

**KENT STATE UNIVERSITY
BOARD OF TRUSTEES MEETING
November 17, 2009
Urban Conference Room**

Board Members Present

Andrew Banks
Stephen Colecchi
Dennis Eckart
Patrick Mullin, Chair
Katherine O'Brien
Lawrence Pollock
Jane Murphy Timken
Brian Tucker
Emilio Ferrara
Erin West

KSU President's Cabinet Present

Lester A. Lefton, President
Alfreda Brown
Eugene Finn
Gregg Floyd
Robert Frank
Iris Harvey
Greg Jarvie
Edward Mahon
Charlene Reed, Board Secretary
Willis Walker
John West

CALL TO ORDER AND ROLL CALL

Board Chair Patrick Mullin called the meeting to order at 8:03 a.m. Secretary Jane Murphy Timken called the roll, and a quorum was present.

PROOF OF NOTICE

Chair Mullin stated that public notification was given pursuant to state law and university policy.

COMMITTEE OF THE WHOLE

Chair Mullin noted it was a pleasure to convene the Board as a committee of the whole, for the purpose of continuing discussion of capital needs at the Kent Campus and how the university might go about addressing them, including the possibility of a major bond issue. He noted that since the board's September meeting, several work groups—including a project oversight committee with trustees Banks, Colecchi, Eckart and Mullin—have been meeting and assessing the university's needs, possible funding sources and the mechanics of a major bond issue. He asked President Lefton to summarize key issues and then trustees discussed whether to take the next step in the process. At the conclusion, it was agreed that the Finance and Administration Committee should consider recommendations regarding the issuance of general receipts bonds and the possibility of a student fee to cover the cost of the debt.

EXECUTIVE SESSION

Chairperson Mullin announced the Board had a need to meet in Executive Session for the purposes of discussing personnel matters, potential litigation involving the university, and real

estate matters in accordance with Chapter 121.22, Section G of the *Ohio Revised Code*. Trustee Timken moved, seconded by Trustee Eckart, that the Board retire into Executive Session. By virtue of a unanimous roll call vote, the Board adjourned into Executive Session at 9:06 a.m. Trustee Mullin noted that the meetings of the committees would begin at 10:30 a.m. and the Board would reconvene at 2:30 p.m. for its public business meeting.

APPROVAL OF THE AGENDA

The Board of Trustees reconvened at 2:30 p.m. Chair Mullin asked if there were any changes to the agenda. Hearing none, the agenda was approved by general consent.

DISPOSITION OF MINUTES

Chair Mullin asked for a motion to approve the minutes of the meetings of June 4, 2009; July 14, 2009; and September 16, 2009. Trustee Pollock asked for a correction to the attendance for the June 4, 2009 meeting minutes, noting that his first meeting of the board was in July. With that correction, and hearing no objections, the minutes were approved by general consent.

REPORT OF THE CHAIRPERSON

Chair Mullin recognized Dr. Alfreda Brown, the university's new vice president for diversity, equity and inclusion, who was attending her first board meeting. He commented that trustees look forward to working with her to achieve Kent State's vision of inclusive excellence.

He reported that the university's external auditors, Plante & Moran, have issued an unqualified report for the fiscal year ending June 30, 2009, and commended President Lefton, Vice President Floyd, and the staff for ensuring the university's financial operations are conducted with the highest standards of practice.

On behalf of the Board, he also congratulated the president, staff, faculty and students for kicking off Kent State's Centennial year and campaign in a spectacular fashion. The Centennial celebration on Oct. 8 exquisitely showcased the excellence of the university's students and drove home the need for private support in sustaining Kent State's excellence in action, he said.

Trustees had the opportunity to spend lunch with University Professor Owen Lovejoy, anthropology faculty, and 20 undergraduate and graduate students from anthropology, he reported, reminding those present that Dr. Lovejoy literally has been on the world stage in recent months, discussing his team's latest landmark discovery of *Ardi*.

Chair Mullin noted that the Finance and Administration Committee will bring forward two resolutions regarding a major facilities improvement plan that will be launched after the first of the year. This action comes after several months and even years of considering the state of university facilities, particularly at the Kent Campus. In July Trustee Eckart raised, and trustees quickly agreed, that now may be the right time to take on a major academic capital initiative, given current favorable conditions in the bond market. He noted that trustees have a fiduciary responsibility to preserve and enhance the investment of the state, students and donors in the

campus infrastructure. Clearly the state is not going to have the kind of dollars necessary to sustain Kent State's infrastructure. The Ohio Board of Regents said as much in its 2009 condition report on facilities, which encouraged trustees to invest more in reducing deferred maintenance, upgrading technology, retrofitting buildings, and building new facilities to expand programs in science, technology, engineering, math and health professions, in particular.

Finally, Chair Mullin commented that he spoke for all of the trustees in saying that they feel fortunate to have a leader of President Lefton's high caliber at the helm as the university takes on major investments in its future. The board annually assesses the president's leadership and both the board and the president, unanimously, agreed to extend their relationship well into the next decade. To that end, under new business, the board will bring forward a resolution extending the President's contract through 2014. On behalf of the board, he thanked President Lefton for his visionary leadership and relentless drive to make Kent State the very best it can be.

REPORT OF THE PRESIDENT

President Lefton opened his report with several recent examples of Kent State's excellence in action, ranging from the highly successful launch of the university's Centennial campaign and celebration to the honoring of six faculty members with teaching awards.

For the majority of his report, he discussed the rationale and underpinnings of a major capital reinvestment plan that was discussed by the Board that morning as a committee of the whole. According to Dr. Lefton, the plan would address two compelling needs: first, enhancing the university's learning environments and second, tackling deferred renewal needs.

A study was undertaken to provide a prioritized summary of the university's most critical facility needs, addressing its growth, stature and capability to meet academic program needs and to address deferred renewal of facilities, he said. Under the plan Kent State will enhance learning environments by: constructing new facilities that enhance the architectural integrity of the Kent Campus; providing for the logical implementation of construction activities, including adequate swing space, continued operations and instruction during renovations; and preserving the value of recent capital investments. Deferred renewal needs will be addressed by: aligning renovations and improvements with academic programs and strategic goals; reorganizing campus space assignments to improve the efficiency and effectiveness of academic and administrative units; removing facilities that cannot be rehabilitated; making buildings ADA compliant; aligning the plan with projected capital allocations from the State of Ohio to maximize impact; and utilizing House Bill 7 funding opportunities to finance renovations to systems and infrastructure.

President Lefton emphasized that no decisions have been made as to what projects will be funded. However, extensive analysis has been completed over the past several months, producing many recommendations and conclusions, he said. For example, on the Kent Campus, some of the most-pressing needs in enhancing academic facilities are providing classrooms and offices that are up-to-date, right-sized and accessible; upgrading the university's Science Corridor; providing space for the newly created College of Public Health; creating a distinctive home for the College of Architecture and Environmental Design; and addressing critical needs in existing buildings such as Art and Van Deusen. Rehabilitation priorities will include: building

code improvements, HVAC improvements, lighting/energy upgrades, fire alarms, roofing and envelope repairs, windows and doors, interior upgrades, improved ADA access, and other energy conservation measures.

With the Board's consent to proceed with planning, university leaders will begin consultation with key stakeholders, especially students; open discussions with the state to gain needed approvals; and prepare recommendations for action on a proposed plan in early 2010, he said.

PERSONNEL ACTIONS

President Lefton asked Provost Frank to present the academic personnel actions and Vice President Walker to present the non-academic personnel actions.

ACADEMIC PERSONNEL

Provost Frank reported that the academic actions were routine in nature.

NON-ACADEMIC PERSONNEL

Vice President Walker noted that the non-academic actions were routine.

ACTION: There were no objections to placing the personnel actions on the consent agenda.

REPORT OF THE EXTERNAL RELATIONS AND DEVELOPMENT COMMITTEE

Committee Chair Brian Tucker reported on behalf of the committee. Chair Tucker noted that he had three items to report on, the first of which was the Centennial Campaign. Tucker reported on the campaign attainment to date, observing that the university has experienced a "rebound" in the total number of donors back to pre-recession levels.

Second, to mark Kent State's Centennial, a study was commissioned to quantify the university's economic impact and to detail the role it plays in the economic development and quality of life in Northeast Ohio. Initial details from the report were given to the committee, Trustee Tucker stated. The final report will be issued by the end of the year, and a rollout of public engagement will begin thereafter.

Finally, work on the planned May 4th visitor's center is progressing, according to Trustee Tucker. Famed civil rights leader and activist Julian Bond has agreed to narrate the audio walking tour, and will record his portion in January 2010. Preparations for the 40th Commemoration are moving forward, including the possibility of a major benefit concert.

Trustee Colecchi asked if the application reviewed by the Board of Trustees had been submitted to designate the May 4, 1970 site on the National Register of Historic Places. Board Secretary Reed replied that the four faculty authors submitted the application after the September 16, 2009

meeting of the Board of Trustees. As authorized in the board's resolution, Chair Mullin sent a letter of general support on behalf of the board.

REPORT OF THE ACADEMIC EXCELLENCE AND STUDENT SUCCESS COMMITTEE

Committee Chair Dennis Eckart presented the report of the Academic Excellence and Student Success Committee, noting that the group had five recommendations for Board action to be placed on the consent agenda.

CONFERRAL OF DEGREES AWARDED SUMMER, 2009

Committee Chair Eckart recommended formal approval of the conferral of 3,171 degrees awarded at the Summer 2009 Commencement exercises.

Resolution 2009-66

CONFERRAL OF DEGREES August 22, 2009

WHEREAS, Section 3341.05 of The Revised Code of Ohio provides that "...On the recommendation of the (KSU) faculty, the (KSU) Board of Trustees may confer such honorary and academic degrees as are customarily conferred by colleges and universities in the United States..."; and

WHEREAS, the Faculties, Deans and Directors of Kent State University's Colleges and Schools recommend that appropriate degrees be conferred on those Kent State students who completed -- during the period May 17, 2009 to August 22, 2009 -- the various requirements of the respective programs of study they pursued; and

WHEREAS, the University has recognized completion of said programs of study by awarding diplomas as appropriate at a suitable time, during the period cited, upon such persons listed in the accompanying Summary of Candidates for Degrees; now, therefore,

BE IT RESOLVED that the Kent State University Board of Trustees hereby confirms the conferral of their respective degrees upon those persons who have been officially recorded by the Kent State University Registrar as having completed the requirements during said period May 17, 2009 to August 22, 2009.

ESTABLISHMENT OF A MASTER OF PUBLIC HEALTH (MPH) DEGREE

Committee Chair Eckart recommended Board approval of a resolution establishing a Master of Public Health (MPH) degree. He noted that with the successful creation of proposed master's

and doctoral degrees in Public Health, Kent State will be the only university in Ohio to offer all three degree levels in the discipline, he said.

Resolution 2009-67

ESTABLISHMENT OF A MASTER OF PUBLIC HEALTH (MPH) DEGREE IN THE COLLEGE OF PUBLIC HEALTH

WHEREAS, the College of Public Health seeks approval for a Master of Public Health degree (MPH) to be offered in five specialization areas: (1) Epidemiology, (2) Biostatistics, (3) Environmental Health Sciences, (4) Social and Behavioral Sciences, and (5) Health Policy and Management; and

WHEREAS, the Master of Public Health with the five specializations will implement the core competencies for master's degrees in public health as described by the Association for Schools of Public Health Education Committee; and

WHEREAS, this degree offering is consistent with Kent State's mission: "to serve the public good," enhancing the community engagement of the university and fostering ethical and humanitarian values in the service of Ohio and the global community; and

WHEREAS, this degree offering meets the specific mandate given by the Chancellor of the Ohio Board of Regents to the universities in Northeastern Ohio to distinguish rather than compete with each other; and

WHEREAS, establishment of the MPH is a significant step in establishing expertise in public health in Ohio, particularly in the areas of infectious disease prevention, chronic disease prevention, and violence and injury prevention; and

WHEREAS, the proposed degree has been reviewed and approved through the Educational Policies Council, and the Faculty Senate, and also has the endorsement of the Provost and the President; now, therefore,

BE IT RESOLVED, that the Kent State University Board of Trustees hereby approves the establishment of the Master of Public Health (MPH) degree program, effective Fall 2010.

ESTABLISHMENT OF A DOCTOR OF PHILOSOPHY (PHD) IN PUBLIC HEALTH

Trustee Eckart then asked trustees to approve the establishment of a Ph.D. degree in Public Health. With the Board's consent, both of these program proposals will be formally submitted to the Ohio Board of Regents for final approval.

Resolution 2009-68

ESTABLISHMENT OF A DOCTOR OF PHILOSOPHY (PHD) IN PUBLIC HEALTH IN THE COLLEGE OF PUBLIC HEALTH

WHEREAS, the College of Public Health seeks approval for a Doctor of Philosophy degree (PhD) in Public Health to be offered in three specialization areas: (1) Prevention Science, (2) Health Policy and Management, and (3) Epidemiology; and

WHEREAS, the Doctor of Philosophy with the three specializations is consistent with accreditation criteria for Schools of Public Health by the Council on Education for Public Health that schools of public health offer at least three doctoral degree curricula; and

WHEREAS, this degree offering is consistent with Kent State's mission: "to serve the public good," enhancing the community engagement of the university and fostering ethical and humanitarian values in the service of Ohio and the global community; and

WHEREAS, this degree offering meets the specific mandate given by the Chancellor of the Ohio Board of Regents to the universities in Northeastern Ohio to distinguish rather than compete with each other; and

WHEREAS, establishment of the PhD is a significant step in establishing expertise in public health in Ohio, particularly in the areas of infectious disease prevention, chronic disease prevention, and violence and injury prevention; and

WHEREAS, the proposed degree has been reviewed and approved through the Educational Policies Council, and the Faculty Senate, and also has the endorsement of the Provost and the President; now, therefore,

BE IT RESOLVED, that the Kent State University Board of Trustees hereby approves the establishment of the Doctor of Philosophy (PhD) degree in Public Health, effective Fall 2010.

ESTABLISHMENT OF A REGIONAL COLLEGE

Committee Chair Eckart presented the fourth action item to come from the Academic Excellence and Student Success Committee—the establishment of a Regional College to help advance and harmonize the curriculum across the eight campuses. He observed that just like children from the same parents, each of the regional campuses has “grown up” with different local needs and aspirations. The Regional College will serve as the administrative home for academic programs and associated curriculum unique to the Regional Campuses, he said.

Resolution 2009-69

ESTABLISHMENT OF A REGIONAL COLLEGE

WHEREAS, approval is sought to establish a new Regional College that will serve as the administrative home for programs and associated curriculum unique to Regional Campuses; and

WHEREAS, the creation of Kent States' Regional College will accelerate the transformation of Kent State University's Regional Campuses; and

WHEREAS, the new college will enable greater collaboration between the Kent Campus and its Regional Campus colleagues by establishing a seamless, integrated, university-wide system for curriculum, while at the same time providing the Regional Campuses greater autonomy in establishing an organizational structure for offering degrees unique to programs not affiliated with any particular Kent Campus department; and

WHEREAS, review by two groups of faculty, administrators, and Regional Campus representatives resulted in the proposal to create a Regional College to serve as a curricular home for degrees that are unique to the Regional Campuses; and

WHEREAS, the proposed college has been reviewed and approved through the Educational Policies Council, and the Faculty Senate, and also has the endorsement of the Provost and the President; now, therefore,

BE IT RESOLVED, that the Kent State University Board of Trustees hereby approves the establishment of a Regional College, effective Spring 2010.

REVISION OF THE MINIMUM CREDIT HOUR REQUIREMENT FOR MASTER'S DEGREES

Trustee Eckart asked trustees to approve a resolution revising the minimum credit hour requirement for master's degrees. He stressed that the proposed change would not, in any way, dilute the academic strength of the university's programs. It would bring university requirements more in line with state and national norms and streamline the process for many students, he said.

Resolution 2009-70

**REVISION OF MINIMUM CREDIT HOUR REQUIREMENT
FOR MASTER'S DEGREE**

WHEREAS, it has long been communicated to the university community and to the Ohio Board of Regents that the minimum number of credit hours required to

graduate with a master's degree is 32; however, there is no official university policy stating this to be the case; and

WHEREAS, the Council of Graduate Schools and accrediting agencies recommend a minimum of 30 semester hours for completion; and

WHEREAS, having a 32-credit-hour program may obligate students to take, and pay for, an extra credit hour beyond the program requirements; and

WHEREAS, reducing the minimum credit hours from 32 to 30 will not compromise academic quality, as each master's program must maintain standards according to their respective accrediting agencies; and

WHEREAS, this clarification allows academic units to explore the option of reviewing their programs to determine if reducing total credits is feasible without sacrificing quality; and

WHEREAS, this clarification provides a widely agreed-upon standard for those looking to establish new programs; and

WHEREAS, the proposed revision has been reviewed and approved through the Educational Policies Council, and the Faculty Senate, and also has the endorsement of the Provost and the President; now, therefore,

BE IT RESOLVED, that the Kent State University Board of Trustees hereby approves that the minimum-hour requirement be stated as follows and included in the graduate catalog, "All students must satisfactorily complete a minimum 30 credit hours applicable toward a master's degree in order to graduate. Some degree programs require more hours," effective Fall 2010.

Finally, Trustee Eckart noted that the university has implemented a variety of programs to create a faster and more supportive pathway to graduation for students, such as the Graduation Planning System (GPS). Also intended to enhance retention and graduation is a new academic policy requiring baccalaureate students to declare a major before 45 semester credit hours have been earned. This was among information items reviewed by the committee. Trustee Eckart applauded the new policy and other efforts aimed at fast-tracking students towards graduation in four years. With that observation, Trustee Eckart concluded his report.

ACTION: There were no objections to placing the Academic Excellence and Student Success decision items on the consent agenda.

REPORT OF THE AUDIT COMMITTEE

Chair Mullin called on Trustee Jane Murphy Timken to deliver the report of the Audit Committee on behalf of Committee Chair Banks.

Trustee Timken noted that the committee heard a report on an internal audit of university construction projects as well as the FY2010 Internal Audit Plan quarterly review. Following up on comments made earlier by Board Chair Mullin, Trustee Timken noted that the committee was apprised of results of the fiscal year 2009 external audit conducted by the firm, Plante & Moran. The university's financial statements received a completely clean audit, according to Trustee Timken. She congratulated all of the staff who worked to make this possible.

REPORT OF THE FINANCE AND ADMINISTRATION COMMITTEE

Board Chair Mullin asked Trustee Jane Murphy Timken to report on behalf of Committee Chair Andrew Banks. She reported that the committee considered and recommended four management decision items for placement on the consent agenda. The group also discussed five regular reports, which were routine in nature.

REGIONAL CAMPUS NORTHERN WEST VIRGINIA AND WESTERN PENNSYLVANIA TUITION RATE

Trustee Timken asked trustees to approve a resolution authorizing a reduction in the out-of-state surcharge for students living in selected counties in Western Pennsylvania and Northern West Virginia served by Kent State regional campuses. The change in rate will help spur economic development in these regions as well as fuel enrollment growth at the campuses, she noted.

Resolution 2009-71

REGIONAL CAMPUS NORTHERN WEST VIRGINIA AND WESTERN PENNSYLVANIA TUITION RATE

WHEREAS, Kent State University's regional campuses serve as a vital catalyst for the redevelopment of the economic regions along the Lake Erie to Ohio River corridor; and

WHEREAS, Kent State's current out-of-state surcharge is a barrier for additional out-of-state students residing in the Lake Erie to Ohio River corridor to enroll at the university's regional campuses; and

WHEREAS, reducing out-of-state surcharge rates will help spur partnerships with out-of-state businesses located within the Lake Erie to Ohio River corridor and help create regional economic growth; and

WHEREAS, this reduced surcharge is exclusively for out-of-state students attending regional campuses and residing in Allegheny, Beaver, Butler, Crawford, Erie, Lawrence and Mercer counties in Western Pennsylvania and Brooke, Hancock, and Ohio counties in northern West Virginia; now, therefore,

BE IT RESOLVED that the Kent State University Board of Trustees approves a new out-of-state surcharge rate (Regional Campus Northern West Virginia and

Western Pennsylvania Tuition Rate) effective for Fall 2010 at an 80% reduction of the regular out-of-state surcharge for qualifying students enrolled at the regional campuses, pending approval from the Chancellor of the Ohio Board of Regents.

KENT STATE UNIVERSITY GENEVA LEASE

Trustee Timken recommended Board approval of a lease with Triad Development for property at 13 Rue Rousseau in Geneva, Switzerland, for the Kent State University-Geneva Program, effective Fall 2010. The current facility is outdated and too small for expansion of the highly regarded study abroad program, she said. With the acquisition of this facility, Kent State will increase enrollment in the program as well as seek other university partners who will either lease space or send students to participate in the Kent State offerings.

Resolution 2009-72

KENT STATE UNIVERSITY GENEVA LEASE

WHEREAS, Kent State University has offered a program in Geneva, Switzerland, for more than 32 years; and

WHEREAS, the current facilities no longer meet the program's needs; and

WHEREAS, the Office of International Affairs has identified a new facility and collaborative partner; and

WHEREAS, the new property in Geneva offers Kent State University and its students an ideal location, and an opportunity to grow its strong academic programs, partnerships and internship opportunities; and

WHEREAS, the project's business plan minimizes financial risk and expands opportunities for Kent State University to partner with other universities and organizations; now, therefore

BE IT RESOLVED, that the Kent State University Board of Trustees hereby authorizes the Vice President for Finance and Administration, with approval of the President, to enter into a contractual agreement with Triad Development to lease property at 13 Rue Rousseau in Geneva to house students in the KSU-Geneva program.

AUTHORIZING THE ISSUANCE OF GENERAL RECEIPTS BONDS

She then discussed and recommended for Board approval a resolution authorizing the university to seek a bond issue to address deferred maintenance issues on the Kent Campus. She noted that the current lending market was very favorable, and the institution's needs certainly are great and in excess of funding that can be reasonably secured at this time. By taking action at this time,

the Board will enable continued planning and entry into the bond market when and if all conditions are satisfied, she said.

Resolution 2009-73

AUTHORIZING THE ISSUANCE OF GENERAL RECEIPTS BONDS OF THE UNIVERSITY TO PAY COSTS OF UNIVERSITY FACILITIES

WHEREAS, the Board of Trustees has determined to authorize the University to issue one or more series of General Receipts Bonds or Notes in a principal amount not to exceed \$210,000,000 for the purpose of financing facilities improvements to its main campus in furtherance of the University's academic programs, including the rehabilitation of existing buildings and the construction, furnishing and equipping of new structures;

NOW, THEREFORE, BE IT RESOLVED BY THE KENT STATE UNIVERSITY BOARD OF TRUSTEES, as follows:

Section 1. Definitions and Interpretations. In addition to the words and terms defined in the Bond Proceedings, the following words and terms used in this Resolution, the applicable Supplemental Trust Agreement and Certificate of Award shall have the following meanings unless otherwise therein provided or unless the context or use clearly indicates another or different meaning or intent:

“Act” means Sections 3345.11 and 3345.12 of the Revised Code, and Sections 9.98 through 9.983 of the Revised Code made applicable by Section 3345.12(B), as the same may be amended, modified, revised, supplemented, or superseded from time to time, provided that no further action by the General Assembly shall alter the obligation of the University to pay the Bond Service Charges in the amount and manner, at the times, and from the sources provided in this Resolution, the Trust Agreement and the applicable Supplemental Trust Agreement, except as otherwise permitted in the Bond Proceedings.

“Authenticating Agent” means the Trustee and any other bank, trust company or other person designated as an Authenticating Agent for a series of Bonds by or in accordance with the Bond Proceedings, each of which shall be a transfer agent registered in accordance with Section 17A© of the Securities Exchange Act of 1934 as amended.

“Authorized Denominations” means the denominations for each series of Bonds as set forth in the Certificate of Award relating to that series of Bonds. “Authorized Officers” means the Fiscal Officer acting together with any one of the following: the Chair of the Board, the Vice Chair of the Board or the Chair of the Finance and Administration Committee of the Board.

“Board” means the Board of Trustees of the University.

“Bond Proceedings” means the Trust Agreement, the applicable Supplemental Trust Agreement, this Resolution and any Credit Support Instrument for the applicable series of Bonds, and any amendments of and supplements to or any combination of them, authorizing or

providing for the terms and conditions and agreements applicable to, or providing for the security for, liquidity or sale of, or the terms contained in, the Bonds.

“Bond Purchase Agreement” means any Bond Purchase Agreement between the Original Purchaser and the University, relating to the sale and purchase of the Bonds.

“Bond Registrar” means the person that keeps and maintains the Register for the applicable Bonds, which shall be the Trustee except as may otherwise be provided pursuant to any Supplemental Trust Agreement.

“Bond Reserve Requirement” or “Required Reserve” means as to any series of Bonds (as of the date of any calculation), an amount that is at least equal to the amount of Bond Service Charges as required by the Bond Proceedings applicable to that series. The Bond Reserve Requirement for any series of Bonds may be provided for by deposit of moneys or Eligible Investments or by a Credit Support Instrument or by any combination of the foregoing.

“Bonds” as used in this Resolution and notwithstanding the different meaning given in the Trust Agreement, means the General Receipts Bonds authorized by this Resolution which may be issued in one or more series.

“Book Entry Form” or “book entry system” means a form or system under which physical Bond certificates in fully registered form are issued only to a Securities Depository or its nominee as registered owner, with the certificated Bonds held by and immobilized in the custody of the Securities Depository or its agent, and the book entry system, maintained by and the responsibility of others than the University or Trustee, is the record that identifies, and records the transfer of the interests of, the owners of book entry interests in those Bonds.

“Build America Bonds” means, with respect to the University, obligations issued as taxable governmental bonds or notes with Federal subsidies in the form of either tax credits to holders or refundable tax credits paid to the University as issuer, authorized under Sections 1401 or 1531 of Title I of Division (B) of the American Recovery and Reinvestment Act of 2009, Pub.L. No. 111-5, 123 Stat. 115, and any amendments of or successor provision to the foregoing.

“Certificate of Award” means the Certificates of Award authorized by Section 6 herein, setting forth and determining certain terms and other matters pertaining to the Bonds and their issuance, sale and delivery, consistent with this Resolution.

“Code” means the Internal Revenue Code of 1986, the Treasury Regulations (whether proposed, temporary or final) under that Code or the statutory predecessor of that Code, and any amendments of, or successor provisions to, the foregoing, and any official rulings, announcements, notices, procedures and judicial determinations regarding any of the foregoing, all as and to the extent applicable. Unless otherwise indicated, reference to a section of the Code includes any applicable successor section or provision and such applicable Treasury Regulations, rulings, announcements, notices, procedures and determinations pertinent to that section.

“Costs of Facilities” means “costs of facilities” as defined in Revised Code Section 3345.12, being costs related to University Facilities including costs of issuance and other

financing costs (as defined in Revised Code Section 133.01), for the payment of which Bonds may be issued under the Act.

“Credit Support Instrument” means a policy of bond insurance, a surety, a letter of credit, a standby bond purchase agreement or other credit enhancement, support or liquidity device provided pursuant to an agreement to which the University is a party and which is used to enhance the security or liquidity of any Bonds or to provide, in whole or in part, any Bond Reserve Requirement.

“Eligible Investments” means Eligible Investments as defined generally or for a particular purpose in the Trust Agreement or applicable Supplemental Trust Agreement.

“Facilities” or “University Facilities” means facilities as defined in Section 3345.12 of the Revised Code.

“Fiscal Officer” means the Vice President for Finance and Administration or such other officer of the University as may be, or be designated by the Board as, the chief financial officer of the University, as shown in a written certification maintained by the University on file with the Trustee, signed by the President or an officer of the Board and currently identifying the Fiscal Officer, and shall also mean any officer of the University identified in that certificate as an alternate to that officer.

“Fiscal Year” means a period of 12 consecutive months commencing on the first day of July of any year and ending on the last day of June of the following year, or, as to be evidenced for purposes of the Bond Proceedings by a certificate of an Authorized Officer filed with the Trustee, such other consecutive 12-month period as may hereafter be established as the University’s fiscal year.

“General Receipts” shall have the meaning provided in the Trust Agreement.

“Interest Payment Dates” means with respect to a series of Bonds, the dates provided in the Certificate of Award for that series of Bonds.

“Mandatory Redemption Obligation” or “Mandatory Redemption” or “Mandatory Sinking Fund Redemption” means mandatory prior redemption of Bonds pursuant to Mandatory Sinking Fund Requirements.

“Mandatory Sinking Fund Requirements” means amounts required by the Bond Proceedings to be deposited to the Bond Service Account in any Fiscal Year for the purpose, as provided in the Bond Proceedings, of retiring, at their stated maturities or by mandatory prior redemption or other prior retirement, principal of Bonds or of paying interest or interest equivalent on Bonds, which by the terms of the Bonds are due and payable in any subsequent Fiscal Year.

“Note Certificate of Award” means, as to any Series of Notes, the Note Certificate of Award authorized in Section 12.

“Notes” means bond anticipation notes (including renewal notes) or other obligations of the University authorized to be issued under this Resolution to provide interim financing for the Projects.

“Obligations” means Bonds or Notes or other evidences of obligation authorized to be issued by the University under the Act to provide money to pay costs of Facilities, or to fund, refund or retire Obligations previously issued.

“Original Purchaser” means the firm or firms selected by the Fiscal Officer to purchase or underwrite Bonds of a series as provided for in Section 6 of this Resolution.

“Outstanding Bonds” as used in this Resolution means any of the University’s General Receipts Bonds outstanding as of the date hereof.

“Paying Agent” means the Trustee and any other bank, trust company or other person designated as a Paying Agent for a series of Bonds by or in accordance with the Bond Proceedings, each of which must be a transfer agent registered in accordance with Section 17A© of the Securities Exchange Act of 1934 as amended.

“President” means the President of the University.

“Principal Payment Dates” means the dates on which principal is stated to be payable on the Bonds at stated maturity or pursuant to Mandatory Sinking Fund Requirements and Mandatory Redemption Obligations, as provided for each series of Bonds in the Bond Proceedings for that series.

“Project” or “Projects” means the acquisition, construction, reconstruction, rehabilitation, furnishing and equipping of “facilities” as defined in Revised Code Section 3345.12(A)(6), including without limitation, improvements to rehabilitate academic, administrative and other campus buildings, energy conservation improvements, new buildings and structures in furtherance of the University’s academic programs, including facilities for centers of academic excellence, and the acquisition of furnishings and equipment, and other improvements to University Facilities approved by this Board, including in each case all related costs constituting “costs of facilities” as defined in Revised Code Section 3345.12(A)(10).

“Register” means the books kept and maintained by the Trustee, as Bond Registrar pursuant to the Bond Proceedings, for the registration, exchange and transfer of Bonds.

“Registered Bonds” means fully registered Bonds registered as to both principal and interest in the name of the owner or holder, including Bonds issued under a book entry system.

“Resolution” or “this Resolution” means this Resolution authorizing the issuance and sale of the Bonds in one or more series, and including the applicable Certificate of Award for the series.

“Secretary” means the Secretary to the Board.

“Securities Depository” or “Depository” means any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book entry system to record ownership and effect transfers of book entry interests in bonds, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York, and any successor Depository.

“Serial Bonds” means those Bonds maturing on the dates set forth in the Bond Proceedings, bearing interest payable on each Interest Payment Date and not subject to Mandatory Redemption.

“Special Funds” or “Special Funds and Accounts” means the Bond Service Fund and accounts in that fund, and any fund or account established under and identified as a Special Fund or Account in the Trust Agreement or a Supplemental Trust Agreement.

“State” means the State of Ohio.

“Supplemental Trust Agreement” means, with respect to each series of Bonds, the applicable Supplemental Trust Agreement between the University and the Trustee authorized by this Resolution and the applicable Certificate of Award.

“Tax-Exempt Bonds” means, with respect to the University, obligations issued as bonds or notes the interest on which is excluded from gross income for federal income tax purposes.

“Term Bonds” means those Bonds, if any, designated as such and maturing on the date or dates set forth in the Bond Proceedings, bearing interest payable on each Interest Payment Date, and subject to Mandatory Redemption pursuant to Mandatory Sinking Fund Requirements.

“Trust Agreement” means the Trust Agreement dated as of November 1, 1971 (the “Original Trust Agreement”), as amended by Section 7 of the Third Supplemental Trust Agreement dated as of April 1, 1992, Section 8.1 of the Eighth Supplemental Trust Agreement dated as of February 1, 2001, and the Ninth Supplemental Trust Agreement dated as of February 15, 2002, and as to be further amended following completion of the procedures in Section 8.02 of the Original Trust Agreement as set forth in the Amended and Restated Trust Agreement on file with the Trustee and described in the University’s Official Statement relating to its outstanding \$214,910,000 General Receipts Bonds, Series 2009B issued on October 7, 2009.

“Trustee” means the bank, trust company or national banking association authorized to exercise corporate trust powers in the State and having a corporate trust office in the State at which trustee and bond registrar functions will be carried out, as selected by the Fiscal Officer, as trustee under the Trust Agreement and Supplemental Trust Agreements, and any successor trustee pursuant to that Agreement, presently The Huntington National Bank.

“University” means Kent State University established and existing under Chapter 3341 of the Ohio Revised Code, and every part and component thereof as from time to time existing, and when the context admits, includes its Board of Trustees.

Unless the context otherwise indicates, words importing the singular number include the plural number, and vice versa, and the terms “hereof,” “herein,” “hereby,” “hereto,” “hereunder,” and similar terms, mean this Resolution and the applicable Supplemental Trust Agreement authorized by this Resolution. References to sections, unless otherwise stated, are to sections of this Resolution.

Section 2. Authority and Security. This Resolution is adopted under authority of the Constitution of the State of Ohio (particularly Section 2i of Article VIII) and the Act. The Bonds are to be issued and secured under the Trust Agreement, as supplemented by the applicable Supplemental Trust Agreement.

There is hereby pledged, in priority to all other expenses, claims and payments, to the security of the Bonds and for the payment of the Bond Service Charges and for establishment and maintenance of any Bond Reserve Requirement, the gross amount of General Receipts and the Bond Service Fund as provided in the Trust Agreement. In accordance with the Act, all the General Receipts are immediately subject to the lien of the pledge upon receipt thereof by the University and that pledge creates a perfected security interest without necessity for prior separation, physical delivery, filing or recording or further act.

The Bonds shall be special obligations of the University. To the extent provided in and except as otherwise permitted by the Trust Agreement, the Bond Service Charges shall be payable equally and ratably solely from the General Receipts and the Special Funds, and the payment of Bond Service Charges on the Bonds shall be secured (i) by the Trust Agreement and (ii) by a pledge and assignment of and a lien on the General Receipts and the Special Funds. However, any pledge or assignment of or lien on any fund, account, General Receipts, money or other intangible property not in the custody of the Trustee shall be valid and enforceable only to the extent permitted by law.

Nothing in the Trust Agreement shall prevent payment of Bond Service Charges on one series of Bonds from being otherwise secured and protected from sources or by property, funds, and instruments not applicable to another series of Bonds. Without limiting the generality of the foregoing, nothing in the Trust Agreement shall prevent the University from providing a Credit Support Instrument pledged or relating to the payment of Bond Service Charges on any one or more series or part of a series of Bonds, and not on other Bonds.

The Bonds shall not constitute a general obligation debt or full faith and credit pledge of the University; the general resources of the University shall not be required to be used, and neither the general credit or full faith and credit of the University are or shall be pledged, for the performance of any duty under the Bond Proceedings or the Bonds. Nothing in the Bond Proceedings gives the holders of Bonds, and they do not have, the right to have excises or taxes levied by the General Assembly, or ad valorem property taxes levied by the University, for the payment of Bond Service Charges, but the Bonds are payable solely from the General Receipts and the Special Funds as provided in the applicable Bond Proceedings, and each Bond shall contain a statement to that effect; however, nothing shall be deemed to prohibit the University, of its own volition, from using to the extent it is lawfully authorized to do so, any other resources or General Receipts for the fulfillment of any of the terms, conditions or obligations of the Trust Agreement or the Bonds.

The University may secure Obligations other than Bonds by a pledge of the General Receipts under the terms and conditions set forth in the Trust Agreement for Parity Obligations.

Section 3. Credit Support Instruments for Obligations. The Authorized Officers are authorized to negotiate with one or more financial institutions to obtain a Credit Support Instrument for the Obligations if the Authorized Officers determine that such Credit Support Instrument will enhance the marketability of those Obligations so that those Obligations may be remarketed at lower variable rates of interest or at fixed rates of interest, or will otherwise result in a savings in the cost of the financing to the University. In addition, the Authorized Officers are authorized to negotiate with one or more financial institutions, from time to time so long as the Obligations are outstanding, to obtain Credit Support Instruments to replace any expiring Credit Support Instruments. The cost of any Credit Support Instrument for the Obligations shall be paid from the proceeds of such Obligations.

Section 4. Designation and Purpose of Bonds. The University hereby declares it to be necessary to, and the University is authorized to issue, sell and deliver, as provided and authorized in the Bond Proceedings, General Receipts Bonds of the University in the maximum aggregate principal amount not to exceed \$210,000,000, in one or more series, for the purpose of paying costs of the Projects. The principal amount of each series of Bonds is to be the amount set forth in the Certificate of Award for that series and is to be the amount determined by the Authorized Officers to be the amount required to pay costs of the Projects, including all related costs constituting Costs of Facilities, provided that amount shall not exceed \$210,000,000. The proceeds from the sale of each series of Bonds shall be allocated, deposited and applied as provided in Section 8 of this Resolution and the applicable Supplemental Trust Agreement.

The Bonds may be issued in one or more separate series, each bearing a distinctive designation, provided that the Bonds of each series satisfy the requirements of this Resolution and the Trust Agreement. One or more series of Bonds may be issued as Build America Bonds. Separate series of Bonds may be issued at the same or different times. The Bonds of each series shall be designated as provided in the applicable Certificate of Award. If separate series of Bonds are issued at different times, a separate Certificate of Award and Supplemental Trust Agreement shall be signed and delivered for each series.

The aggregate principal amount of the Bonds to be issued, not exceeding the amount of \$210,000,000, shall be in an amount (rounded to the next higher or lower multiple of \$5,000) determined in the Certificate of Award to be the aggregate principal amount that is necessary, taking into account any discount from the aggregate principal amount of the Bonds at which they are sold to the Original Purchaser identified in the Certificate of Award, in order to effect the purpose for which the Bonds are to be issued, including payment of financing costs relating to the Bonds.

Section 5. General Terms and Provisions Applicable to the Bonds.

(a) Form. The Bonds shall be issued only as fully registered Bonds and substantially in the form set forth in the applicable Supplemental Trust Agreement for the related series of Bonds and shall be numbered as determined by the Fiscal Officer. The Bonds shall be signed by at least two of the following officers: Fiscal Officer, Chair of the Board or Vice Chair of the Board. Any or all of those signatures may be by facsimile. The Bonds shall be authenticated in the manner provided in the Trust Agreement.

The Bonds shall be issued initially to a Securities Depository for holding in a book entry system and: (i) those Bonds shall be registered in the name of the Securities Depository or its nominee, as registered owner, and immobilized in the custody of the Securities Depository or its agent; and (ii) those Bonds as such shall not be transferable or exchangeable, except for transfer to another Depository or to another nominee of a Depository without further action by the University as provided in the Supplemental Trust Agreement for the related series of Bonds.

There shall be a single Bond representing Bonds of each series of the same maturity and interest rate. Bonds shall be issued in Authorized Denominations and shall be dated as of their date of issuance or as of another date as may be stated in the Certificate of Award for the related series of Bonds. The Bonds shall be payable at the places and in the manner provided in the Supplemental Trust Agreement for the related series of Bonds.

(b) Interest. The Bonds of each series shall bear interest from their respective dates payable on the Interest Payment Dates at the respective rates per year to be determined by the Authorized Officers and set forth in the Certificate of Award and Supplemental Trust Agreement for the related series of Bonds. If the Bonds are issued as Tax-Exempt Bonds, the weighted average interest rate of all such Bonds of a series shall not exceed seven percent (7%) per year. If the Bonds are issued as Build America Bonds, the weighted average interest rate of all such Bonds of a series shall not exceed nine percent (9%) per year.

(c) Maturities. The Bonds of each series shall mature on the dates and in the amounts as the Authorized Officers determine, provide and state in the Certificate of Award, provided that no Bonds shall mature later than November 1, 2041.

(d) Prior Redemption.

(i) **Term Bonds—Mandatory Redemption.** If provided for in the Certificate of Award, Bonds maturing in a particular year may be consolidated with the principal amount of Bonds maturing in one or more prior consecutive years to provide for Term Bonds maturing in that later year in the aggregate principal amount of those consolidated maturities. Any such Term Bonds shall be subject to mandatory redemption by the University pursuant to mandatory sinking fund requirements at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the date of redemption, on the dates and in the principal amounts as determined by the Authorized Officers in the Certificate of Award. The amounts required to be paid to the Bond Service Account shall include amounts sufficient to redeem (less the amount of any credit as provided in the Supplemental Trust Agreement for the related series of Bonds) on each principal payment date in the respective principal amounts of any Term Bonds subject to mandatory sinking fund redemption.

At its option, to be exercised on or before the 45th day next preceding any mandatory sinking fund redemption date, the University may (i) deliver to the Trustee for cancellation Term Bonds, in any aggregate principal amount desired, or (ii) receive a credit in respect to the mandatory sinking fund requirement (and corresponding mandatory redemption obligation) of the University for any Term Bonds of the same series maturing in the same year as the Term Bonds so delivered to the Trustee, which prior to that date have been redeemed (other than through the operation of the mandatory sinking fund requirements provided for) or purchased for cancellation and cancelled by the Trustee and not theretofore applied as a credit against any mandatory sinking fund requirement (and corresponding mandatory redemption obligation). Each Term Bond so delivered or previously redeemed or purchased for cancellation shall be credited by the Trustee at 100% of its principal amount against the mandatory sinking fund requirement (and corresponding mandatory redemption obligation) of the University on that redemption date with respect to Term Bonds maturing in the same year and any credit in excess of that amount may be credited against future mandatory sinking fund requirements with respect to Term Bonds of the same series maturing in the same year. If the University intends to avail itself in any year of the provisions of this paragraph, the University will on or before the 45th day next preceding the mandatory redemption date of that year furnish the Trustee with a certificate, signed by the Fiscal Officer, stating the extent to which the provisions of clauses (i) and (ii) above in this paragraph are to be availed of with respect to such mandatory sinking fund requirement (and corresponding mandatory redemption obligation). Unless that certificate is so timely furnished by the University, the mandatory sinking fund requirement (and corresponding mandatory redemption obligation) for that year shall not be reduced.

(ii) **Optional Redemption.** Bonds of one or more maturities may, as determined in the Certificate of Award, be subject to redemption at the option of the University prior to their stated maturities, in whole or in part (as directed by the University), from moneys other than those deposited in accordance with any mandatory sinking fund requirements as provided above, on the dates and at the redemption prices set forth in the Certificate of Award; provided that the first redemption date shall be not later than ten years from the first Interest Payment Date for the Bonds of that series and the highest redemption price for Bonds issued as Tax-Exempt Bonds shall not exceed 102%. The terms for any redemption prior to maturity of Bonds of any series issued as Build America Bonds shall be determined by the Authorized Officers in the Certificate of Award, and those terms may require a make whole premium to be paid to the holder of any such Bonds upon redemption prior to stated maturity. If determined to provide lower interest costs and to be in the best interest of the University, as may be provided in the Certificate of Award, the Authorized Officers may determine that none of the maturities of Bonds of any series will be subject to optional redemption prior to maturity or that certain maturities of Bonds of any series will not be subject to optional redemption prior to maturity.

(iii) **Partial Redemption.** If fewer than all of the outstanding Bonds of any series are called for redemption, the University shall identify the maturities within that series to be called. If fewer than all of the outstanding Bonds of one maturity of any series, if at the time not registered in the name of a Securities Depository or its nominee, are to be called for redemption, the selection of the Bonds or portions of those Bonds (in denominations authorized in the applicable Supplemental Trust Agreement) of that maturity to be called for redemption shall be made in the manner provided in the Trust Agreement. If optional redemption of Bonds of any series at a redemption price above 100% of the principal amount to be redeemed is to take place on any applicable mandatory sinking fund redemption date, the Bonds to be optionally redeemed shall be selected prior to the selection of the Term Bonds to be redeemed by mandatory sinking fund redemption.

(iv) **Notice.** Notice of call for redemption of Bonds of any series, setting forth the information provided for in the Trust Agreement, shall be given by the Trustee on behalf of the University to the registered owners of the Bonds to be redeemed in whole or in part at their addresses appearing on the Register. That notice shall be given by the Trustee by mail or by such electronic means and such number of days prior to the redemption date as shall be provided in the applicable Supplemental Trust Agreement. Notice by publication shall not be required. Any defect in that notice as to any Bond shall not affect the validity of the proceedings for the redemption of any other Bond, and any failure to receive notice duly mailed shall not affect the validity of the proceedings for the redemption of any Bonds.

(e) **Reserve Fund.** Unless otherwise provided in the Certificate of Award, the Bonds shall not be secured by any reserve funds, it shall not be necessary to establish any Bond Service Reserve Account for the Bonds, and there shall not be any Required Reserve for the payment of Bond debt service charges on the Bonds.

Section 6. Sale and Award of Bonds.

(a) General; Certificate of Award. The Bonds are sold and awarded to the Original Purchaser on such terms that are in accordance with the Act, are authorized or not inconsistent with this Resolution, are not materially adverse to the University, and as are provided for or specified in the Certificate of Award and any Bond Purchase Agreement. The purchase price for any series of Bonds may not be less than 98% of the aggregate principal amount of the Bonds of that series (or, if the Bonds are sold at any original issue discount, 98% of the amount resulting from the subtraction of the aggregate net original issue discount from the aggregate original principal amount of the Bonds), plus any interest accrued on Bonds from their date to their delivery date. The original issue discount, if any, shall not exceed in the aggregate 5% with respect to the Bonds of any series. The Authorized Officers are authorized and directed to execute one or more Certificates of Award and any Bond Purchase Agreements for the related series of Bonds, in order to provide for the definitive terms and terms of sale and award to the Original Purchaser of the Bonds of each series as provided in this Resolution, but not later than November 30, 2011. The Certificate of Award and any Bond Purchase Agreement for any series of Bonds shall not be inconsistent with this Resolution, and shall be approved by the Authorized Officers, their execution of the Bond Purchase Agreement to constitute conclusive approval, and a finding that the terms are not materially adverse to the University, on behalf of the University.

(b) Official Statement. The Fiscal Officer is authorized and directed to prepare or authorize to be prepared, and to complete a preliminary official statement and/or final official statement relating to the original issuance of any series of Bonds. If and to the extent applicable, the Fiscal Officer shall certify or otherwise represent that the preliminary official statement, in original or revised form, is a “deemed final” official statement (except for permitted omissions) by the University as of a particular date and that a completed version is a “final” official statement for purposes of Rule 15c2-12 adopted by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 (the Rule). The distribution and use of a preliminary official statement and final official statement by the University and the Original Purchaser is hereby authorized and approved with respect to Bonds of any series.

The President, the Fiscal Officer and any other appropriate officers of the University or the Board are further authorized (i) to use and distribute, or authorize the use and distribution of, the preliminary and/or final official statement and supplements thereto in connection with the original issuance of Bonds of any series as may in their judgment be necessary or appropriate, and (ii) to sign and deliver, on behalf of the University and in their official capacities, such certificates in connection with the accuracy of the preliminary and/or final official statements and any amendment thereto as may in their judgment be necessary or appropriate.

(c) **Continuing Disclosure Agreement.** If and to the extent required by the Rule, the University, for the benefit of the holders and beneficial owners of the Bonds, shall make a continuing disclosure agreement in the Supplemental Trust Agreement for the related series of the Bonds. The Fiscal Officers shall have the responsibility for the compliance by the University with that continuing disclosure agreement, and the Fiscal Officer shall establish procedures in order to ensure that compliance. That continuing disclosure agreement shall be the continuing disclosure agreement for purposes of the Rule, and its performance shall, as provided in it, be subject to the annual appropriation by the Board of moneys to meet costs required to be incurred to perform it.

Section 7. Establishment of Project Funds. The Fiscal Officer shall establish for each series of Bonds a separate Project Fund. Each Project Fund is to be established and maintained by the Fiscal Officer as a separate account on the books of the University and, unless otherwise provided in a Supplemental Trust Agreement, is to be held by the University in its custody as a deposit account or accounts with a bank or trust company which is a member of the Federal Deposit Insurance Corporation, except when invested as provided below. The Fiscal Officer shall apply the Project Fund to the payment of Costs of Facilities financed by the applicable series of Bonds, including the reimbursement to the University of moneys temporarily advanced for the purpose in anticipation of being reimbursed from the proceeds of the Bonds.

Each Project Fund may be invested and reinvested by or at the direction of the Fiscal Officer in such Eligible Investments as may be identified in the applicable Supplemental Trust Agreement, with notice periods for withdrawal, maturities or redemption provisions, and in amounts, as nearly as practicable, as will provide moneys when needed to pay those Costs of Facilities financed by the applicable series of Bonds. The investments and the proceeds of their sale shall constitute part of that Fund and shall be maintained separate from other investments of funds of the University, and income from those investments shall be credited to that Fund. Those investments may be sold, exchanged or collected from time to time by or at the direction of the Fiscal Officer. Any amounts in the Project Fund certified by the Fiscal Officer to be in excess of the amount needed to pay costs of the Projects may be used to pay principal of or interest on the Bonds of the series that funded the Projects if that expenditure will not, in the opinion of bond counsel to the University, (i) in the case of Tax-Exempt Bonds, adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes, or (ii) in the case of Build America Bonds, adversely effect the University's receipt of refundable tax credit payments.

Section 8. Allocation of Proceeds of Bonds. The proceeds from the sale of the Bonds of each series shall be received and receipted for by the Fiscal Officer or by his authorized representative for that purpose, and shall be allocated, deposited and credited as provided in the applicable Supplemental Trust Agreement.

Section 9. General Covenants of the University. The University, by issuance of the Bonds, covenants and agrees with their holders to perform its applicable covenants and agreements set forth in this Resolution and in the Trust Agreement and in other applicable Bond Proceedings. Each of those obligations is binding upon the University, and upon each University officer or employee as from time to time may have the authority under law to take any action on behalf of the University that may be necessary to perform all or any part of that obligation, as a duty of the University and of each of those officers and employees resulting from an office, trust or station within the meaning of Section 2731.01 of the Revised Code, providing for enforcement by writ of mandamus. The University particularly covenants that it will:

(a) General Receipts. So long as any Bonds are outstanding, fix, make, adjust and collect fees, rates, rentals, charges, and other items of General Receipts, as will produce at all times General Receipts sufficient to:

- (i) Pay Bond Service Charges when due,
- (ii) Establish and maintain any Bond Service Reserve Account as provided in the applicable Bond Proceedings, and
- (iii) Together with other moneys lawfully available therefor, pay all costs and expenses required to be paid under the Bond Proceedings and all other costs and expenses necessary for the proper maintenance and successful and continuous operation of the University.

(b) Segregate Accounts. Segregate, for accounting purposes, the General Receipts and the Special Funds from all other receipts and funds of the University.

(c) Further Actions. At any and all times, cause to be done all such further acts and things and cause to be signed and delivered all such further instruments as may be necessary to carry out the purpose of the Bonds and Bond Proceedings or as may be required by the Act, and comply with all requirements of law applicable to the University and its operations.

(d) Payments. From the sources provided in the Trust Agreement, pay or cause to be paid the Bond Service Charges on each and all Bonds on the dates, at the places and in the manner provided in the applicable Bond Proceedings and Bonds, according to their true intent and meaning.

(e) Prior Pledges. Not make any pledge or assignment of or create or suffer any lien or encumbrance upon the Bond Service Fund or General Receipts prior to or on a parity with the pledge thereof in the Trust Agreement, except as authorized or permitted under the Trust Agreement.

(f) Faithful Performance. Observe and perform faithfully at all times all covenants, agreements, authority, actions, undertakings, stipulations and provisions to be observed or performed on its part under the Trust Agreement and other Bond Proceedings and the Bonds, and under all Board proceedings pertaining thereto.

Section 10. Tax Covenants.

(a) Covenants. The Board covenants for the University with respect to any series of Bonds issued as Tax-Exempt Bonds that:

(i) It will use, and will restrict the use and investment of, the proceeds of the Bonds in such manner and to such extent as may be necessary so that (A) those Bonds will not constitute private activity bonds, arbitrage bonds or hedge bonds under Section 141, 148 or 149 of the Code, or be treated other than as bonds to which Section 103 of the Code applies, and (B) the interest on those Bonds will not be treated as a preference item under Section 57 of the Code.

(ii) It (a) will take or cause to be taken such actions that may be required of it for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes, and (b) will not take or authorize to be taken any actions that would adversely affect that exclusion, and that it, or persons acting for it, will, among other acts of compliance, (1) apply the proceeds of the Bonds to the governmental purpose of the borrowing, (2) restrict the yield on investment property, (3) make timely and adequate payments to the federal government, (4) maintain books and records and make calculations and reports, and (5) refrain from certain uses of those proceeds and of property financed with those proceeds, all in such manner and to the extent necessary to assure that exclusion of that interest under the Code.

The Fiscal Officer and other appropriate officers are authorized (i) to make or effect any election, selection, designation, choice, consent, approval or waiver on behalf of the University with respect to the Bonds as the University is permitted to make or give under the federal income tax laws, including, without limitation, any of the elections provided for in Section 148(f)(4)© of the Code or available under Section 148 of the Code, for the purpose of assuring, enhancing or protecting favorable tax treatment or status of the Bonds or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing the rebate amount or payments of penalties, or making payments of special amounts in lieu of making computations to determine, or paying, excess earnings as rebate, or obviating those amounts or payments, as determined by that officer, which action shall be in writing and signed by the officer, (ii) to take any and all other actions, make or obtain calculations, make payments, and make or give reports, covenants and certifications of and on behalf of the University, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the Bonds, and (iii) to give one or more appropriate certificates, for inclusion in the transcript of proceedings for those Bonds, setting forth the reasonable expectations of the University regarding the amount and use of all the proceeds of those Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of the interest on and the tax status of the Bonds.

Section 11. Supplemental Trust Agreements. The President, the Vice President for Finance and Administration of the University and the Chair and Vice Chair of the Board, or any two of them, are authorized to execute and deliver to the Trustee, in the name of and on behalf of the University, and the Secretary to the Board is authorized to attest, one or more Supplemental Trust Agreements pursuant to the Trust Agreement and in connection with the issuance of each series of Bonds, not substantially adverse to the University as may be permitted by the Act and the Trust Agreement and approved by the officers executing it on behalf of the University. Any Supplemental Trust Agreement may contain amendments to the Trust Agreement, as theretofore amended, to permit the University increased flexibility for use of financial or credit structures or to provide other terms determined by the Authorized Officers to be in the best interests of the University.

Section 12. Notes. In order to obtain interim financing for any of the Projects, the University may issue notes in anticipation of the issuance of Bonds (Notes) to pay costs of such Bonds Projects and to refund any Notes previously issued pursuant to this Resolution. The Notes may be issued in one or more series each bearing a distinctive designation, provided that the Notes of each series satisfy the requirements of this Resolution. Separate series of Notes may be issued at the same or different times. The Notes shall be awarded and sold to the Original Purchaser selected by the Fiscal Officer and identified in the Note Certificate of Award, and in accordance with this Resolution and the Note Certificate of Award, and on such further or revised terms authorized or not inconsistent with this Resolution and not materially adverse to the University as are provided for or specified in the Note Certificate of Award. The Notes shall be awarded, sold and issued, and the proceeds of the Notes shall be applied, pursuant to this Resolution, the Trust Agreement, a Supplemental Trust Agreement and the Note Certificate of Award, and may be the subject of Credit Support Instruments, in the same manner and subject to the same limitations, terms, conditions and covenants as are provided in this Resolution with respect to the Bonds. The Notes may, but need not be, delivered in book entry form, and the proceeds of Notes issued to refund Notes previously issued shall be used to pay the costs of that refunding and of issuing the refunding Notes. The Notes shall be payable from the sources and secured as provided in the Trust Agreement and applicable Supplemental Trust Agreement or other agreement securing the Notes. The authorization of University officials to sign documents and take other actions with respect to the issuance of the Bonds shall also apply to the signing of documents and taking of other actions with respect to the issuance of Notes.

Section 13. Other Documents. The President, the Vice President for Finance and Administration of the University, and the Chair and Vice Chair of the Board, or any of them are authorized to furnish, sign and deliver such other documents, certificates and instruments as may be necessary or appropriate to consummate the transactions contemplated in this Resolution, the Supplemental Trust Agreement, the Bond Purchase Agreement, and any Hedge Agreement, each as applicable to the related series of Bonds. The Secretary to the Board or other appropriate officials of the University shall furnish the Original Purchaser and the Trustee a true transcript of proceedings certified by such officers of the University as may be appropriate of all proceedings had with reference to the issuance of the Bonds.

Section 14. Interpretations and References. Any reference in the Bond Proceedings to the University, or to its Board, or its or their officers, or to other public bodies, boards, commissions, departments, institutions, agencies, bodies, entities or officers, shall include those that succeed to their functions, duties or responsibilities pursuant to or by operation of law or otherwise are lawfully performing their functions.

Any reference in the Bond Proceedings to a section or provision of the Revised Code or to the Act or to the laws of Ohio or Board resolutions shall include that section or provision and the Act and those laws and resolutions as from time to time amended, modified, revised, supplemented or superseded. No amendment, modification, revision, supplement or superseding section or provision shall be applicable solely by reason of this provision, if it constitutes in any way an impairment of the rights or obligations of the University, the holders, the Trustee, any Credit Support Provider, or the Registrar, under the Bond Proceedings or any other instrument or document entered into in connection with any of the foregoing, including without limitation, any alteration of the obligation to pay Bond Service Charges in the amount and manner, at the times and from the sources provided in the Bond Proceedings and the Bonds, except as permitted in the Trust Agreement.

Section 15. Open Meeting. It is found and determined that all formal actions of this Board concerning and relating to the adoption of this Resolution were taken in an open meeting of this Board, and that all deliberations of this Board and of any of its committees that resulted in those formal actions were taken in meetings open to the public, in full compliance with applicable legal requirements, including Section 121.22 of the Revised Code.

STUDENT FEES

Trustee Timken then presented the final management decision item recommended by the Finance and Administration Committee—a resolution authorizing university leaders to develop a student fee to retire the debt of the bond issue and to work with the Chancellor of the Ohio Board of Regents to gain necessary approvals.

Resolution 2009-74

STUDENT FEES

WHEREAS, many of the Kent Campus academic buildings and facilities are in critical need of rehabilitation, renovation or replacement, as evidenced in part by the recent report to the university from an outside consultant that estimates the deferred renewal at the Kent campus to approximate \$353 million; and

WHEREAS, the resources provided by appropriations from the state of Ohio and current tuition and fees are insufficient to address the ongoing needs of the university to maintain state-of-the-art academic facilities; and

WHEREAS, the Ohio Board of Regents' recent condition report recognized the need for alternative funding sources to address the systemic deferred renewal present on most four-year university campuses in Ohio; and

WHEREAS, the 128th General Assembly of the state of Ohio, in Amended Substitute House Bill No.1, requires each state-assisted institution of higher education to restrain increases in instructional and general fees for in-state undergraduate students such that those fees do not increase by more than 3.5% over what the institution charged for the preceding academic year, but the General Assembly permits that limitation to be modified by the Chancellor of the Board of Regents, with the approval of the Controlling Board, to respond to exceptional circumstances; and

WHEREAS, a resolution has been adopted by the Board of Trustees of the university authorizing the issuance of General Receipts Bonds of the university to provide funds for the renovation, rehabilitation and replacement of academic facilities on the Kent Campus; and

WHEREAS, this Board seeks to obtain authorization for an increase in student fees such that the General Receipts and other funds available to the university will be sufficient to provide for the successful operation of the university and the amortization of debt service on General Receipts Bonds of the university; now, therefore,

BE IT RESOLVED by the Kent State University Board of Trustees that the President and the Vice President for Finance and Administration of the university are authorized and directed to work with the Chancellor of the Board of Regents to develop a schedule of instructional and general fees that the Chancellor will submit to the Controlling Board for approval to permit the university to provide for the successful operation of the university and the renovation, rehabilitation and replacement of necessary academic buildings and facilities on the Kent Campus, including provision for amortization of General Receipts Bonds of the university.

That concluded the report of the Finance and Administration Committee.

ACTION: There were no objections to placing the Finance and Administration Committee decision items on the consent agenda.

ACTION: Trustee Tucker moved, seconded by Trustee Eckart, that the consent agenda be approved. There were no objections. The motion passed.

NEW BUSINESS

Board Chair Mullin called upon Trustee Colecchi to present a resolution of appreciation for Lois M. Nora, M.D., who is stepping down in January 2010 as the president of the Northeastern Ohio Universities College of Medicine and Pharmacy (NEOUCOM).

Resolution 2009-75

RESOLUTION OF APPRECIATION TO LOIS M. NORA

WHEREAS, Dr. Lois M. Nora was named President and Dean of the Northeastern Ohio Universities College of Medicine (NEOUCOM) in October 2002; and

WHEREAS, in this role she has worked diligently to enhance both the quality and breadth of medical and health-related education, research, and service in the region, including the establishment of the Northeastern Ohio Universities College of Pharmacy in 2005; and

WHEREAS, as a founding member of NEOUCOM since 1973, Kent State University considers its partnership with the medical college of high strategic value, particularly in the attraction of outstanding students to Kent State for admission to the consortium B.S./M.D. and doctor of pharmacy degree programs; and

WHEREAS, Kent State is especially grateful to President Nora for her public support of the university's development of a comprehensive college of public health to meet critical needs for expanded public health-related education, research, and service in the region and state; and

WHEREAS, Dr. Nora has served her profession capably through boards and commissions including the American Association of Neuromuscular and Electro-diagnostic Medicine as Fellow, President and Board of Directors; Association of American Medical Colleges, Board of Directors; Association of American Medical Colleges, Chair, Council of Deans; Liaison Committee on Medical Education, Co-Chair; American Medical Association, Governing Council, Section on Medical Schools; Inter-University Council of Ohio, Executive Council and First Vice Chair; and the North East Ohio Universities Collaboration and Innovation Study Commission, Member; and

WHEREAS, she has been recognized with numerous awards and honors including the American Medical Women's Association President's Recognition Award; an Honorary Doctorate, Youngstown State University; as Fellow, American Academy of Neurology; as Fellow, Executive Leadership in Academic

Medicine; as Fellow, American Council on Education; and the YWCA Women's Network, Women of Achievement Award; now, therefore,

BE IT RESOLVED, that the Kent State University Board of Trustees expresses appreciation to Dr. Lois M. Nora for her distinguished contributions to the education of students, the advancement of NEOUCOM, and the betterment of Kent State University, and wishes her well in her future pursuits.

ACTION: Trustee Colecchi moved, seconded by Trustee Tucker. There were no objections. The motion passed.

As noted in his report, Board Chair Mullin brought forth a resolution amending President Lester A. Lefton's contract.

Resolution 2009-76

ADOPTION OF AMENDMENTS TO LESTER A. LEFTON'S EMPLOYMENT AGREEMENT

WHEREAS, Lester A. Lefton joined Kent State University as its 11th president on July 1, 2006; and

WHEREAS, his original employment contract with the Kent State University Board of Trustees calls for consideration of renewal or extension to occur during the 2009-2010 academic year; and

WHEREAS, the Board has annually evaluated Dr. Lefton's leadership, in each year finding that he has met or exceeded expectations and he has made outstanding contributions to the advancement and well-being of Kent State University; and

WHEREAS, the Board of Trustees and President Lefton, unanimously, desire to extend the relationship well into the next decade; and

WHEREAS, as a part of this process, the Board has undertaken a review of President Lefton's employment agreement; now, therefore

BE IT RESOLVED, that the Kent State University Board of Trustees hereby adopts the contract adjustments contained in the Amendment to Employment Agreement which follows this resolution.

BE IT FURTHER RESOLVED, that the 457(f) Non-qualified Deferred Compensation Plan is hereby to be terminated as expeditiously as possible, after January 1, 2010.

**ACTION: Trustee Mullin moved, seconded by Trustee Eckart. There were no objections.
The motion passed.**

ADJOURNMENT

Chair Mullin announced that the next regular business meeting of the Board of Trustees will be January 27, 2010, at the Kent Campus. On motion duly made and approved, the meeting was adjourned at 3:28 p.m.