

**Minutes of the Formal Session
of the
Oakland University Board of Trustees
July 1, 2014**

Present: Vice Chair Richard A. Flynn; and Trustees Richard L. DeVore, Monica E. Emerson, Ronald E. Robinson, Mark E. Schlusssel and Jay B. Shah

Absent: Chair Michael R. Kramer and Trustee Scott G. Kunselman

Also Present: Interim President Betty J. Youngblood; Senior Vice President James P. Lentini; Vice Presidents Eric D. Barritt, John W. Beaghan, Rochelle A. Black and Interim Vice President Glenn McIntosh; Vice President and Secretary to the Board of Trustees Victor A. Zambardi; and Student Liaisons Walter B. Lashar and Scott A. Shermetaro

A. Call to Order

Vice Chair Richard A. Flynn called the meeting to order at 2:00 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 Chair Michael R. Kramer and Trustee Scott G. Kunselman.

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.

Mr. Beaghan explained that the fiscal year has ended and the rest of July will be spent closing the books and the Board's external auditors will perform an audit in August. The State's FY2015 budget includes a \$2.7M increase to Oakland's appropriation.

With the recently received charitable gift annuity from Steve and Patty Sharf, the endowment is now valued at over \$80M. Preliminary endowment returns have improved and are comparable to benchmarks with a fiscal year return on the endowment of over 16%. Construction projects are proceeding according to plan and are within budgets.

D. Consent Agenda for Consideration/Action

Consent Agenda

Minutes of the Board of Trustees Formal Session of May 7, 2014 and Special Board of Trustees Formal Session of May 21, 2014

University Personnel Actions

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

I. Oakland University William Beaumont School of Medicine Standard Appointments, effective July 1, 2014.

The following standard appointments in the Oakland University William Beaumont School of Medicine are for three years, commencing on July 1, 2014, 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:

| | | |
|----------------------------|---------------------|--------------------|
| Adams, Lauren E. | Assistant Professor | Emergency Medicine |
| Lu, Dunyue | Associate Professor | Psychiatry |
| Bartley, Jamie M. | Assistant Professor | Urology |
| Jafri, Syed Mohammad Akbar | Assistant Professor | Urology |

Standard Reappointments - Three Years

| | | |
|--------------------|---------------------|---------------------|
| Braver, Barry | Assistant Professor | Family Medicine |
| Seltzer, Marlene | Assistant Professor | OB/GYN |
| Faia, Lisa | Assistant Professor | Ophthalmology |
| Wiater, J. Michael | Associate Professor | Orthopaedic Surgery |

II. Emeritus Appointments

Doane, David P., Professor Emeritus of Quantitative Methods, effective August 15, 2014.

Otto, Mary L., Professor Emerita of Counseling, effective July 1, 2014.

III. Administrative Appointments

Moore, Gary, Interim Dean, School of Nursing and Associate Professor of Nursing with tenure, effective July 1, 2014, pursuant to the Employment Agreement between Gary Moore 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.

Mukherji, Nivedita, Associate Dean, School of Business Administration and Associate Professor of Economics with tenure, effective May 1, 2014, pursuant to the Employment Agreement between Nivedita Mukherji 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.

Rozek, Richard J., Interim Dean, School of Health Sciences and Associate Professor of Health Sciences with tenure, effective July 1, 2014, pursuant to the Employment Agreement between Richard J. Rozek 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.

Acceptance of Gifts and Pledges to Oakland University for the Period of May 1, 2014 through June 23, 2014

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 May 1, 2014 through June 23, 2014.

(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 March 1 – April 30, 2014

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 March 1 – April 30, 2014.

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

Final Undergraduate School and Graduate School Reports Winter 2014 – April 26, 2014

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 April 26, 2014.

(A copy of the Final Undergraduate School and Graduate School Reports Winter 2014 – April 26, 2014 is on file in the Board of Trustees Office.)

2014-2015 Oakland University Board of Trustees Regular Formal Session Dates

RESOLVED, that the Board of Trustees (Board) approves the following dates for the Board's regular formal sessions for the Oakland University fiscal year 2014-2015; and, be it further

RESOLVED, that Board regular formal sessions will be held at Oakland University, Rochester, Michigan, at the location, at the times and on the dates indicated; and, be it further

RESOLVED, that Board regular formal sessions may be cancelled or postponed, and the location and times of such regular formal sessions may be changed by the Board Chair. Special formal sessions may also be called by the Board Chair.

**Board Regular Formal Sessions
in the Auditorium of Elliott Hall
of Business and Information Technology**

Tuesday, August 12, 2014, at 3:30 p.m.

Wednesday, October 22, 2014, at 3:30 p.m.

Monday, December 1, 2014, at 2:00 p.m.

Monday, February 2, 2015, at 2:00 p.m.

Wednesday, April 1, 2015, at 2:00 p.m.

Monday, June 8, 2015, at 2:00 p.m.

Declaration of Restrictive Covenant and Grant of Environmental Protection Easement – Rose Township Property

RESOLVED, that the Board of Trustees authorizes the Vice President for Finance and Administration to execute the Proposed Declaration of Restrictive Covenant and Grant of Environmental Protection Easement for the Rose Township Property.

Mr. Beaghan explained that Oakland is being required to grant an easement on this property in Rose Township which has been held by Oakland for over 20 years.

Mr. Zambardi added that the restrictive covenant is to prevent use of the water on the property for drinking water and similar uses. The Board now has established a very rigorous policy with regard to acceptance of real estate and if the land was received as a gift today, it would go through a very rigorous, due diligence process.

Trustee Mark E. Schlusel, seconded by Trustee Jay B. Shah, moved approval of the Consent Agenda and the motion was unanimously approved by those present.

E. New Items for Consideration/Action

Resolution Honoring Samantha D. Wolf, Student Liaison to the Oakland University Board of Trustees

Mr. Glenn McIntosh, Interim Vice President for Students Affairs, and Enrollment Management, presented the Resolution Honoring Samantha D. Wolf, Student Liaison to the Oakland University Board of Trustees recommendation as set forth in the agenda item.

RESOLVED, that the Board of Trustees recognizes the fact that Ms. Samantha D. Wolf has served as a Student Liaison with dedication and distinction; and, be it further

RESOLVED, that the Board of Trustees commends Ms. Wolf for her outstanding academic achievements, involvement in diverse extracurricular activities at Oakland University, and service as a Student Liaison to the Oakland University Board of Trustees; and, be it further

RESOLVED, that a copy of this resolution be provided to Ms. Wolf to convey the esteem in which she is held by the Board of Trustees; and, be it further

RESOLVED, that the Board of Trustees publicly expresses its deep appreciation to Ms. Wolf and extends to her its best wishes for continued success in all of her future endeavors.

After discussion, Trustee Monica E. Emerson, seconded by Trustee Richard L. DeVore, moved approval of the recommendation, and the motion was unanimously approved by those present.

Resolution Honoring Robert F. Williford, Student Liaison to the Oakland University Board of Trustees

Mr. McIntosh presented the Resolution Honoring Robert F. Williford, Student Liaison to the Oakland University Board of Trustees recommendation as set forth in the agenda item.

RESOLVED, that the Board of Trustees recognizes the fact that Mr. Robert F. Williford has served as a Student Liaison with dedication and distinction; and, be it further

RESOLVED, that the Board of Trustees commends Mr. Williford for his outstanding academic achievements, involvement in diverse extracurricular activities at Oakland University, and service as a Student Liaison to the Oakland University Board of Trustees; and, be it further

RESOLVED, that a copy of this resolution be provided to Mr. Williford to convey the esteem in which he is held by the Board of Trustees; and, be it further

RESOLVED, that the Board of Trustees publicly expresses its deep appreciation to Mr. Williford and extends to him its best wishes for continued success in all of his future endeavors.

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

Ms. Wolf indicated that she had just graduated and is currently looking for employment in human resources.

Mr. Williford indicated that he had graduated and will be attending graduate school at the University of Akron, studying higher education administration.

Vice Chair Flynn, on behalf of the Board of Trustees, commended and thanked Ms. Wolf and Mr. Williford for getting involved and making a difference. Vice Chair Flynn welcomed Mr. Shermetaro and Mr. Lashar as the Board's new liaisons

Authorizing Resolution – General Revenue Refunding Bonds, Series 2014

Mr. Thomas P. LeMarbe, Assistant Vice President for Finance and Administration, presented the Authorizing Resolution – General Revenue Refunding Bonds, Series 2014 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 several series of bonds (the "Outstanding Bonds") secured by General Revenues (as hereinafter defined) of the University ("General Revenue Bonds"), and has incurred certain other debt obligations payable from and secured by a lien on General Revenues (such other debt obligations, together with the Outstanding Bonds, being herein collectively referred to as the "Outstanding Obligations"); and

WHEREAS, on December 10, 2009, the Board issued its \$33,650,000 General Revenue Bonds, Series 2009 (Taxable- Build America Bonds) (the "2009 Build America Bonds") to assist in the financing of the Human Health Building and other capital projects of the Board; and

WHEREAS, the 2009 Build America Bonds were issued on the basis of Federal legislation that granted a 35% direct-payment interest rate subsidy to the Board for all interest paid by the Board on such Bonds (the "Subsidy"); and

WHEREAS, effective March 1, 2013, as part of the spending cuts wrought by the Federal "sequester" (the "Sequester"), the Federal government reduced the Subsidy for its fiscal years 2013 and 2014 by 8.7% and 7.2%, respectively, thereby directly and significantly increasing the interest cost of the 2009 Build America Bonds; and

WHEREAS, legislation was adopted by Congress this year which extends the reductions in the Subsidy through 2024 (but without any certainty regarding the amount of future reductions), thereby perpetuating the negative effects of the Sequester and further increasing the uncertainty relating to the interest cost of the 2009 Build America Bonds; and

WHEREAS, in light of the Sequester and its negative effects on the interest cost of the 2009 Build America Bonds, it may be appropriate and economic to refund all or a portion of the 2009 Build America Bonds (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 related and incidental to the issuance of the Refunding 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 Refunding 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 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 each of the Authorized Officers, 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") 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 Refunding 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 Refunding Bonds and to establish the terms for such Refunding Bonds through a competitive bidding process pursuant to a notice of sale; and

WHEREAS, in order to be able to market the Refunding 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, a Loan Agreement, a Bond Purchase Agreement and other related documents, to publish any notice of sale required for the sale of all or any portion of the Refunding Bonds, to establish the specific terms of the Refunding Bonds and to accept the offer of the Underwriter or Purchaser to purchase the Refunding 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 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 Funding Bonds and Related Agreements; Terms of the Refunding Bonds; Related Matters. The Board hereby authorizes the issuance, execution and delivery of the Refunding Bonds in one or more series, to be designated GENERAL REVENUE REFUNDING BONDS, SERIES 2014 (with appropriate alternative or additional series designations) in the aggregate 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 \$34,000,000, and to pay costs related thereto. The Refunding Bonds shall be dated as of the date or dates determined by an Authorized Officer. The proceeds of the Refunding Bonds shall be used to pay all or a portion of the costs of refunding any or all of the Bonds to be Refunded, as shall be determined by an Authorized Officer, and costs related or incidental to the issuance of the Refunding Bonds, including the cost of bond insurance, if any, as an Authorized Officer deems appropriate. The Refunding 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 May 15, 2015, and the final maturity shall be not later than May 15, 2049. The Refunding 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 Refunding Bonds shall not exceed 4.5% per annum for tax-exempt Refunding Bonds and not in excess of 10.0% per annum for taxable Refunding Bonds. The Refunding 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 4.5% per annum for tax-exempt Refunding Bonds or 10.0% per annum for taxable Refunding Bonds) to be determined by an Authorized Officer. Alternatively, all or part of the Refunding 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 Refunding 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 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, and may be issued in book-entry-only form, all as shall be provided in the Trust Indenture or Loan Agreement. The Refunding 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 1.0% 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 2009 Build America Bonds to constitute the Bonds to be Refunded, based on whether such refunding is expected to produce debt service savings or a more favorable or certain 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 debt advisor.

Any or all of the Refunding Bonds may be made subject to tender for purchase at the option of the holder thereof. The obligation of the Board to purchase any Refunding 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 Refunding Bonds.

2. Limited Obligation of the Board; Security. The Refunding 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 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 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 Refunding 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 Refunding 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 Refunding Bonds and other General Revenue obligations of the Board, or may be payable from General Revenues, 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 or Loan Agreement and applicable provisions of 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, 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 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 and expedient 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 Refunding Bonds; Selection of Underwriter 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 Bond Purchase Agreement with the Underwriter or Purchaser setting forth the terms of the Refunding 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 Refunding 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 Refunding Bonds.

6. Execution and Delivery of Refunding 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 or Purchaser in exchange for the purchase price therefor, as provided in the Bond Purchase Agreement.

7. Ratings; Notice of Sale; 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 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 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 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 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, required under the Trust Indenture or Loan Agreement, the Bond Purchase Agreement, any Swap Agreement, any agreement or instrument entered into in connection with the Liquidity Device or any other agreement or instrument related to the Refunding Bonds, either in connection with the issuance of the Refunding Bonds or in connection with the ongoing administration of the financing program related to the Refunding 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 Refunding 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 Refunding Bonds, or assignees thereof, all or any portion of the Refunding Bonds may, subject to the applicable parameters

set forth herein, be issued as Refunding Bonds for which federal tax credits are payable to the Board or Refunding Bonds for which the federal income tax credits are allowed to the holder of the Refunding 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 Refunding 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 Refunding Bonds and the Board to receive any benefits, funds or federal subsidies available.

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 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 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.

Ms. Kari Blanchett of PFM Group explained that the Build America Bonds were bonds that Oakland issued at a taxable interest rate and then the federal government was supposed to pay 35% of the interest costs. That subsidy has been reduced by the federal government which may provide reason to refinance the bonds and replace them with standard tax exempt bonds. This would not be recommended unless Oakland, at a minimum, breaks even.

In response to a question from Trustee Shah about potential savings, Ms. Blanchett indicated that if Oakland was able to do it today, Oakland would save about \$300,000 over the life of the bonds.

Ms. Blanchett indicated that the breakeven interest rate would be just over 4%. In a response to Trustee Robinson, Ms. Blanchett estimated the interest rate would have been approximately 4.25% at the time of the 2009 issue.

Mr. Beaghan, in response to Trustee Schluskel indicated that refinancing the bonds would have no additional adverse impact on Oakland's capacity to borrow money.

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

Approval of Authorization for Custodial Services Contract

Mr. Terry Stollsteimer, Associate Vice President for Facilities Management, presented the Approval of Authorization for Custodial Services Contract recommendation as set forth in the agenda item.

RESOLVED, that the Vice President for Finance and Administration be authorized to negotiate and execute a custodial services agreement with the vendor selected by the Board of Trustees; and, be it further

RESOLVED, that the total cost of the custodial services agreement will not exceed, the selected vendor's cost as noted in Attachment A without prior Board of Trustees review and approval, with the exception of increased cost directly related to changes in minimum wage laws which will be adhered to and enforced; and, be it further

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

Trustee Emerson indicated that the issue of quality should be taken into consideration in addition to just costs.

Mr. Stollsteimer indicated that ARAMARK's performance is just as strong as OUCMT and he explained the steps his department is taking to ensure that the work is done at a quality level.

Trustee Robinson indicated he still has the same concerns about the minimum wage issues he raised at the last meeting.

In a response to a question from Trustee Schluskel about the implications if the resolution does not pass today, Mr. Beaghan indicated that Oakland has an agreement with a temporary service at a premium price for short term service that will be put in place.

Trustee Shah, seconded by Trustee Schluskel moved approval of the recommendation. Prior to a vote on the motion but after the discussion, Trustee Schluskel, seconded by Trustee Emerson moved to table the recommendation to the July 9, 2014 Special Board Formal Session, and the motion was approved with five positive votes and one negative vote by Trustee Robinson.

Trustee Schlüssel left the meeting at 2:33 p.m.

Approval of Amendments to the Administrative Professional Personnel Policy Manual

Mr. Ronald P. Watson, Assistant Vice President for University Human Resources, presented the Approval of Amendments to the Administrative Professional Personnel Policy Manual recommendation as set forth in the agenda item.

RESOLVED, that the Board of Trustees approves the amendments to the *Administrative Professional Policy Manual*, as described in Attachment A.

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

Mr. Watson, in response to a question from Trustee Emerson indicated that the increased costs for the additional bereavement days and extending dental benefits to part time employees would be minimal.

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

General Fund Budget and Tuition Rates for FY2015

Mr. Beaghan presented the General Fund Budget and Tuition Rates for FY2015 recommendation as set forth in the agenda item.

RESOLVED, that the Board of Trustees approves the FY2015 General Fund Budget at an expenditure level of \$233,956,402 (see Attachment B for detail) and approved encumbrances and carry-forwards from the June 30, 2014 fund balance; and, be it further

RESOLVED, that the Board of Trustees approves the Schedule of Tuition Rates Effective Fall Semester 2014 (see Attachment C for detail); and, be it further

RESOLVED, that the Board of Trustees approves the spending of General Fund revenues generated from enrollment in excess of that budgeted to adequately cover the instructional, programmatic, and operating expenditures necessary to support higher than budgeted enrollment levels.

Trustee Schlüssel returned to the meeting at 2:42 p.m.

Mr. Beaghan presented a PowerPoint presentation to give some background both on Oakland University and the planning process for the budget.

In response to Trustee Emerson, Mr. McIntosh explained that about 64% of students receive some type of aid and that could be anything ranging from scholarships to grants, merit based and need based aid and could include loans.

Trustee Emerson expressed concern over the impact a 6% increase to juniors and seniors may have on retention of students and Oakland's graduation rate.

Mr. Beaghan explained that the resident undergrad lower rate per credit hour stays flat at \$353.75 and the resident undergrad upper goes from \$386.75 to \$410.25. Oakland maintains the 6th lowest rate in the State for undergrad upper students.

Trustee DeVore expressed concern about why Oakland doesn't seem to be getting its fair share of appropriations from Lansing and what, if anything is being done to rectify the discrepancy. Ms. Black gave a history on the issue and indicated the last three years of increased appropriations have been encouraging. She added that Oakland has also received funding from the State for the Human Health Building and the Engineering Center.

In response to concerns from Trustee Emerson concerning retention, Dr. Lentini indicated that there are wide efforts at the University from Academic Affairs to Student Affairs to improve the areas involved in the state's performance funding.

Trustee Schlüssel believes that Oakland needs to increase in a number of areas in terms of the support of the student body and the faculty. The challenge is to find other sources of revenue for the University beyond the tuition of our students.

After discussion, Trustee Shah, seconded by Trustee DeVore, 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

Agreement Between Oakland University and the Michigan Education Association – Oakland University Professional Support Association, July 1, 2014 – June 30, 2017

Mr. Watson presented the Agreement Between Oakland University and the Michigan Education Association – Oakland University Professional Support Association, July 1, 2014 – June 30, 2017 recommendation as set forth in the agenda item.

RESOLVED, that the Board of Trustees approves the Agreement between Oakland University and the Michigan Education Association – Oakland University Professional Support Association, July 1, 2014 – June 30, 2017.

Mr. Watson confirmed for Trustee Shah that short term disability is available to non-dues paying association members and that those who do not pay dues are still considered an association member.

After discussion, Trustee DeVore, seconded by Trustee Emerson, moved approval of the recommendation, and the motion was unanimously approved by those present except for Vice Chair Flynn who recused himself from the vote as he is affiliated with the Michigan Education Association.

Extension of ARAMARK Contract through July 9, 2014

Trustee Robinson added an item to be discussed concerning the need for an extension of the ARAMARK contract through July 9, 2014.

Mr. Beaghan indicated that hiring a temporary firm would be approximately \$35,000 per month more than the price at the ARAMARK bid amount.

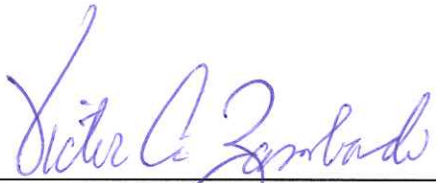
After discussion, Trustee Robinson seconded by Trustee DeVore, moved approval of the motion to extend the current Aramark contract until July 9, 2014, and the motion was unanimously approved by those present.

G. Adjournment

Vice Chair Flynn adjourned the meeting at 3:15 p.m.

Submitted,

Approved,



Victor A. Zambardi
Secretary to the Board of Trustees

Richard A. Flynn
Vice Chair, Board of Trustees

**Minutes of the Special Formal Session
of the
Oakland University Board of Trustees
July 9, 2014**

- Present:** Chair Michael R. Kramer; Vice Chair Richard A. Flynn; and Trustees Richard L. DeVore, Monica E. Emerson, Ronald E. Robinson, Mark E. Schluskel and Jay B. Shah
- Absent:** Trustee Scott G. Kunselman
- Also Present:** Interim President Betty J. Youngblood; Senior Vice President James P. Lentini; Vice Presidents Eric D. Barritt, John W. Beaghan, Rochelle A. Black and Interim Vice President Glenn McIntosh; Vice President and Secretary to the Board of Trustees Victor A. Zambardi; and Student Liaison Scott A. Shermetaro

A. Call to Order

Chair Michael R. Kramer called the meeting to order at 10:00 a.m. in Banquet Room A of the Oakland Center.

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 Trustee Scott G. Kunselman.

C. Consent Agenda for Consideration/Action

Consent Agenda

University Personnel Actions

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

I. Administrative Appointments

Bulgarelli, Nancy T., Interim Dean, University Libraries and Library Director, Oakland University William Beaumont School of Medicine, and Associate Professor, University Library, with tenure, effective July 1, 2014, pursuant to the Employment Agreement between Nancy T. Bulgarelli 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, Interim Associate Provost and Associate Professor of Art History, with tenure, effective July 21, 2014, 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.

Rush, Catherine, Assistant Vice President for Academic Human Resources, Academic Affairs, effective July 7, 2014. After review by the Assistant Vice President for University Human Resources, Senior Vice President for Academic Affairs and Provost, and Interim President, the Assistant Vice President for Academic Human Resources position was upgraded from an Administrative Professional "S" classification to a "U" classification.

Zou, Qian, Interim Associate Dean, School of Engineering and Computer Science, and Associate Professor of Engineering, with tenure, effective August 1, 2014, pursuant to the Employment Agreement between Qian Zou 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.

Konya, Jeffrey F., Athletics Director, effective August 11, 2014, pursuant to the Employment Agreement between Jeffrey F. Konya 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.

Trustee Richard A. Flynn, seconded by Trustee Ronald E. Robinson, moved approval of the Consent Agenda and the motion was unanimously approved by those present.

D. New Items for Consideration/Action

Approval of Authorization for Custodial Services Contract

Mr. Terry Stollsteimer, Associate Vice President for Facilities Management, presented the Approval of Authorization for Custodial Services Contract recommendation as set forth in the agenda item.

RESOLVED, that the Vice President for Finance and Administration be authorized to negotiate and execute a custodial services agreement with the vendor selected by the Board of Trustees; and, be it further

RESOLVED, that the total cost of the custodial services agreement will not exceed, the selected vendor's cost as noted in Attachment A without prior Board of Trustees review and approval, with the exception of increased cost directly related to changes in minimum wage laws which will be adhered to and enforced; and, be it further

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

Chair Kramer noted that the custodial services item had been discussed at length by the Board at prior Formal Sessions and inquired if anyone had anything new to add.

Trustee Robinson then noted that his previously stated position had not changed and that he would be voting no.

Trustee Schlüssel then moved to authorize ARAMARK to provide the custodial services and Trustee Shah seconded the motion.

A vote was taken: Trustees Schlüssel, Devore and Shah voted yes; Trustees Robinson and Emerson voted no; and Trustee Flynn abstained on the basis of his position as Director of Michigan Education Association; so the motion failed.

Trustee Robinson then moved to extend the current ARAMARK contract through August 31, 2014, which was seconded by Trustee Schlüssel and the motion was unanimously approved by those present.

Appointment of President

Chair Kramer presented the Appointment of President recommendation.

Trustee Schlüssel moved to appoint Dr. George Hynd as the next President of Oakland University, which was seconded by Trustee Emerson and the motion was unanimously approved by those present.

Chair Kramer then presented Dr. Hynd to the University community present and Dr. Hynd stated that he was incredibly impressed with the talent, the faculty, the staff and the opportunity to become the next President of Oakland University. He then thanked the Board of Trustees and the senior leadership for the opportunity to work with them. Dr. Hynd went on to express that he believes Oakland University is a gem in the crown of higher education in Michigan and beyond.

Trustee Schlüssel then recognized the untiring efforts of Chair Kramer in leading the presidential search process; who worked diligently to make sure this process worked as smoothly as it did and to incorporate as many of the faculty, administration and students as was possible. Trustee Shah echoed Trustee Schlüssel's sentiments. Chair Kramer in turn thanked the members of the presidential search committee.

Trustee Shah added that there were some incredibly good candidates and he was pleased that the right decision was made to get Dr. Hynd on board.

Trustee Robinson then thanked the presidential search committee for their hard work and commitment in nominating an outstanding candidate to lead Oakland University. He also thanked the Oakland University community who participated in the three presidential open forums, noting that the questions asked of the three finalists and subsequent comments were very helpful in making his vote. Trustee Robinson then welcomed Dr. Hynd, and stated that Dr. Hynd will be leading one of Michigan's great educational institutions and one of its most important resources; the University being critical to Michigan's future. Trustee Robinson went on to comment that he supported Dr. Hynd because of his stellar academic background, his many personal qualities and his passion for the University's mission; he continued by citing some of the comments offered by forum participants, namely that Dr. Hynd was an excellent candidate, articulate and knowledgeable, and a good communicator.

Chair Kramer then made a special note to thank Interim President Betty Youngblood, who received a warm standing ovation from all present. Dr. Youngblood thanked everyone and stated that it was a tremendous pleasure and a distinct honor to work with all of the University constituencies.

Trustee DeVore then added his welcome to Dr. Hynd and noted that he knew more about the University than any of the candidates and that had really impressed him.

Trustee Emerson commented that the thing that impressed her most and convinced her that Dr. Hynd would be the right person for the University is the strategic plan and the values and priorities that were important to this University; not just now but looking into the future with respect to not only educational excellence but globalization and support of faculty and students and bringing this campus together so that it is more inclusive and that it reaches a broader range of students not only in the Detroit metropolitan area but across the nation.

Trustee Flynn stated that the goal of this Board was to make sure that a new President was appointed prior to the beginning of the new school year, and that goal was accomplished expeditiously with a thorough and complete process that had a true cross section of representatives on the committee from this University. He noted that Dr. Hynd has been successful everywhere he's been and Trustee Flynn is confident Dr. Hynd will be successful at this University to take it to the next level and keep it moving forward.

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

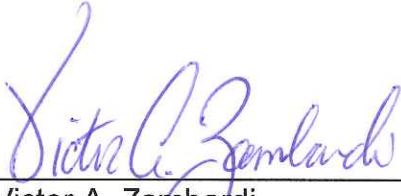
There were no other items for consideration/action presented to the Board.

F. Adjournment

Chair Kramer adjourned the meeting at 10:15 a.m.

Submitted,

Approved,



Victor A. Zambardi
Secretary to the Board of Trustees

Michael R. Kramer
Chair, Board of Trustees