum for taxable Bonds. The Bonds may be issued in whole or in part as capital appreciation bonds, which for their term or any part thereof bear no interest but appreciate in principal amount over time at compounded rates (not in excess of 7.5% per annum for tax-exempt Bonds or 10.0% per annum for taxable Bonds) to be determined by an Authorized Officer. Alternatively, all or part of the Bonds may bear interest at a variable rate of interest for all or a portion of their term, and the variable rate of interest shall not exceed the lesser of the maximum rate permitted by law or the maximum rate, if any, to be specified in the Trust Indenture or Loan Agreement. The Bonds may be subject to redemption or call for purchase prior to maturity at the times and prices and in the manner as shall be established by an Authorized Officer, provided that the redemption premium shall not exceed 3.0% of the principal amount being redeemed. Interest on the Bonds shall be payable at such times as shall be specified by an Authorized Officer. The Bonds shall be issued in fully registered form in denominations, shall be payable as to principal and interest in the manner, shall be subject to transfer and exchange, and shall be executed and authenticated, and may be issued in book-entry-only form, all as shall be provided in the Trust Indenture or Loan Agreement. The Bonds shall be sold to the Underwriter or Purchaser pursuant to the Bond Purchase Agreement or through a competitive bidding process pursuant to a notice of sale for a price to be established by an Authorized Officer (but the Underwriter's or Purchaser's discount, exclusive of net original issue discount, shall not exceed 1.5% of the principal amount thereof) plus accrued interest, if any, from the dated date of the Bonds to the date of delivery thereof.

In relation to the debt service on the Bonds, or in relation to all or any portion of the debt service on the Outstanding Bonds, either of the Authorized Officers may, at any time, on behalf of the Board, enter into an interest rate swap, cap, forward starting swap, rate lock, option, swaption or similar agreement or agreements (collectively, the "Swap Agreement") with a counter-party or counter-parties to be selected by the Authorized Officer. Such Swap Agreement shall provide for payments between the Board and the counter-party related to interest on all or a portion of the Bonds or the Outstanding Bonds, or to indexed or market established rates. If the Swap Agreement is entered into in connection with the issuance of the Bonds, the expected effective interest rates on the Bonds, taking into account the effect of the Swap Agreement, shall be within the limitations set forth herein. Any Swap Agreement in the form of an option, rate lock, swaption or forward starting swap, may, if the Bonds to which such agreement relates are not ultimately issued, be required to be terminated, with a possibility of a resulting termination payment due by the University. In addition, either Authorized Officer is authorized to modify or terminate any existing interest rate swap or similar agreement entered into in connection with any of the Outstanding Bonds, if the Authorized Officer determines such action is economic and in the best interests of the Board, based on the advice of the University's financial advisor.

Any or all of the Bonds may be made subject to tender for purchase at the option of the holder thereof. The obligation of the Board to purchase any Bonds subject to tender options may be made payable from General Revenues, from available cash

reserves of the University, subject to such limitations as may be specified in the Trust Indenture or Loan Agreement, or from a letter of credit, line of credit or other liquidity device (the "Liquidity Device"), or any combination thereof, all as shall be determined by an Authorized Officer and provided for in the Trust Indenture or Loan Agreement. Any reimbursement obligation for draws under the Liquidity Device shall be a limited and not a general obligation of the Board, payable from and secured by a pledge of General Revenues. Either Authorized Officer is authorized to execute and deliver at any time, for and on behalf of the Board, any agreements or instruments necessary to obtain, maintain, renew or replace, and provide for repayments under, any Liquidity Device deemed by such Authorized Officer to be required for the purposes of this Resolution. Purchase obligations shall not be considered principal of or interest on the Bonds.

3. Limited Obligation of the Board; Security. The Bonds, and the obligations of the Board under the Swap Agreement or Liquidity Device, if any, shall be limited and not general obligations of the Board payable from and secured by a lien on the General Revenues and moneys, securities or other investments from time to time on deposit in certain funds created pursuant to the Trust Indenture or Loan Agreement, or agreements entered into in connection with the Swap Agreement or Liquidity Device. Except as otherwise determined by an Authorized Officer, as provided below, the lien on General Revenues shall be on a parity basis with the liens on General Revenues securing the Outstanding Obligations.

As used herein and in the Trust Indenture or Loan Agreement and related documents, "General Revenues" shall be defined generally to include all fees, deposits, charges, receipts and income from all or any part of the students of the University, whether activity fees, tuition, instructional fees, tuition surcharges, general fees, health fees or other special purpose fees; all gross income, revenues and receipts from the ownership, operation and control of the Board's housing, dining and auxiliary facilities; all unrestricted receipts from departmental or educational activities; all unrestricted grants, gifts, donations and pledges and receipts therefrom; all unrestricted recoveries of indirect costs; and all unrestricted investment income, *but excluding* all of the following: (a) student activity fees approved by student referendum and not reported in the University's current funds; (b) any deposits required by law or contract to be held in escrow; (c) any gifts, grants, donations or pledges and receipts therefrom restricted as to use in a manner inconsistent with payment of amounts due on the Bonds and any obligations secured on a parity with the Bonds; (d) appropriations to the University from the State Legislature; (e) any income, revenues or receipts of whatever kind or nature attributed by the University to the University's constituent school of medicine; and (f) up to an amount equal to an aggregate of 5% of General Revenues each fiscal year collected annually from the levy of a special fee hereafter established by the Board and designated by the Board to be excluded from General Revenues.

No recourse shall be had for the payment of the principal amount of or interest or premium on the Bonds, or for the payment of any amounts owing under the Swap Agreement or the Liquidity Device, if any; or any claim based thereon, against the State

of Michigan, the Board (except as provided herein) or the University, or any member, officer or agent thereof, as individuals, either directly or indirectly, nor shall the Bonds and interest with respect thereto, or any obligations of the Board in connection with the Swap Agreement or Liquidity Device, if any, become a lien on or be secured by any property, real, personal or mixed, of the State of Michigan or the Board, other than General Revenues and the moneys, securities or other investments from time to time on deposit in certain funds established and pledged pursuant to the Trust Indenture or Loan Agreement, or agreements entered into in connection with the Swap Agreement or Liquidity Device, if any.

Any pledge of General Revenues, and funds specified in the Trust Indenture or Loan Agreement, or agreements entered into in connection with the Swap Agreement or Liquidity Device, if any, shall be valid and binding from the date of issuance and delivery of the Bonds or such agreements, and all moneys or properties subject thereto that are thereafter received shall immediately be subject to the lien of the pledge without physical delivery or further act. The lien of said pledge shall be valid and binding against all parties (other than the holders of any other bonds, notes or debt obligations secured by a parity first lien on General Revenues) having a claim in tort, contract or otherwise against the Board, irrespective of whether such parties have notice of the lien.

Notwithstanding anything herein to the contrary, any obligations of the Board under the Swap Agreement or Liquidity Device, if any, may, if determined appropriate by an Authorized Officer, be payable and secured on a subordinated basis to the Bonds and other General Revenue obligations of the Board, or may be payable from General Revenues, or may be unsecured.

4. Additional Bonds. The right is reserved to issue additional bonds, notes or other obligations payable from and secured on a parity basis with the Bonds and the Outstanding Obligations from the General Revenues, upon compliance with the terms and conditions as shall be set forth in the Trust Indenture or Loan Agreement.

5. Selection of Trustee; Terms of Documents; Bond Insurance. Either Authorized Officer is hereby authorized and directed, in the name and on behalf of the Board, to select the Trustee, if any, and to negotiate the terms of and execute and deliver the Trust Indenture or Loan Agreement. The Trust Indenture or Loan Agreement may contain such covenants of the Board and terms as the Authorized Officer may deem appropriate, including, but not limited to, covenants with respect to the establishment of General Revenues at levels expressed as a percentage of debt service on the Bonds or all General Revenue Bonds, and with respect to the issuance of additional bonds, notes or other obligations payable from and secured by General Revenues. In addition, either Authorized Officer is hereby authorized, empowered and directed to negotiate, if necessary and expedient for the issuance of the Bonds, for the acquisition of bond insurance and to execute and deliver an insurance commitment or other documents or instruments required in connection with such insurance.

6. Sale of the Bonds; Selection of Underwriter or Purchaser; Terms of Purchase. Either Authorized Officer is hereby authorized and directed, in the name of and on behalf of the Board, to select the Underwriter or Purchaser and to negotiate, execute and deliver the Remarketing Agreement, if any, and the Bond Purchase Agreement with the Underwriter or Purchaser setting forth the terms of the Bonds and the sale thereof, in such form as an Authorized Officer may approve, all within the limitations set forth herein. In the alternative, if determined by an Authorized Officer, selection of the Underwriter and the setting of the terms for all or any portion of the Bonds may be made through a competitive sale or bidding process, and any Authorized Officer is authorized to accept the winning bid or offer of the Underwriter for the purchase of such Bonds.

7. Execution and Delivery of Bonds. Either Authorized Officer is hereby authorized, empowered and directed, in the name and on behalf of the Board, to execute the Bonds by placing his or her facsimile or manual signature thereon, and to deliver the Bonds to the Underwriter or Purchaser in exchange for the purchase price therefor, as provided in the Bond Purchase Agreement.

8. Ratings; Notice of Sale; Official Statement. Either Authorized Officer is hereby authorized to solicit ratings on the Bonds from any national rating services that the Authorized Officer deems appropriate and to cause the preparation and publication of a notice of sale, if necessary, and the preparation of a Preliminary Official Statement and an Official Statement with respect to the Bonds, and to execute and deliver the Official Statement. The Underwriter is authorized to circulate and use in accordance with applicable law, the Preliminary Official Statement, if any, and the Official Statement in connection with the offering, marketing and sale of the Bonds.

9. Additional Acts Required. The Authorized Officers, and any other officers or personnel of the Board or the University authorized by the Board to act on its behalf as certified by the Vice President for Legal Affairs and General Counsel, are, and each of them individually is, hereby authorized to perform all acts and deeds, and to execute and deliver, for and on behalf of the Board, all instruments and documents required by this Resolution, the Trust Indenture or Loan Agreement, or the Bond Purchase Agreement, or necessary, expedient and proper in connection with the issuance, sale and delivery of the Bonds, as contemplated hereby. Any reference to an officer of the Board or the University herein shall include any interim or acting officer appointed by the Board. Any action, required under the Trust Indenture or Loan Agreement, the Bond Purchase Agreement, any Swap Agreement, the Remarketing Agreement, any agreement or instrument entered into in connection with the Liquidity Device or any other agreement or instrument related to the Bonds, either in connection with the issuance of the Bonds or in connection with the ongoing administration of the financing program related to the Bonds, may be taken by and on behalf of the Board by an Authorized Officer.

In the event that future legislation allows the economic and efficient use of financing structures for the Bonds authorized hereby which are different from or alternative to traditional tax-exempt bond structures, through tax credits available to the Board or the holders of such Bonds, or assignees thereof, all or any portion of the Bonds may, subject to the applicable parameters set forth herein, be issued as Bonds for which

federal tax credits are payable to the Board or Bonds for which the federal income tax credits are allowed to the holder of the Bonds, if an Authorized Officer determines that such issuance is economic and in the best interests of the Board, and in connection therewith, either of the Authorized Officers is authorized to make, for and on behalf of the Board, any and all designations or elections (revocable or irrevocable), to make any tax covenants in connection with the issuance of such Bonds, to execute and deliver any agreements, certificates or other instruments to or with the federal government or any agency thereof, and to take any other actions necessary for such Bonds and the Board to receive any benefits, funds or federal subsidies available.

10. Continuing Disclosure Undertaking. In accordance with the requirements of Rule 15c2-12 of the United States Securities and Exchange Commission, the Board is required in connection with the issuance of the Bonds to enter into a Disclosure Undertaking for the benefit of the holders and beneficial owners of the Bonds. Either Authorized Officer is authorized to cause to be prepared and to execute and deliver, on behalf of the Board, a Disclosure Undertaking.

11. Approval by Vice President for Legal Affairs and General Counsel. The Board authorizes and directs that, prior to the execution by either Authorized Officer or other officer or representative of the Board or the University, of documents, certificates or instruments authorized by this Resolution, the Vice President for Legal Affairs and General Counsel of the University shall have reviewed and approved any and all such documents, certificates and instruments, upon, as appropriate, the advice of or consultation with the University's bond counsel.

12. Conflicting Resolutions. All resolutions or parts of resolutions or other proceedings of the Board in conflict herewith are hereby repealed to the extent of such conflict.

After discussion, Trustee Pawley, seconded by Trustee Schlüssel, moved approval of the recommendation, and the motion was unanimously approved by those present.

Authorizing Resolution – General Revenue Refunding Bonds, Series 2013

Mr. Beaghan presented the Authorizing Resolution – General Revenue Refunding Bonds, Series 2013 recommendation as set forth in the agenda item.

RESOLUTION OF THE BOARD OF TRUSTEES OF OAKLAND UNIVERSITY AUTHORIZING THE ISSUANCE AND DELIVERY OF GENERAL REVENUE REFUNDING BONDS AND PROVIDING FOR OTHER MATTERS RELATING THERETO

WHEREAS, the Board of Trustees of Oakland University (the "Board") is a constitutional body corporate established pursuant to Article VIII, Section 6 of the Michigan Constitution of 1963, as amended, with general supervision of Oakland University (the "University") and the control and direction of all expenditures from the University's funds; and

WHEREAS, the Board has previously issued and has outstanding certain series of General Revenue Bonds (the "Outstanding Bonds"), and has incurred certain other debt obligations payable from and secured by a lien on General Revenues (as hereinafter defined) (such other debt obligations, together with the Outstanding Bonds, are collectively referred to herein as the "Outstanding Obligations"); and

WHEREAS, it may be appropriate and economic to refund all or a portion of the Outstanding Bonds originally issued in 2004 in the aggregate principal amount of \$31,770,000, designated Board of Trustees of Oakland University General Revenue Refunding Bonds, Series 2004 (the "Series 2004 Bonds"), and the portion of the Series 2004 Bonds selected to be refunded, if any, as provided herein shall be called the "Bonds to be Refunded"; and

WHEREAS, in the exercise of its constitutional duties, and in order to prudently control and direct expenditures from the University's funds, the Board determines that it is necessary and desirable to authorize the issuance of General Revenue Bonds (the "Refunding Bonds") in order to provide funds which, together with other available funds, will be used to pay the costs of refunding the Bonds to be Refunded, including costs incidental to the issuance of the Refunding Bonds and the refunding; and

WHEREAS, if the Refunding Bonds are issued, a trust indenture (the "Trust Indenture") must be entered into by and between the Board and a trustee (the "Trustee") to be designated by the President or the Vice President for Finance and Administration of the University (each an "Authorized Officer"), pursuant to which the Refunding Bonds will be issued and secured; and

WHEREAS, the trust indentures or agreements authorizing the Outstanding Bonds create certain conditions for the issuance of General Revenue Bonds secured by a pledge of General Revenues on a parity basis with the Outstanding Obligations; and

WHEREAS, an Authorized Officer shall, on or prior to the delivery of the Refunding Bonds, certify that the conditions for issuing the Refunding Bonds, secured on a parity basis by General Revenues with the Outstanding Obligations, have been met; and

WHEREAS, it is necessary to authorize the Authorized Officers, or either of them individually, to negotiate the sale of the Refunding Bonds with an underwriter or group of underwriters to be selected by an Authorized Officer (collectively, the "Underwriter") and to enter into a bond purchase agreement (the "Bond Purchase Agreement") with the Underwriter setting forth the terms and conditions upon which the Underwriter will agree to purchase the Refunding Bonds and the interest rates thereon and the purchase price therefor; and

WHEREAS, in order to be able to market the Refunding Bonds, if issued, at the most opportune time, it is necessary for the Board to authorize the Authorized Officers, or either of them individually, to negotiate, execute and deliver on behalf of the Board, the Trust Indenture, the Bond Purchase Agreement, and other related documents, to establish the specific terms of the Refunding Bonds and to accept the offer of the

Underwriter to purchase the Refunding Bonds, and to obtain, if appropriate and economic, a policy of bond insurance for the Refunding Bonds, all as may be deemed necessary and desirable by an Authorized Officer, and all within the limitations set forth herein; and

WHEREAS, the Board has full power under its constitutional authority for supervision of the University, and control and direction of expenditures from the University's funds, to authorize the issuance of the Refunding Bonds, to refund the Bonds to be Refunded, and to pledge General Revenues for payment of the Refunding Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF OAKLAND UNIVERSITY, AS FOLLOWS:

1. Authorization of the Refunding Bonds and Related Agreements; Terms of the Refunding Bonds; Related Matters. The Board hereby authorizes the issuance, execution and delivery of the Refunding Bonds of the Board in one or more series, to be designated GENERAL REVENUE REFUNDING BONDS (with appropriate alternative or additional series designations), in the aggregate original principal amount to be established by an Authorized Officer, but not to exceed the principal amount necessary to refund any or all of the Bonds to be Refunded, presently estimated not to exceed \$24,500,000, and to pay costs related thereto. The Refunding Bonds shall be dated as of the date or dates established by an Authorized Officer, and shall be issued for the purpose of providing funds which, together with other available funds, will be used to pay the costs of refunding any or all of the Bonds to be Refunded, and other costs related or incidental to the issuance of the Refunding Bonds and the refunding, including but not limited to the cost of bond insurance if an Authorized Officer determines such insurance to be appropriate. The Refunding Bonds may be issued as tax-exempt or taxable bonds, shall be serial bonds, or term bonds which may be subject to redemption requirements, or both, as shall be established by an Authorized Officer, but the first maturity or mandatory redemption date shall be no earlier than May 15, 2013, and the last maturity shall be no later than May 15, 2026. The Refunding Bonds may bear interest at stated fixed rates for the respective maturities thereof as shall be established by an Authorized Officer, but the weighted average yield (computed using the stated coupon and the stated original offering price) for the Refunding Bonds shall not exceed 3.75% per annum. The Refunding Bonds may be subject to redemption prior to maturity at the times and prices and in the manner as shall be established by an Authorized Officer, but no redemption premium shall exceed 3% of the principal amount being redeemed. Interest on the Refunding Bonds shall be payable at such times as shall be specified by an Authorized Officer. The Refunding Bonds shall be issued in fully registered form in denominations, shall be payable as to principal and interest in the manner, shall be subject to transfer and exchange, and shall be executed and authenticated, all as shall be provided in the Trust Indenture. The Refunding Bonds shall be sold to the Underwriter pursuant to the Bond Purchase Agreement for a price to be established by an Authorized Officer (but the Underwriter's discount, exclusive of original issue discount, shall not exceed 1.5% of the principal amount thereof) plus accrued interest, if any, from the dated date of the Refunding Bonds to the date of delivery thereof.

Either of the Authorized Officers is hereby authorized and directed to select all or a portion of the Series 2004 Bonds to constitute the Bonds to be Refunded, based on whether such refunding is expected to produce debt service savings or a more favorable debt service structure, and to fund, if deemed appropriate, a portion of the costs of the refunding from available funds of the University and the balance of such costs from the proceeds of the Refunding Bonds, and to proceed with the refunding.

In relation to the debt service on the Refunding Bonds, or in relation to all or any portion of the debt service on the Outstanding Bonds, either of the Authorized Officers may, at any time, on behalf of the Board, enter into an interest rate swap, cap, forward starting swap, rate lock, option, swaption or similar agreement or agreements (collectively, the "Swap Agreement") with a counter-party or counter-parties to be selected by the Authorized Officer. Such Swap Agreement shall provide for payments between the Board and the counter-party related to interest on all or a portion of the Refunding Bonds or the Outstanding Bonds, or to indexed or market established rates. If the Swap Agreement is entered into in connection with the issuance of the Refunding Bonds, the expected effective interest rates on the Refunding Bonds, taking into account the effect of the Swap Agreement, shall be within the limitations set forth herein. Any Swap Agreement in the form of an option, rate lock, swaption or forward starting swap, may, if the Refunding Bonds to which such agreement relates are not ultimately issued, be required to be terminated, with a possibility of a resulting termination payment due by the University. In addition, either Authorized Officer is authorized to modify or terminate any existing interest rate swap or similar agreement entered into in connection with any of the Outstanding Bonds, if the Authorized Officer determines such action is economic and in the best interests of the Board, based on the advice of the University's financial advisor.

2. Limited Obligation of the Board; Security. The Refunding Bonds, and the obligations of the Board under the Swap Agreement, if any, shall be limited and not general obligations of the Board payable from and secured by a lien on the General Revenues and moneys, securities or other investments from time to time on deposit in certain funds created pursuant to the Trust Indenture, or agreements entered into in connection with the Swap Agreement. Except as otherwise determined by an Authorized Officer, as provided below, the lien on General Revenues shall be on a parity basis with the liens on General Revenues securing the Outstanding Obligations.

As used herein and in the Trust Indenture and related documents, "General Revenues" shall be defined generally to include all fees, deposits, charges, receipts and income from all or any part of the students of the University, whether activity fees, tuition, instructional fees, tuition surcharges, general fees, health fees or other special purpose fees; all gross income, revenues and receipts from the ownership, operation and control of the Board's housing, dining and auxiliary facilities; all unrestricted receipts from departmental or educational activities; all unrestricted grants, gifts, donations and pledges and receipts therefrom; all unrestricted recoveries of indirect costs; and all unrestricted investment income, *but excluding* all of the following: (a) student activity fees approved by student referendum and not reported in the University's current funds; (b) any deposits required by law or contract to be held in escrow; (c) any gifts, grants, donations or pledges and receipts therefrom restricted as to use in a manner inconsistent

with payment of amounts due on the Refunding Bonds and any obligations secured on a parity with the Refunding Bonds; (d) appropriations to the University from the State Legislature; (e) any income, revenues or receipts of whatever kind or nature attributed by the University to the University's constituent school of medicine; and (f) up to an amount equal to an aggregate of 5% of General Revenues each fiscal year collected annually from the levy of a special fee hereafter established by the Board and designated by the Board to be excluded from General Revenues.

No recourse shall be had for the payment of the principal amount of or interest or premium on the Refunding Bonds, or for the payment of amounts owing under the Swap Agreement, if any, or any claim based thereon, against the State of Michigan, the Board (except as provided herein) or the University, or any member, officer or agent thereof, as individuals, either directly or indirectly, nor shall the Refunding Bonds and interest and premium, if any, with respect thereto, or any obligations of the Board under the Swap Agreement, if any, become a lien on or be secured by any property, real, personal or mixed, of the State of Michigan or the Board, other than the General Revenues and the moneys, securities or other investments from time to time on deposit in certain funds established and pledged pursuant to the Trust Indenture or agreements entered into in connection with the Swap Agreement, if any.

Any pledge of General Revenues, and funds specified in the Trust Indenture or agreements entered into in connection with the Swap Agreement, if any, shall be valid and binding from the date of the issuance and delivery of the Refunding Bonds or such agreements, and all moneys or properties subject thereto which are thereafter received shall immediately be subject to the lien of the pledge without physical delivery or further act. The lien of said pledge shall be valid and binding against all parties (other than the holders of any other bonds, notes or obligations secured by a parity first lien on General Revenues) having a claim in tort, contract or otherwise against the Board, irrespective of whether such parties have notice of the lien.

Notwithstanding anything herein to the contrary, any obligations of the Board under the Swap Agreement, if any, may, if determined appropriate by an Authorized Officer, be payable and secured on a subordinated basis to the Refunding Bonds and other General Revenue obligations of the Board, or may be unsecured.

3. Additional Bonds. The right is reserved to issue additional bonds, notes or other obligations payable from and secured on a parity basis with the Refunding Bonds and the Outstanding Obligations from the General Revenues, upon compliance with the terms and conditions as shall be set forth in the Trust Indenture and the trust indentures and agreements pursuant to which the Outstanding Obligations were issued.

4. Selection of Trustee; Terms of Documents; Bond Insurance. Either Authorized Officer is hereby authorized and directed, in the name and on behalf of the Board, to select the Trustee, and to negotiate the terms of and execute and deliver the Trust Indenture. The Trust Indenture may contain such covenants of the Board and terms as the Authorized Officer may deem appropriate, including, but not limited to, covenants with respect to the establishment of General Revenues at levels expressed as a percentage of debt service on the Refunding Bonds or all General Revenue Bonds,

and with respect to the issuance of additional bonds, notes or other obligations payable from and secured by General Revenues. In addition, either Authorized Officer is hereby authorized, empowered and directed to negotiate, if necessary for the issuance of the Refunding Bonds, for the acquisition of bond insurance and to execute and deliver an insurance commitment or other documents or instruments required in connection with such insurance.

5. Sale of the Bonds; Selection of Underwriter or Purchaser; Terms of Purchase. Either Authorized Officer is hereby authorized and directed, in the name and on behalf of the Board, to select the Underwriter and to negotiate the terms of and execute and deliver the Bond Purchase Agreement with the Underwriter setting forth the terms of the Refunding Bonds and the sale thereof, all within the limitations set forth herein.

6. Execution and Delivery of Bonds. Either Authorized Officer is hereby authorized, empowered and directed, in the name and on behalf of the Board, to execute the Refunding Bonds by placing his or her facsimile or manual signature thereon, and to deliver the Refunding Bonds to the Underwriter in exchange for the purchase price therefor, as provided in the Bond Purchase Agreement.

7. Ratings; Official Statement. Either Authorized Officer is hereby authorized to solicit ratings on the Refunding Bonds from any national rating services that the Authorized Officer deems appropriate and to cause the preparation of a Preliminary Official Statement, if necessary, and an Official Statement with respect to the issuance of the Refunding Bonds, and to execute and deliver the Official Statement. The Underwriter is authorized to circulate and use, in accordance with applicable law, the Preliminary Official Statement, if any, and the Official Statement in connection with the offering, marketing and sale of the Refunding Bonds.

8. Additional Acts Required; Escrow Agreement. The Authorized Officers, and any other officers or personnel of the Board or the University authorized by the Board to act on its behalf as certified by the Vice President for Legal Affairs and General Counsel, are, and each one of them individually is, hereby authorized to perform all acts and deeds, and to execute and deliver, for and on behalf of the Board, all instruments and documents required by this Resolution, the Trust Indenture, the Swap Agreement, if any, or the Bond Purchase Agreement, or necessary, expedient and proper in connection with the issuance, sale and delivery of the Refunding Bonds or the refunding of the Bonds to be Refunded, as contemplated hereby, including, if deemed appropriate, an escrow deposit agreement with an escrow agent to be designated by an Authorized Officer. Each Authorized Officer is hereby authorized to designate and empower the escrow agent or the Underwriter to subscribe for United States Treasury Obligations, State and Local Government Series, on behalf of the Board, as may be necessary in connection with any refunding authorized hereby. Any reference to an officer of the Board or the University herein shall include any interim or acting officer appointed by the Board. Any action at any time required or appropriate under the Trust Indenture, the Swap Agreement, if any, the Bond Purchase Agreement, or other instrument related to the Refunding Bonds, may be taken by and on behalf of the Board by an Authorized Officer.

9. Continuing Disclosure Undertaking. In accordance with the requirements of Rule 15c2-12 of the United States Securities and Exchange Commission, the Board is required in connection with the issuance of the Refunding Bonds to enter into a Continuing Disclosure Undertaking for the benefit of the holders and beneficial owners of the Refunding Bonds. Either Authorized Officer is authorized to cause to be prepared and to execute and deliver, on behalf of the Board, a Continuing Disclosure Undertaking.

10. Approval by Vice President for Legal Affairs and General Counsel. The Board authorizes and directs that, prior to the execution by either Authorized Officer or other officer or representative of the Board or the University, of documents, certificates or instruments authorized by this Resolution, the Vice President for Legal Affairs and General Counsel of the University shall have reviewed and approved any and all such documents, certificates and instruments, upon, as appropriate, the advice of or consultation with the University's bond counsel.

11. Conflicting Resolutions. All resolutions or parts of resolutions or other proceedings of the Board in conflict herewith are hereby repealed to the extent of such conflict.

After discussion, Chair Kramer, seconded by Trustee Pawley, moved approval of the recommendation, and the motion was approved with five positive votes and one abstention by Trustee Schlusser.

Reappointment of an Independent Public Accounting Firm

Trustee Robinson presented the Reappointment of an Independent Public Accounting Firm recommendation as set forth in the agenda item.

RESOLVED, that AHP be reappointed as the Board of Trustees' independent public accounting firm for FY2013 at a cost not-to-exceed \$76,860; and, be it further

RESOLVED, that the current lead partner, Randy Morse, serve as AHP's lead partner for the FY2013, and FY2014, if AHP is so engaged, engagements; and, be it further

RESOLVED, that AHP will report the results of its annual examination of Oakland University's financial statements in draft form to the Board of Trustees' Audit Committee and in final form to the Board of Trustees; and, be it further

RESOLVED, that the engagement letter that has been reviewed and approved by the Office of the Vice President for Legal Affairs and General Counsel, and is in compliance with the law and University policies and regulations, and conforms to legal standards and policies of the Vice President for Legal Affairs and General Counsel, be approved for signature by the Chair of the Audit Committee.

After discussion, Trustee Schlusser, seconded by Trustee Pawley, moved approval of the recommendation, and the motion was unanimously approved by those present.

F. Other Items for Consideration/Action that May Come Before the Board

There were no other items for consideration/action presented to the Board.

G. Adjournment

Chair Kramer adjourned the meeting at 3:57 p.m.

Submitted,

Approved,



Victor A. Zambardi
Secretary to the Board of Trustees

Michael R. Kramer
Chair, Board of Trustees