

**Revised
Minutes of the Formal Session
of the
Oakland University Board of Trustees
October 31, 2011**

Present: Chair Henry Baskin; Vice Chair Michael R. Kramer; and Trustees Monica E. Emerson, Richard A. Flynn, Jacqueline S. Long, Ronald E. Robinson, Mark E. Schlussel and Jay B. Shah

Also Present: President Gary D. Russi; Senior Vice President Virinder K. Moudgil; Vice Presidents Eric D. Barritt, 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 Emily R. Tissot and Maxwell M. VanRaaphorst

A. Call to Order

Chair Henry Baskin called the meeting to order at 2:00 p.m. 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.

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

Consent Agenda

Minutes of the Board of Trustees Formal Session of August 2, 2011 and Special Formal Session of October 7, 2011

University Personnel Actions

RESOLVED, that the Board of Trustees approve the personnel actions below.

I. New Appointments

Effective August 1, 2011

Lucia, Victoria C., Assistant Professor of Biomedical Sciences without tenure (tenure-track) (\$85,000), Oakland University William Beaumont School of Medicine.

Effective August 15, 2011

Beres, Janith M., Special Instructor in Nursing (\$61,783) (New appointment filling a vacant authorized position).

Brown, Miles C., Instructor of Music (\$49,200) (New appointment filling a vacant authorized position).

Cantir, Cristian A., Instructor of Political Science (\$52,000) (New appointment filling a vacant authorized position).

Chen, Tianxu, Assistant Professor of Management (\$95,000) (New appointment filling a vacant authorized position).

Condron, Dennis J., Assistant Professor of Sociology (\$59,000) (New appointment filling a newly authorized position).

Craig, Mary E., Special Instructor in Biological Sciences (\$65,000) (New appointment filling a vacant authorized position).

Crocket, Stephanie A., Assistant Professor of Education (\$55,000) (New appointment filling a vacant authorized position).

Deubel, Tara F., Assistant Professor of Anthropology (\$57,000) (New appointment filling a vacant authorized position).

Dorko, Lori A., Special Instructor in Accounting (\$75,000) (New appointment filling a vacant authorized position).

Greer, Katie S., Assistant Professor of Library (\$50,000) (New appointment filling a vacant authorized position).

Guest, Anthony R., Assistant Professor of Theatre (\$52,000) (New appointment filling a vacant authorized position).

Hastmann, Tanis J., Assistant Professor of Health Sciences (\$56,000) (New appointment filling a newly authorized position).

Jain, Sachin, Assistant Professor of Education (\$60,000) (New appointment filling a vacant authorized position).

Kaiser, Angela A., Assistant Professor of Social Work (\$55,000) (New appointment filling a newly authorized position).

Kashiwagi-Wood, Akiko, Assistant Professor of Japanese (\$54,000) (New appointment filling a newly authorized position).

Lorca, Daniel S., Assistant Professor of Spanish (\$53,000) (New appointment filling a vacant authorized position).

Melnick, Ross D., Assistant Professor of English (\$52,000) (New appointment filling a vacant authorized position).

Meyers, Erin A., Assistant Professor of Communication (\$52,000) (New appointment filling a vacant authorized position).

Naser, Md. Abu, Assistant Professor of Journalism (\$52,000) (New appointment filling a vacant authorized position).

Rutledge, Amy M., Special Instructor in Management Information Systems (\$62,000) (New appointment filling a vacant authorized position).

Shu, Tao, Assistant Professor of Engineering (\$77,000) (New appointment filling a vacant authorized position).

Steffy, Daniel E., Assistant Professor of Mathematics (\$62,500) (New appointment filling a vacant authorized position).

Sule, Venice T., Assistant Professor of Education (\$61,000) (New appointment filling a newly authorized position).

Tang, Jing, Assistant Professor of Engineering Biology (\$77,000) (New appointment filling a newly authorized position).

Tivis, Tierra B., Assistant Professor of Education (\$55,000) (New appointment filling a newly authorized position).

Vaughan, Michael Hunter, Assistant Professor of English (\$54,000) (New appointment filling a vacant authorized position).

Vonk, Jennifer M., Assistant Professor of Psychology (\$60,000) (New appointment filling a newly authorized position).

Walwema, Josephine N., Assistant Professor of Writing (\$52,000) (New appointment filling a vacant authorized position).

Wang, Yuejian, Assistant Professor of Physics (\$65,000) (New appointment filling a vacant authorized position).

Wigent, Catherine A., Assistant Professor of Education (\$55,000) (New appointment filling a vacant authorized position).

Wloch, Marta, Assistant Professor of Chemistry (\$60,000) (New appointment filling a vacant authorized position).

Zeigler-Hill, Virgil L., Assistant Professor of Psychology (\$60,000) (New appointment filling a vacant authorized position).

Zuo, Li, Assistant Professor of Biological Sciences (\$62,000) (New appointment filling a vacant authorized position).

II. Administrative Appointments

Schott-Baer, F. Darlene, Interim Vice Provost for Graduate Education and Professor of Nursing, with tenure. Effective October 1, 2011, pursuant to the Employment Agreement between F. Darlene Schott-Baer 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.

Smith, Lorenzo M., Associate Dean, School of Engineering and Computer Sciences, and Associate Professor of Engineering, with tenure. Effective August 15, 2011, pursuant to the Employment Agreement between Lorenzo M. Smith 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.

Department Chairs

<u>Chair</u>	<u>Department</u>	<u>Term</u>
Aloi, Daniel N.	Electrical & Computer Engineering	August 15, 2011 – August 14, 2014 (1 st term)
Brown, Nancy M.	Teacher Development & Educational Studies	August 15, 2011 – August 14, 2014 (1 st term)
Hawley, Lisa D.	Counseling	August 15, 2011 – August 14, 2014 (2 nd term)
Mourelatos, Zissimos P.	Mechanical Engineering	August 15, 2011 – August 14, 2014 (1 st term)
Pavonetti, Linda M.	Reading & Language Arts	August 15, 2011 – August 14, 2014 (1 st term)
Swift, Carol A.	Human Development & Child Study	August 15, 2011 – August 14, 2014 (5 th term)

Van Til, Robert P.

Industrial & Systems
Engineering

August 15, 2011 – August 14, 2014
(1st term)

**III. Oakland University William Beaumont School of Medicine New
Appointments, effective October 31, 2011**

The following standard appointments in the Oakland University William Beaumont School of Medicine are for three years, commencing on August 2, 2011, 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:

Abrou, Ayad, Assistant Professor, Internal Medicine
Burks, Frank N., Assistant Professor, Urology
Chaiyasate, Kongkrit, Assistant Professor, Surgery
Daniel, Iris B., Assistant Professor, Family Medicine
Donaldson, Peter R., Assistant Professor, Orthopedic Surgery
Fahim, Daniel, Assistant Professor, Surgery
Fragoso, Jose' M., Adjunct Assistant Professor, Diagnostic Radiology
Gilpin, Nicholas, Assistant Professor, Internal Medicine
Gupta, Navdeep, Assistant Professor, Internal Medicine
Hack, William D., Adjunct Assistant Professor, Diagnostic Radiology
Heinsimer, James A., Assistant Professor, Internal Medicine
Hubers, Michael, Assistant Professor, Orthopedic Surgery
Karimipour, Darius, Assistant Professor, Internal Medicine
Khayyata, Said H., Assistant Professor, Pathology
Knapke, Donald, Assistant Professor, Orthopedic Surgery
Matlen, Jerry A., Assistant Professor, Orthopedic Surgery
Merson, Richard M., Associate Professor, Physical Medicine & Rehabilitation
Nasir, Mohsen, Assistant Professor, Internal Medicine
Park, Daniel K., Assistant Professor, Orthopedic Surgery
Rifat, Sami F., Associate Professor, Family Medicine
Rolnick, Michael I., Associate Professor, Physical Medicine & Rehabilitation
Rontal, Eugene, Associate Professor, Otolaryngology (Surgery)
Sadowski, Jason, Assistant Professor, Orthopedic Surgery
Scapini, David, Assistant Professor, Otolaryngology (Surgery)
Schultz, Cheryl Culver, Adjunct Assistant Professor, Diagnostic Radiology
Singla, Rohit, Assistant Professor, Diagnostic Radiology
Speck, John, Assistant Professor, Internal Medicine
Sripada, Subra, Adjunct Assistant Professor, Biomedical Sciences
Sullivan, Jr., Mack H., Assistant Professor, Surgery
Vaupel, Zachary M., Assistant Professor, Orthopedic Surgery
Yerman, Howard, Assistant Professor, Otolaryngology (Surgery)

Young, Esther, Assistant Professor, Internal Medicine

Ysunza, Antonio, Visiting Associate Professor, Otolaryngology (Surgery)

IV. Emeritus Appointments

Farragher, Edward J., Professor Emeritus of Finance, effective October 31, 2011.

Mabee, Barbara U., Professor Emerita of German, effective October 31, 2011.

Willoughby, Floyd G., Professor Emeritus of Management, effective October 31, 2011.

V. Change of Status

Connery, Brian A., from Professor of English and Interim Director International Education to Director, International Education-Study Abroad and Professor of English, Department of English, effective June 24, 2011.

Dinda, Sumit, from Assistant Professor of Medical Laboratory Sciences to Assistant Professor of Biomedical Diagnostic and Therapeutic Sciences, effective September 1, 2011.

Giberson, Tomas R., from Associate Professor of Education to Acting Department Chair of Human Resource Development and Associate Professor of Education, effective August 15, 2011 through August 14, 2012.

Landis-Piwowar, Kristin, from Assistant Professor of Medical Laboratory Sciences to Assistant Professor of Biomedical Diagnostic and Therapeutic Sciences, effective September 1, 2011.

Lepkowski, Frank J., from Interim Dean University Library to Associate Dean of University Library and Associate Professor of Library, with tenure, effective August 15, 2011.

Long, Michael P., from Department Chair of Human Resource Development and Associate Professor of Education to Associate Professor of Education, effective August 15, 2011.

Polis, Michael P., from Department Chair of Industrial and Systems Engineering and Professor of Engineering to Professor of Engineering, Department of Industrial and Systems Engineering, effective August 15, 2011.

Schwartz, Robert M., from Interim Department Chair of Reading & Language Arts and Professor of Education to Professor of Education, effective August 15, 2011.

Tracy, Dyanne M., from Department Chair of Teacher Development & Educational Studies\Professor of Education to Professor of Education, effective August 15, 2011.

Williams, Joanne L., from Professor of Medical Laboratory Sciences to Professor of Biomedical Diagnostic and Therapeutic Sciences, effective September 1, 2011.

Acceptance of Gifts and Pledges to Oakland University for the Period of July 1 through September 30, 2011

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 July 1 through September 30, 2011.

(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 July 1, 2011 through September 30, 2011

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 July 1, 2011 through September 30, 2011.

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

Final Undergraduate School and Graduate School Reports – Summer I 2011 – June 22, 2011

RESOLVED, that the Board of Trustees approves granting the degrees more fully described in the Final Undergraduate School Report and the Final Graduate School Report, each dated June 22, 2011.

(A copy of the Final Undergraduate School and Graduate School Reports – Summer I 2011 – June 22, 2011 is on file in the Board of Trustees Office.)

Fiscal Year 2013 Five-Year Capital Outlay Plan and Fiscal Year 2013 Capital Outlay Project Request

RESOLVED, that the Board of Trustees approves the submission of the attached Fiscal Year 2013 Five-Year Capital Outlay Plan and Fiscal Year 2013 Capital Outlay Project Request to the State of Michigan, State Budget Office, as representative of Oakland University's capital budget needs.

(A copy of the Fiscal Year 2013 Five-Year Capital Outlay Plan and Fiscal Year 2013 Capital Outlay Project Request to the State of Michigan, State Budget Office is on file in the Board of Trustees Office.)

Approval of Honorary Degree for R. Hugh Elliott

RESOLVED, that the Board of Trustees awards the honorary degree of Doctor of Science, *Honoris Causa*, to R. Hugh Elliott.

Trustee Richard A. Flynn, seconded by Trustee Michael R. Kramer, moved approval of the Consent Agenda, and the motion was unanimously approved by those present.

E. New Items for Consideration/Action

Authorizing Resolution – General Revenue Bonds, Series 2012

Mr. Beaghan presented the Authorizing Resolution – General Revenue Bonds, Series 2010 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, it may be appropriate and economical to refund all or part of the Outstanding Obligations (the portion of the Outstanding Obligations, if any, to be refunded to be determined by an Authorized Officer (hereinafter defined) and being herein called the "Bonds to be Refunded"); and

WHEREAS, the financing of all or a portion of the Projects and the refunding of the Bonds to be Refunded, if any, 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 it is necessary and desirable to authorize the issuance of General Revenue Bonds (the "Bonds") in order to provide funds that, together with other available funds, will be used to pay all or part of the costs of the Projects and the refunding of the Bonds to be Refunded, if any, and to pay costs incidental to the issuance of the Bonds and the refunding; 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 or 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 an Authorized Officer, pursuant to which the Bonds will be issued and secured; and

WHEREAS, the indentures 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, the Vice President for Finance and Administration of the University 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 the President and the Vice President for Finance and Administration of the University (each an "Authorized Officer") or either of them 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 to be selected by an Authorized Officer (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 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, to refund the Bonds to be Refunded, to pay all or a portion of the costs of the Projects and of the refunding 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 and the Refundings.** 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. The Board further approves the refunding of the Bonds to be Refunded and authorizes the Authorized Officers, or either of them, to select the portion, if any, of the Outstanding Obligations to constitute the Bonds to be Refunded, in order to produce interest costs savings, more favorable debt service schedules, or more flexible documentation, as shall be determined by an Authorized Officer, and to cause to be called for redemption the Bonds to be Refunded as are appropriate and consistent with the foregoing objectives.

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 2012 (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 \$50,000,000, plus an amount necessary to fund capitalized interest on the Bonds as an Authorized Officer deems appropriate and an amount necessary to accomplish the refunding of the Bonds to be Refunded. The Bonds shall be dated as of the date or dates established 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, all or a portion of the costs of refunding the Bonds to be Refunded, if any, as shall be determined by an Authorized Officer, and costs incidental to the issuance of the Bonds and the refunding, 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 April 1, 2012 and the final maturity shall be not later than December 31, 2042. 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, unless the redemption price is based on a "make-whole" formula, in which case the premium shall not exceed 40% 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 and as a corporate act and deed 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 Board'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 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 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, which at this time is privately funded, and not reported in the University's current funds; 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 any member or agent of the Board (including, without limitation, any officer or employee of the University), 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 as 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 any agreement with respect to the Liquidity Device 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 but 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 and as its corporate act and deed, 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 such Authorized Officers 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 and as its corporate act and deed, 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, and as its corporate act and deed, 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. **Notice of Sale; Official Statement.** Either Authorized Officer is hereby authorized 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, the Vice President for Legal Affairs, General Counsel and Secretary of the Board, and any other appropriate officers and authorized personnel of the Board or the University, as determined by the Vice President for Legal Affairs and General Counsel, are 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, necessary, expedient and proper in connection with the issuance, sale and delivery of the Bonds, as contemplated hereby, including, if deemed appropriate, an escrow deposit agreement with an escrow agent to be selected by an Authorized Officer, and to designate and empower the escrow agent or Underwriter to subscribe for United States Treasury Obligations (State and Local Government Series) 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 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 related 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 and as the act 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 insofar as such conflict exists.

Dr. Gary D. Russi, President, asked Ms. Rochelle A. Black, Vice President for Governmental Relations, to comment on Chair Baskin's question regarding how certain the State will fulfill its financial commitment. Ms. Black stated it has never happened in the history that the State would not fund its share of the project and urged the University to move quickly.

Mr. Jerry Rupley, Miller Canfield, commented there is nothing in writing committing the State, there is no contractual obligation, and once construction is approved at the State level, universities are authorized to spend their own money and the State will not issue

its bonds through the State Building Authority until universities have expended their own money. Mr. Rupley commented further that it would be unprecedented for the State not to fund its share of the project.

Chair Baskin asked Mr. Beaghan if the University can afford \$30M without impacting a huge tuition increase. Mr. Beaghan commented there has been a tuition increase every year since he has been at the University and anticipates there will be a tuition increase proposed for next year.

Trustee Kramer asked about naming rights for the building to get endowed funds. Mr. Eric D. Barritt, Vice President for Community Engagement, commented he is anticipating making the School of Engineering and Computer Science building part of the next campaign for the University and he has already started working with individuals, corporations and foundations to secure funding.

Mr. Beaghan introduced the Engineering Center Committee: Trustees Ronald E. Robinson and Jay B. Shah; Vice President for Academic Affairs and Provost Virinder K. Moudgil; Dean of the School of Engineering and Computer Sciences Louay Chamra; Associate Dean of the School of Engineering and Computer Science Lorenzo Smith; Associate Vice President for Facilities Management Terry Stollsteimer; Director of Capital Planning and Design Steve Zmich; and himself. The Committee was charged with advising on the schematic design process.

Dr. Moudgil called on Dean Chamra to discuss the Engineering Center proposed schematic design, how the building will meet their needs and naming opportunities for the building and individual labs.

Chair Baskin acknowledged the work done and great deal of time spent by Trustees Robinson and Shah.

Dean Chamra addressed Chair Baskin's comment on Trustee Mark E. Schlusser's mention at the last meeting of an engineering and medical school collaboration. He is doing a lot of collaboration with Beaumont Hospital and physicians. He just received a NIH grant for \$800,000 for medical equipment for the engineering school.

Trustee Robinson commented he is satisfied with the contributions of the school and other committee members. He asked Dean Chamra to speak to the future growth of the engineering school and how quickly we will be at capacity and the research side of the use of the building. Dean Chamra commented the school can accommodate the increase in faculty and students and has already seen growth in research up to \$7.9M.

Trustee Robinson asked about recruitment of high school students. Dean Chamra stated both he and faculty members are already conducting outreach to high schools and middle schools.

Dean Chamra thanked Trustees Robinson and Shah for their time, commitment and expertise.

Trustee Monica E. Emerson commended Dean Chamra on his commitment in involving middle schools and outreach to the underrepresented community.

Mr. Beaghan introduced Kari Blanchett, Public Financial Management, who is acting as the University's debt advisor, and Jerry Rupley acting as bond counsel.

Ms. Blanchett and Mr. Rupley addressed the Board regarding their role in the project and advised on the research on their recommendations.

Ms. Blanchett indicated her role is to serve as extension of OU staff, and go through the whole financing process, assist in putting a professional team together including the underwriter, prepare the debt capacity analysis, debt structure, manage the financing timeline, assist with preparing and reviewing the documentation, managing the rating process, and assist with the pricing of the bonds. Ms. Blanchett indicated the University has an A-1 rating and commended the University on having a strong rating and this is contributed to the stability in leadership and the strong financial management of the University.

Trustee Schluskel asked Mr. Beaghan to comment on the University's debt capacity in relation to the University's present cash flow and total financial capacity. Trustee Schluskel commented further that if the credit rating were low enough the University would have an expandable debt capacity but not necessarily the cash flow to carry the debt, so the question really becomes what is the University's debt capacity if one assumes the same credit rating, or, what would the debt capacity be without destroying the University's credit rating? He stated further that he was interested in the University's debt capacity after financing of the engineering building, assuming the bond issuance for the engineering building was \$46 million, should the University want to fund other important projects in the future, such as for the school of medicine.

Mr. Beaghan asked Ms. Blanchett to first explain how debt capacity is determined, and she explained that debt capacity is determined by using the University's total financial numbers and calculating various ratios. She indicated that she believed the University would still have about \$80 million to \$90 million of debt capacity left to issue additional debt, after the bond issuance for the engineering building. Mr. Rupley added that debt capacity is not a hard and fast scientifically produced number. If the University is willing to go down in rating, the University would have a much greater debt capacity and it is a tradeoff. Mr. Beaghan added that the effect on the University's debt capacity is also affected by the type of project, for example, a housing project that is self-liquidating, and recollected that PFM's analysis concluded the University's debt capacity would be in about the same range, about \$70 million to \$75 million.

In response to Trustee Robinson's question regarding the State's commitment, Mr. Rupley commented the State is never committed until they have issued their debt and that would be after the University has expended its funds. The bonds are payable as general revenue bonds. The bond holders evaluate the capacity of the University to pay this from its overall general revenues and the bond holders expect, as well as the University, that the State will meet its commitments to its universities with respect to the funding of the capital requirements once they have reached the stage of the process that they will approve it.

In response to Trustee Shah's question regarding revenue bonds, Mr. Rupley stated yes constitutionally, it has to be a revenue bond. Over the years the concept of securing bonds with general revenues for the public universities in Michigan was created and that includes all the revenue the universities receive with the exception of restricted gifts and state appropriations.

After a thorough discussion, Trustee Kramer, seconded by Trustee Flynn, moved approval of the recommendation, and the motion was unanimously approved by those present.

Schematic Design for the Engineering Center

Dr. Moudgil and Mr. Beaghan presented the Schematic Design for the Engineering Center recommendation as set forth in the agenda item.

RESOLVED, that the Board of Trustees approves the Engineering Center Schematic Design (Attachment B, 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 for the Engineering Center, and perform all acts and deeds required by this resolution, consistent with the project scope, Schematic Design, and budget (budget is inclusive of all design, construction, furnishings, equipment, and project management), not to exceed \$74,551,739; and, be it further

RESOLVED, that the Board of Trustees approves the submission of the Engineering Center Schematic Design to the State Budget Office for approval.

Trustee Schluskel commented regarding land use planning perspective and asked if SmithGroup has taken a look at the long range aspects of what the campus will look like and whether it is being coordinated to maximize the beauty of the University.

Mr. Beaghan stated in the siting of the building between Dodge, Elliott and Kresge, SmithGroup has already presented us with ideas for what we will do when there might be future buildings in that area and what we might do for interaction between the buildings, pathways and landscaping.

Mr. Beaghan called on Dean Chamra and Mr. Paul Urbanak from SmithGroup to comment on Trustee Schluskel's question regarding the plan and how the buildings relate to each other making the environment attractive to students, faculty and the surrounding environment. Dean Chamra stated that the goal is to position the Engineering Center in the center of campus to create a student activity environment.

Mr. Urbanak added that the campus was looked at as a whole to develop the best option.

Trustee Schlusser asked how this building impacts on the reality of OU years from now and look within a global perspective and to keep in mind what we can do to achieve a greater good for the University.

Mr. Urbanak stated they are following a master plan with the Center strategically placed adjacent to Dodge Hall of Engineering, along with its association with the School of Business and the immediate adjacency to the Library.

Mr. Urbanak responded to a question from Mr. Max VanRaaphorst, Student Liaison, noting that the Center will offer room for student study and food service areas.

After a thorough discussion, Trustee Schlusser, seconded by Trustee Jacqueline S. Long, moved approval of the recommendation, and the motion was unanimously approved by those present.

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

Appointment of the Dean of the Oakland University School of Nursing

Dr. Moudgil on presented the Appointment of the Dean of the Oakland University School of Nursing recommendation as set forth in the agenda item.

RESOLVED, that the Board of Trustees appoints Dr. Kerri D. Schuling to the position of Dean of the School of Nursing, in accordance with and subject to the terms and conditions of the Employment Agreement between Dr. Kerri D. Schuling and Oakland University.

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

Bachelor of Science in Biomedical Sciences

Dr. Moudgil called on Dr. Ronald Sudol, Dean, College of Arts and Sciences and Dean to present the Bachelor of Science in Biomedical Sciences recommendation as set forth in the agenda item.

Dean Sudol called on Dr. Arik Dvir, Chair, Biological Sciences, to further discuss the Bachelor of Science in Biomedical Sciences.

RESOLVED, that the Board of Trustees authorizes the College of Arts and Sciences to offer a Bachelor of Science in Biomedical Sciences; and, be it further

RESOLVED, that the Bachelor of Science in Biomedical Sciences be reviewed annually by the Provost to determine academic quality and fiscal viability and whether the program should be continued.

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

Real Estate Lease Agreement -- Oakland Schools

Dr. Moudgil called on Dr. Louis B. Gallien, Dean, School of Education and Human Services, to present the Real Estate Lease Agreement – Oakland Schools recommendation as set forth in the agenda item.

RESOLVED, that the Board of Trustees authorizes the Senior Vice President for Academic Affairs and Provost to execute the lease agreement; and, be it further

RESOLVED, that the lease agreement be reviewed and approved by the Office of the Vice President of Legal Affairs and General Counsel prior to execution, and be in compliance with the law and University policies and regulations, and conform to legal standards and policies of the Vice President for Legal Affairs and General Counsel

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

Financial Statements, June 30, 2011 and 2010

Mr. Beaghan called on Mr. Randy Morse, Partner, Andrew Hooper & Pavlik, P.L.C., to present the Financial Statements, June 30, 2011 and 2010 recommendation as set forth in the agenda item.

Mr. Morse introduced Mr. Roger Hitchcock, Partner, Andrew Hooper & Pavlik, P.L.C., and noted that Mr. Hitchcock's role is to complete an independent review of the financial statements.

RESOLVED, that the Board of Trustees accept the Financial Statements, June 30, 2011, and 2010, which were audited by the public accounting firm of Andrews Hooper & Pavlik P.L.C.

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

Schedule of Expenditures of Federal Award Programs in Accordance with OMB Circular A-133 Year Ended June 30, 2011

Mr. Beaghan called on Mr. Morse to present the Schedule of Expenditures of Federal Award Programs in Accordance with OMB Circular A-133 Year Ended June 30, 2011 recommendation as set forth in the agenda item.

RESOLVED, that the Board of Trustees accept the Schedule of Expenditures of Federal Award Programs in Accordance with OMB Circular A-133 Year Ended June 30, 2011, which was audited by the public accounting firm of Andrews Hooper & Pavlik P.L.C.

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

**Agreement between Oakland University and Police Officers Labor Council (POLC)
July 1, 2011 – June 30, 2014**

Mr. Beaghan called on Mr. Ronald P. Watson, Assistant Vice President for University Human Resources, to present the Agreement between Oakland University and Police Officers Labor Council (POLC) July 1, 2011 – June 30, 2014 recommendation as set forth in the agenda item.

RESOLVED, that the Board of Trustees approves the Agreement Between Oakland University and the Police Officers Labor Council (POLC), July 1, 2011 – June 30, 2014.

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

Agreement between Oakland University and Police Officers Association of Michigan (POAM) October 1, 2011 – September 30, 2014

Mr. Beaghan called on Mr. Watson to present the Agreement between Oakland University and Police Officers Labor Council (POLC) July 1, 2011 – June 30, 2014 recommendation as set forth in the agenda item.

RESOLVED, that the Board of Trustees approves the agreement between Oakland University and the Police Officers Association of Michigan (POAM), October 1, 2011 through September 30, 2014.

After discussion, Trustee Flynn, seconded by Trustee Kramer, 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

Dr. Carl Byerly, Founder, Michigan Schools for the Arts, addressed the Board regarding the Michigan Schools for the Arts Charter School. A copy of Dr. Byerly's comments is on file in the Board of Trustees Office. Chair Baskin requested additional information to the Board.

Benjamin Eveslage, Student Board President, addressed the Board regarding the Imam Feisal Abdul Rauf Speaking Engagement. A copy of Mr. Eveslage's comments is on file in the Board of Trustees Office.

Alexa Van Vliet, President, Gay Straight Alliance, addressed the Board regarding the progress on full-time coordinator for Gender & Sexuality Center. A copy of Ms. Van Vliet's comments is on file in the Board of Trustees Office.

Nancy Strachan, Vice President, Michigan Education Association, addressed the Board regarding the OUCMT. A copy of Ms. Strachan's comments is on file in the Board of Trustees Office.

G. Adjournment

Chair Baskin adjourned the meeting at 4:10 p.m.

Submitted,

Approved,



Victor A. Zambardi
Secretary to the Board of Trustees

Henry Baskin
Chair, Board of Trustees