

**EMERGENCY MEETING OF THE  
WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION**

**9<sup>th</sup> Floor Conference Room\*  
Boulevard Tower  
1018 Kanawha Boulevard East  
Charleston, West Virginia**

**October 12, 2011  
4:00 P.M.**

**AGENDA**

- I. Call to Order
- II. Approval of Capital Improvements and the Resolution Authorizing the Issuance of Revenue Bonds at Marshall University
- III. Adjournment

\*To join the meeting by conference call, dial the following numbers:

**1-866-453-5550, participant code: 5245480#**

**West Virginia Higher Education Policy Commission  
Meeting of October 12, 2011**

**ITEM:** Approval of Capital Improvements and the Resolution Authorizing Issuance of Revenue Bonds

**INSTITUTION:** Marshall University

**RECOMMENDED RESOLUTION:** *RESOLVED*, That the West Virginia Higher Education Policy Commission approves the Biotechnology Incubator and Applied Engineering Complex and the Indoor Athletic Complex as provided in West Virginia Code §18B-19 for projects in excess of \$15 million.

*FURTHER RESOLVED*, That the West Virginia Higher Education Policy Commission approves the Resolution prepared by bond counsel approving and authorizing the issuance of revenue bonds by the Marshall University Board of Governors to finance, in whole or part, the capital improvements included or to be included in the Marshall University Campus Master Plan, specifically the Biotechnology Incubator and Applied Engineering Complex, the Indoor Athletic Complex, the Multi-Floor Parking Structure, the Soccer Stadium Complex, the Fine Arts Incubator/Visual Arts Project, the Modern Academic Instructional (High Technology) Facility and Land Acquisition/Demolition in an aggregate principal amount not exceeding \$54 million.

*FURTHER RESOLVED*, That the West Virginia Higher Education Policy Commission approves a modification to Marshall University's Campus Master Plan to locate the Fine Arts Incubator and Visual Arts Project in the former Stone & Thomas Building in downtown Huntington, add the Multi-Floor Parking Structure and the Soccer Stadium Complex, and build the Modern Academic Instructional (High Technology) Facility in the location shown in the presentation material.

**STAFF MEMBER:**

Richard Donovan

**BACKGROUND:**

As provided in West Virginia Code §18B-19, Marshall University (Marshall) is requesting approval of capital improvements exceeding \$15 million. The total budget includes \$114 million for major capital projects and land acquisition and it identifies the cost and timing of expenditures for each project, as well as sources of revenue.

The projects that exceed \$15 million and require Commission approval are as follows:

- Indoor Athletic Complex, \$25 million; and
- Biotechnology Incubator and Applied Engineering Complex, \$50 million.

In addition, Marshall is requesting approval of a resolution prepared by Huddleston Bolen LLP, its bond counsel, to authorize a bond issue to finance, in whole or part, the capital improvements in its Master Plan in an aggregate principal amount not exceeding \$54 million.

The following summaries are provided for the projects exceeding \$15 million that require Commission approval. Marshall will review the projects in greater detail at the meeting.

**Indoor Athletic Complex**

The Indoor Practice Facility is an expanded concept of the project shown on the original 2003 Ten Year Master Plan and includes a Student Athlete Academic Center and a Sports Medicine Translational Research Center. The Indoor Practice Facility will house a climate-controlled, 100 yard multipurpose turf football field designed to ensure conditions conducive to team practices/workouts for football, as well as baseball, softball, soccer, tennis and track teams during interperate heat, cold and inclement weather conditions. It will also feature a six-lane, 200-yard indoor track overlaid on the football field and a 100 yard sprint straightaway for the Women's Track Team and further program compliance with NCAA Title IX regulations.

Total Budget: \$14 million  
Size: 100,000 GSF  
Completion Date: June 2014

The Student Athlete Academic Center will be located on the second floor in the interconnected, adjacent facility. This center will be a state-of-the-art student academic, advising and study center committed to providing the services and support for the academic success of student athletes.

Total Budget: \$3.5 million  
Size: 12,000 GSF

Completion Date: June 2014

The Sports Medicine Translational Research Center will be located on the first floor below the Student Athlete Academic Center. The development of a robust, interdisciplinary research center is envisioned. It will feature clinical research scientists from the Schools of Medicine, Pharmacy, Physical Therapy, Kinesiology and Athletic Training as well as human performance specialists, sports psychologists, neuroscientists and cognitive scientists all focused on optimizing human capabilities and athletic performance and the treatment of physical infirmities.

Total Budget: \$7.5 million

Size: 18,000 GSF

Completion Date: June 2014

### **Biotechnology Incubator and Applied Engineering Complex**

The construction site chosen for the Biotechnology Incubator and Applied Engineering Complex, as shown on the 2008 Five-year Campus Master Plan Update will be located adjacent to the Biotechnology Science Center. It is envisioned that the building will house the College of Information Technology and Engineering (CITE), Bio-Technology Incubator, Appalachian Water Resources and Environmental Sciences Lab, Mathematics and Computational Science, Digital Forensics, CEGAS and it is proposed that the Marshall University Research Corporation be relocated to this facility.

Total Budget: \$50 million

Size: 140,000 GSF

Completion Date: March 2014

The following projects do not require approval of the Commission since the total cost of planning, design and construction is less than \$15 million. A project summary is provided for information since they are to be funded, in whole or part, from bond proceeds.

#### Multi-floor Parking Structure

Due to the loss of parking spaces to make way for the new Biotechnology Incubator and Applied Engineering Complex, a new multi-floor parking structure is proposed and will be located on Sixth Avenue and 17th Street on University owned property. This structure will not only provide for lost spaces but also provide a location for those events/meetings/presentations held at the Memorial Student Center, the Foundation Hall and the Joan C. Edwards Playhouse.

Total Budget: \$7 million

Size: 4-6 Levels

Completion Date: September 2012

### Soccer Stadium Complex

This facility will be located east of the main campus at the Veterans Memorial Field House on Fifth Avenue and 26th Street on property soon to be acquired by the University. This location will make way for the expanded concept of the Indoor Practice Facility complex and provide much needed space for Men's and Women's Soccer. The new facility will be within walking distance of the main campus facilities.

Total Budget: \$5.4 million

Size: 164,278 GSF

Completion Date: May 2013

### Fine Arts Incubator-Visual Arts Project

The Fine Arts Incubator/Visual Arts Facility will be relocated west of the main campus in the former Stone & Thomas Building in downtown Huntington. This facility was previously shown on the 2003 Campus Master Plan as being located next to the Joan C. Edwards Playhouse on Fifth Avenue and 17th Street.

The Stone & Thomas Building was purchased August 2010 for the development of a Fine Arts Incubator/Visual Arts Facility. The downtown location on Third Avenue and 10th Street is viewed as a prime opportunity for cooperative development. The development of this property can become not only an asset to Marshall University educationally, but also economically to the City of Huntington. The facility is within walking distance from the main campus. The relocation of the Department of Visual Arts and Design will free up space in its current location in Smith Hall for reassignment to other disciplines.

Total Budget: \$11 million

Size: 67,200 GSF

Completion Date: January 2014

### Modern Academic Instructional (High Technology) Facility

This facility was identified in the 2008 Update to the University's Campus Master Plan. The proposed site selected is on Third Avenue and 18<sup>th</sup> Street. The facility will provide a highly flexible state-of-the-art space and learning environment for students.

Total Budget: \$14 million

Size: 36,000 GSF

Completion Date: September 2014

### Land Acquisition/Demolition

The additional land acquisitions will pave the way for future growth of the institution.

Total Budget: \$2 million



# **Board of Governors of Marshall University**

Proposed University Revenue Bonds, Series 2011

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Presentation to the West Virginia Higher  
Education Policy Commission

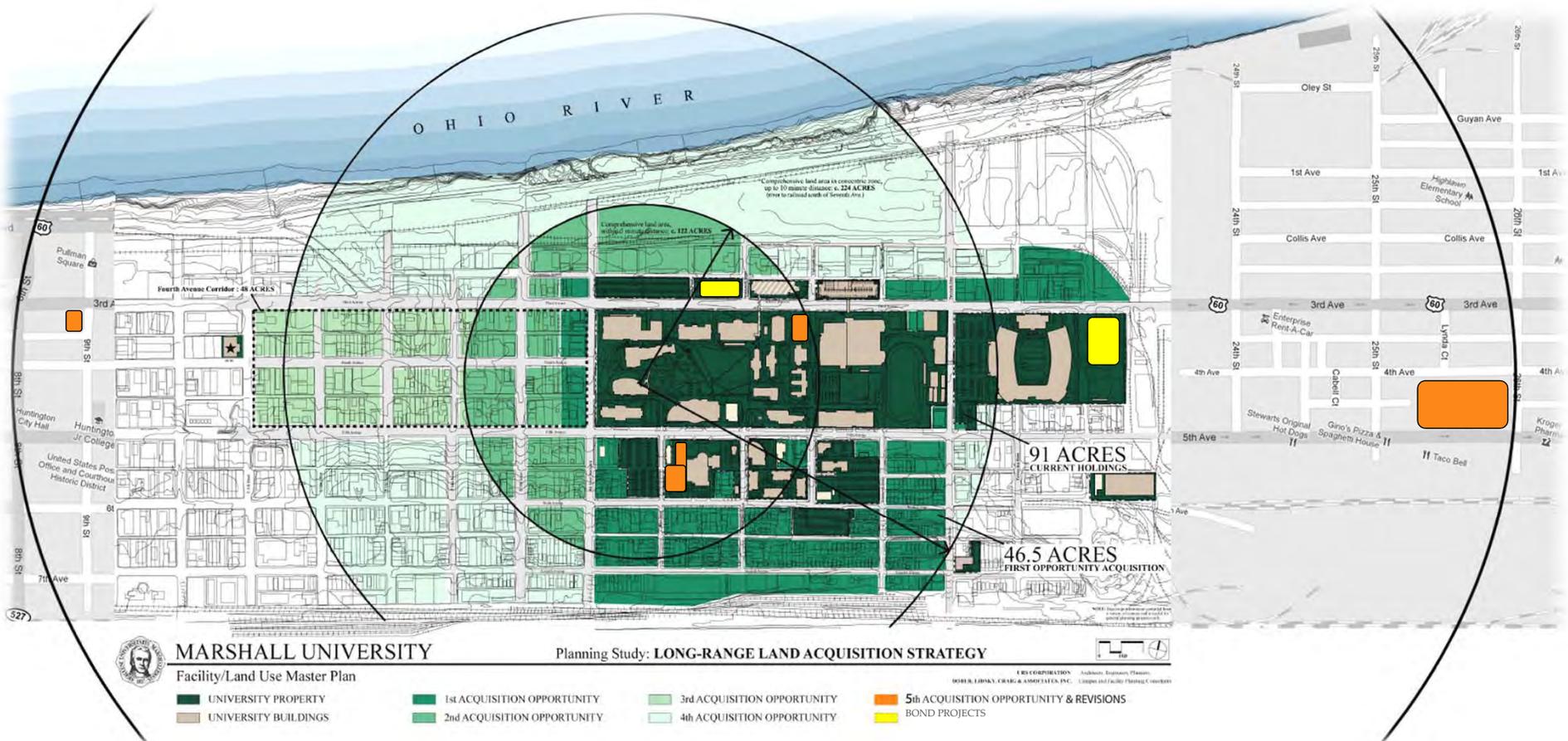
October 12, 2011



# Master Plan Update

# Marshall University Facility/Land Use Master Plan

## LAND USE MASTER PLAN UPDATE



## Campus Master Plan Revisions

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**Approved by Marshall University Board of Governors September 29, 2011**

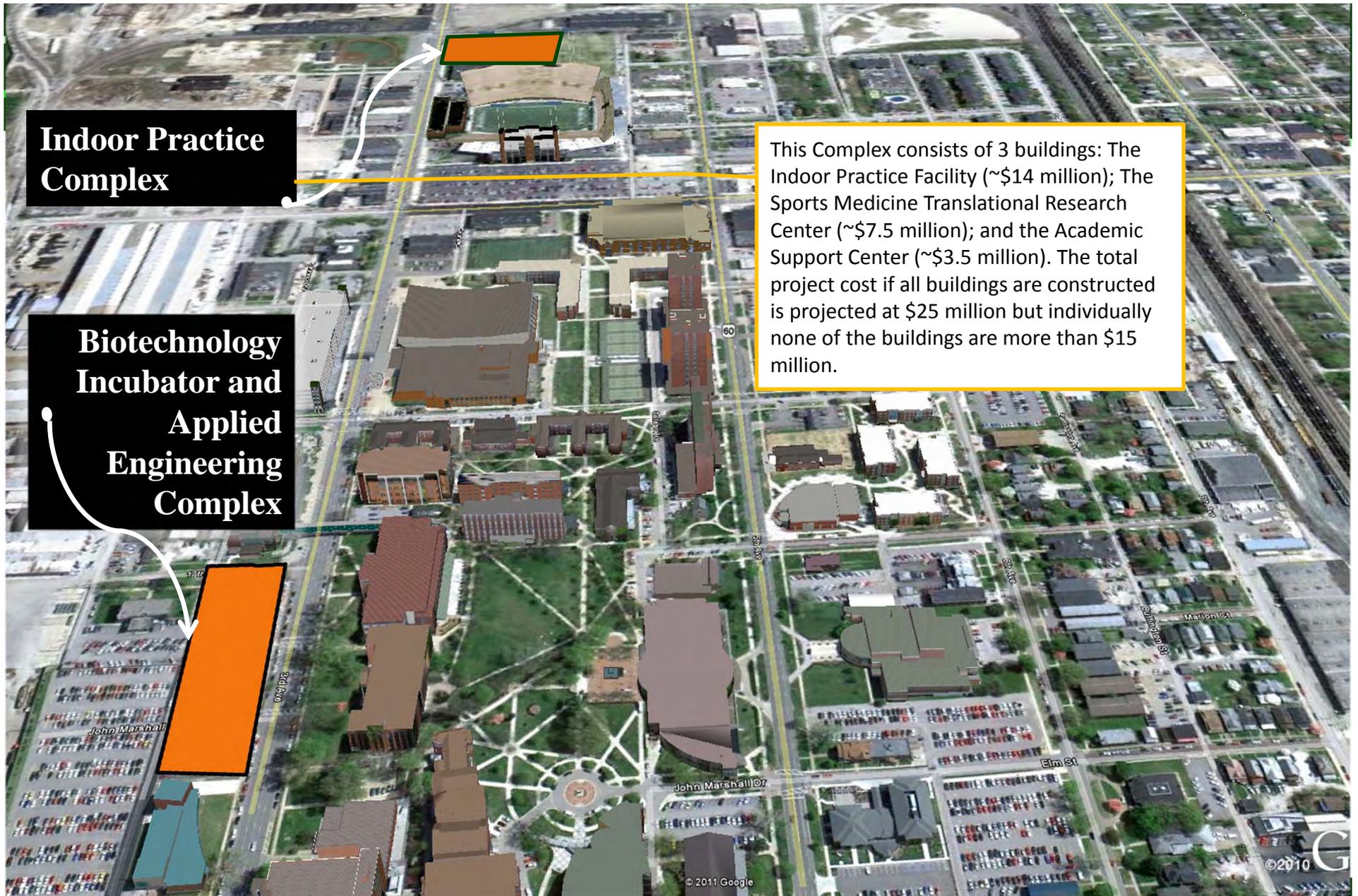
- Fine Arts Incubator/Visual Arts – Relocation
- Soccer Stadium Complex – Proposed Facility
- Multi-Floor Parking Structure – Proposed Facility
- Modern Instructional (High Technology) Academic Building – Proposed Location



# Marshall University Project Overview



# Facilities that are > \$15 Million





# Project Timeline

Sept 2012

May 2013

Jan 2014

Mar 2014

Jun 2014

Sept 2014

## Soccer Complex

Site of existing VA Fieldhouse  
Total Budget: \$5.4 million  
Size: 164,278 GSF

## Biotechnology Incubator and Applied Engineering Complex

Budget: \$50 million  
Size: 140,000 GSF

## Modern Academic Facility

Close to the center of the campus  
Total Budget: \$14 million  
Size: 36,000 GSF

## Parking Garage

Adjacent to Foundation Hall  
Total Budget: \$7 million  
Size: 140,000 GSF

## Fine Arts Incubator

Renovation of Stone & Thomas  
Total Budget: \$11 million  
Size: 67,200 GSF

## Indoor Practice Complex

Next to the Football Stadium off of 3<sup>rd</sup> Avenue  
Budget: Indoor Practice Facility: \$14 million (100,000 ft<sup>2</sup>)  
Sports Medicine Center: \$7.5 million (18,000 ft<sup>2</sup>)  
Academic Center: \$3.5 million (12,000 ft<sup>2</sup>)  
Total Size: 130,000 GSF

# Multi-floor Parking Structure



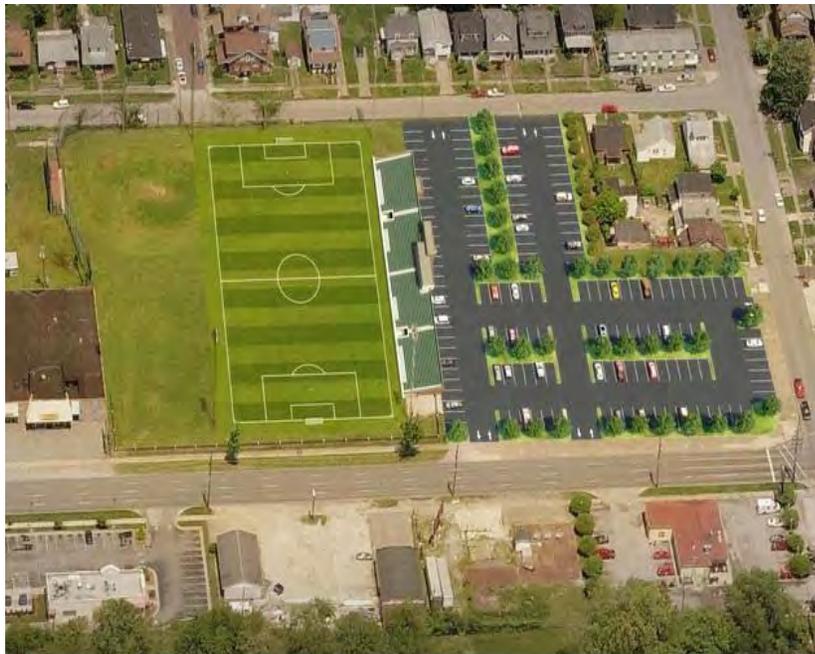
# Soccer Stadium Complex

**The complex will include: a turf field, spectator seating, restrooms, team room and locker room facilities, lighting Press Box and public address system.**

**Total Budget: \$5.4 million**

**Size: 164,278 GSF**

**Completion Date: May 2013**



# Fine Arts Incubator Visual Arts



Originally on the 10 Year Master Plan, but adjacent to Performing Arts Center

**New Location:** Downtown Huntington

**Houses:** Renovated for instructional space for the department of Art and Design

**Total Budget:** \$11 million

**Size:** 67,200 GSF

**Completion Date:** January 2014



# Biotechnology Incubator & Applied Engineering

**Location:** Adjacent to the Biotechnology Science Center  
**Houses:** Multi-departments  
**Budget:** \$50 million  
**Size:** 140,000 GSF  
**Completion Date:** March 2014



# Indoor Practice Complex

- This project is an expanded concept of the Indoor Practice Facility shown on the original 2003 Ten Year Master Plan to include:
  - **Indoor Practice Facility** (100,000 gsf; Budget: \$14 million)
  - **Student Athlete Academic Center** (12,000 gsf; Budget: \$3.5 million)
  - **Sports Medicine Translational Research Center** (18,000 gsf; Budget: \$7.5 million)



# Indoor Practice Complex



# Student Athlete Academic Center



# Sports Medicine Translational Research

## Center



# Modern Academic Instructional Facility

- **(High Technology) Facility**
  - highly flexible
  - space-adaptive array of state-of-the-art
  - technology-enhanced learning environments to meet the needs of students learning and discovery.
  - walls that retract into the ceilings
- **Total Budget: \$14 million**
- **Size: 36,000 GSF**
- **Completion Date: September 2014**
- **Proposed Location: Site of Laidley Hall**



## Sources of Funding

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- \$25 million from Higher Education Policy Commission, Revenue Bonds (Higher Education Facilities), 2010 Series Bonds
- Approximately \$50 million from proposed Marshall University Revenue Bonds
- Approximately \$40 million from private gifts to Marshall University



# Project Budget

Capital Projects	Expected Completion Date	Priority	Funding Source		Running Total Bond Proceeds	Total Estimated Cost
			University, and/or External Funding	Bond Funding		
Biotechnology Incubator and Applied Engineering Complex	Mar-14	1-a	\$37,000,000	\$13,000,000	\$13,000,000	\$50,000,000
Multi-floor Parking Structure	Sep-12	1-b		7,000,000	20,000,000	7,000,000
Fine Arts Incubator-Visual Arts	Jan-14	2	2,000,000	9,000,000	33,100,000	11,000,000
Indoor Practice Facility	Jun-14	3-a	14,000,000	-	33,100,000	14,000,000
Sports Medicine Translational Research Center	Jun-14	3-b	3,500,000	4,000,000	37,100,000	7,500,000
Academic Support Center	Jun-14	3-c	1,500,000	2,000,000	39,100,000	3,500,000
Soccer Stadium Complex	May-13	4	1,300,000	4,100,000	24,100,000	5,400,000
Modern Academic Instructional (High Technology) Facility	Sep-14	5	3,000,000	11,000,000	50,100,000	14,000,000
Land Acquisition and Building Demolition		6		2,000,000	52,100,000	2,000,000
<b>Totals</b>			<b>\$62,300,000</b>	<b>\$52,100,000</b>		<b>\$114,400,000</b>

# Financing Structure

- The Series 2011 Bonds are structured to wrap around the existing Marshall debt service including the Series 2010 Bonds and Marshall’s allocation of the 2003 Series A, 2004 Series B, and 2007 Series A Bonds issued by the West Virginia Higher Education Policy Commission
- The Series 2011 Bonds are structured without a Debt Service Reserve Fund
- The Series 2011 Bonds will be issued as tax-exempt fixed rate bonds with serial and term bonds and a final maturity in 2041

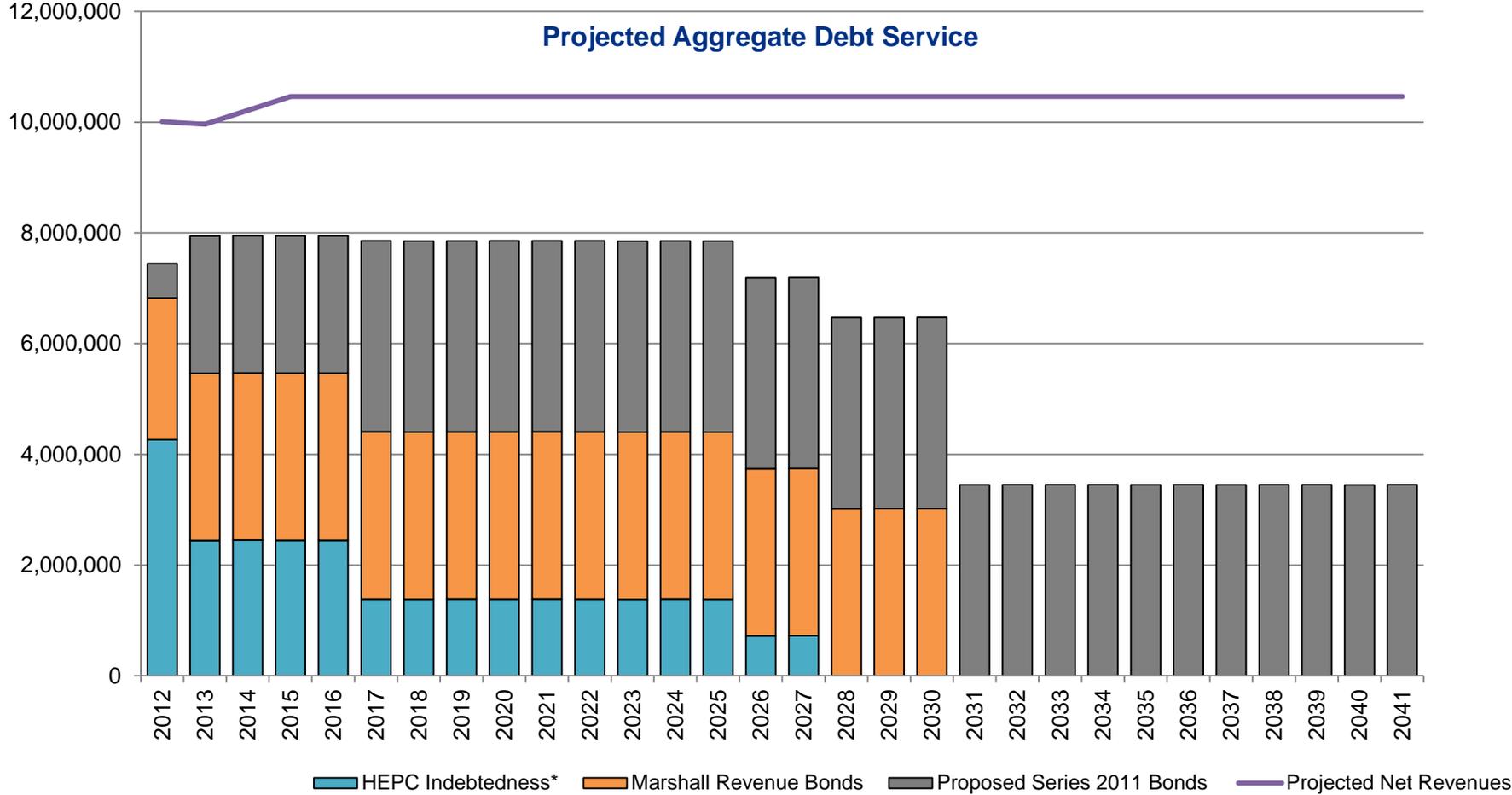
Marshall University Revenue Bonds, Series 2011*		
Estimated Sources		
Par Amount	\$	49,420,000
Premium		3,845,014
Total Sources		53,265,014
Estimated Uses		
Project Fund	\$	52,100,000
Capitilized Interest Fund		642,324
Cost of Issuance <sup>(1)</sup>		522,690
Total Uses		53,265,014

\* Preliminary, subject to change  
 (1) Includes Underwriters’ discount, costs of issuance, and additional proceeds



# Projected Debt Service for the Series 2011 Bonds

The Series 2011 Bonds are structured to wrap around the existing Marshall debt service



\*HEPC Indebtedness is inclusive of Marshal's portion of Outstanding 2003 Series A, 2004 Series B, and 2007 Series A HEPC Bonds Preliminary, subject to change.

# Marshall University

## Financial Overview



## Debt Service Funding

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- The existing bonds are covered by revenues generated by housing, parking and dining facilities
- The new bonds will add these additional revenue sources:
  - E&G Capital Fees net of HEPC Debt Payments (gross projected flat for analysis purposes at \$5.4 million/year; gross actual for FY 11 was over \$5.7 million)
  - Medical Center Rental Income (~\$800,000/year)
  - Athletic Facility Enhancement Fee (\$250,000 for FY 12, \$500,000 each year thereafter)



# Summary of Financial Position

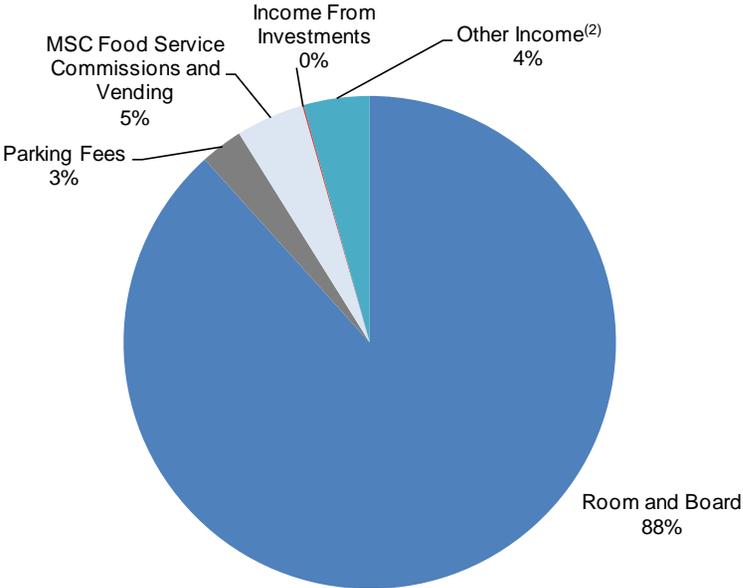
The financial information summarized below reflects the new revenue package established in the amended indenture

	Historical Financial Information <sup>(1)</sup>			Budgeted
	FY 2009	FY 2010	FY 2011	FY 2012
<b>Revenues</b>				
Auxiliary Revenues				
Room and Board	\$12,359,282	\$13,289,421	\$14,366,311	\$14,808,335
Parking Fees	425,835	426,396	453,518	453,500
Memorial Student Center ("MSC") Food Service Commissions and Vending	527,220	601,243	728,993	650,000
Income From Investments (Revenue Fund)	93,703	12,695	17,386	0
Other Income <sup>(2)</sup>	659,008	673,002	701,618	400,000
E&G Capital Fees (Net of HEPC debt payments)	0	0	0	1,371,033
Medical Center Rental Income	0	0	0	800,610
Athletic Facility Enhancement Fee	0	0	0	250,000
<b>Total Revenues<sup>(2)</sup></b>	<b>\$14,065,048</b>	<b>\$15,002,757</b>	<b>\$16,267,826</b>	<b>\$18,733,478</b>
<b>Operating Expenses</b>				
Auxiliary Operating Expenses	\$11,260,366	\$11,219,952	\$11,298,766	\$11,411,754
<b>Total Operating Expenses</b>	<b>\$11,260,366</b>	<b>\$11,219,952</b>	<b>\$11,298,766</b>	<b>\$11,411,754</b>
<b>Net Revenues (Total Revenues Less Total Operating Expenses)</b>	<b>\$2,804,682</b>	<b>\$3,782,805</b>	<b>\$4,969,060</b>	<b>\$7,321,725</b>
Total Debt Service on Bonds	\$3,191,676	\$3,187,264	\$1,777,466	\$3,210,008
Net Revenues/Total Debt Service on Bonds	0.88	1.19	2.80	2.28
<b>Rate Covenant Compliance</b>				
Net Revenues (Total Revenues Less Total Operating Expenses)	\$2,804,682	\$3,782,805	\$4,969,060	\$7,321,725
Other Legally Available Funds <sup>(3)</sup>	\$10,660,250	\$11,586,583	\$6,698,731	\$4,000,000
<b>Total Net Revenues Plus Other Legally Available Funds</b>	<b>\$13,464,932</b>	<b>\$15,369,388</b>	<b>\$11,667,791</b>	<b>\$11,321,725</b>
<b>Maximum Annual Debt Service ("MADS") on the Bonds<sup>(4)</sup></b>	<b>\$3,191,931</b>	<b>\$3,191,931</b>	<b>\$3,022,650</b>	<b>6,639,183</b>
<b>Debt Service Coverage of MADS Based on Net Revenues Plus Other Legally Available Funds</b>	<b>4.22</b>	<b>4.82</b>	<b>3.86</b>	<b>1.71</b>
<b>Debt Service Coverage of MADS Based on Net Revenues</b>	<b>0.88</b>	<b>1.19</b>	<b>1.64</b>	<b>1.10</b>

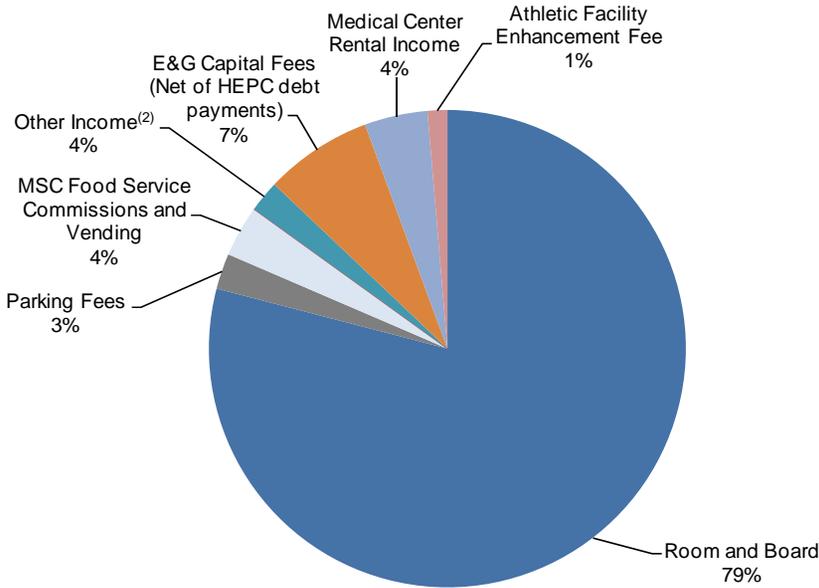
# Summary of Financial Position

The financial information summarized below reflects the new revenue package established in the amended indenture

**Composition of Operating Revenues**  
Actual FY 2011



**Composition of Operating Revenues**  
Projected FY 2012



Source: Marshall University Audited Financial Statements  
Footnotes from Previous Page

<sup>(1)</sup> Unaudited

<sup>(2)</sup> Other Income depicted in this Table II is comprised of vending commissions from residence halls, cell tower rental fees and miscellaneous parking fees and charges.

<sup>(3)</sup> For the fiscal years ended June 30, 2009, June 30, 2010 and June 30, 2011, the "Other Legally Available Funds" included in this Table II are comprised of (i) accumulated Net Revenues derived from the operation of the Auxiliary Facilities in prior years on deposit in an account maintained with the State Treasurer (for purposes of Table II, the "Revenue Fund"), (ii) a debt service reserve fund established in connection with and maintained with the Trustee for certain prior bonds that are no longer outstanding (for purposes of Table II, the "Debt Service Reserve Fund") and (iii) income earned on amounts on deposit in the Debt Service Reserve Fund. For the fiscal year ending June 30, 2012, the "Other Legally Available Funds" included in Table II are comprised of only projected balances in the Revenue Fund as of June 30, 2012. For the fiscal year ended June 30, 2009, \$7,386,054 was on deposit in the Revenue Fund, \$3,274,196 was on deposit in the Debt Service Reserve Fund and \$166,068 of income was earned on amounts on deposit in the Debt Service Reserve Fund. For the fiscal year ended June 30, 2010, \$8,146,578 was on deposit in the Revenue Fund, \$3,274,609 was on deposit in the Debt Service Reserve Fund and \$165,396 of income was earned on amounts on deposit in the Debt Service Reserve Fund. For the fiscal year ended June 30, 2011, \$6,342,129 was on deposit in the Revenue Fund and \$88,532.47 of income was earned on amounts on deposit in the Debt Service Reserve Fund. For the fiscal year ending June 30, 2012, \$4,000,000 is projected to be on deposit in the Revenue Fund. Upon the issuance of the Series 2010 Bonds, the Debt Service Reserve Fund associated with the refunded bonds was released, and no debt service reserve fund was established under the Indenture in connection with the issuance of the Series 2010 Bonds and no debt service reserve fund will be established under the Indenture with respect to the Series 2011 Bonds. In the event that Revenues for a particular year are insufficient to make all required debt service payments, the amounts on deposit in the Revenue Fund would be legally available to the Issuer to make debt service payments on the Series 2010 Bonds, the Series 2011 Bonds and any Additional Bonds. The Issuer is not required by the Indenture to maintain any amount on deposit in the Revenue Fund. Accordingly, no representation is made that any balances will be maintained on deposit in the Revenue Fund in the future.

<sup>(4)</sup> This represents the actual debt service for the MADS for existing revenue bonds for Fiscal Years 2009, 2010 and 2011. For Fiscal Year 2012 the amount represents the MADS for the existing revenue bonds plus \$1.3 million for the new projected MADS on the Series 2011 Bonds. The projected MADS depicted in this Table II is subject to the pricing and closing of the Series 2011 Bonds.

# Financial Projections

The financial information summarized below reflects the new revenue package established in the amended indenture

**Marshall University**  
**Estimated Funds Available for Debt Service**  
 Proposed Series 2011

*Cash Flow Analysis*

Inclusive of All Revenues and Debt Service Obligations

	06/30/12	06/30/13	06/30/14	06/30/15	06/30/16	06/30/17	06/30/18
<b>Rate Covenant Tests</b>							
Net Revenues (Net of HEPC Debt)	7,021,086.03	9,089,103.03	9,081,308.03	9,086,727.03	9,086,583.03	10,148,319.03	10,151,899.03
Other Legally Available Funds	4,000,000.00	4,000,000	4,000,000.00	4,000,000.00	4,000,000.00	4,000,000.00	4,000,000.00
<b>Total Net Revenues Plus Other Legally Available Funds</b>	<b>11,021,086.03</b>	<b>13,089,103.03</b>	<b>13,081,308.03</b>	<b>13,086,727.03</b>	<b>13,086,583.03</b>	<b>14,148,319.03</b>	<b>14,151,899.03</b>
Annual Debt Service on Marshall Revenue Bonds	3,180,705.25	5,497,721.00	5,496,021.00	5,498,121.00	5,498,871.00	6,473,071.00	6,471,171.00
<b>Maximum Annual Debt Service ("MADS")</b>	<b>6,475,971.00</b>						
<b>Debt Service Coverage of MADS Based on Net Revenues Plus Other Legally Available Funds</b>	<b>1.70</b>	<b>2.02</b>	<b>2.02</b>	<b>2.02</b>	<b>2.02</b>	<b>2.18</b>	<b>2.19</b>
<b>Debt Service Coverage of MADS Based on Net Revenues</b>	<b>1.08</b>	<b>1.40</b>	<b>1.40</b>	<b>1.40</b>	<b>1.40</b>	<b>1.57</b>	<b>1.57</b>

Note: Projections assume net revenue remains at FY 2011 levels other than increases from the pay-off of HEPC Debt and Athletic Facility Enhancement Fee.

# Strategic Finance Plan and Initiatives

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- Primary Objective – Better Alignment of Core Priorities with Budget Planning (current and 5-Year), Sustainability and Tracking of Key Financial Analytics
  - Goals:
    - Strengthening of Market Position – Enhancing Academic Reputation
    - Continued Diversification of Income Sources and Rebalancing of Discounting (especially master’s degree programs)
    - Increased Philanthropic Support – Both participation and total Gift Support
    - Enhanced Effectiveness of Stakeholder Communication Strategies
  - Example Key Outcomes To-Date
    - Record Freshmen Applications/Enrollment in Fall 2010 and 2011
    - Greater Residential Student Demand
    - Improved Institutional Financial Position
    - New High Demand Program Investments/Eliminating Low Demand Majors
    - Improved Operational Efficiencies/”Greening” of University

# Strategic Finance Plan and Initiatives

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- Campus Improvements – Long-Range Planning
  - *Annual Funding Allocation for Plant Operations and Maintenance*
  - *Classroom Enhancement* – Replacement Funding for 3-year technology life-cycle; 12-year furnishings life-cycle
  - *Annual Budget Allocation for Deferred Maintenance*
  - *Funded Depreciation for Facilities* – Incorporated into Annual Budget
  - *Institutional Investment Fund* – Allocation of Funds for New Strategic Initiatives and Reinvestment in Existing Units
  - *Emergency Reserve Funding* – Major Equipment Failures, Repairs, Replacement
- Invited to Pioneer New Regional Accreditation Pathways Process with Higher Learning Commission of the of the North Central Association of Colleges and Schools
- Grant Funding
  - Doubled Since 2004; Goal to Double Grant Funding within next 5 Years
  - NIH Clinical Translational Science Award (CTSA) Grantee

# Tuition Peer Comparison

The University competes with many public and private colleges and universities for qualified students and is very competitive with respect to pricing power

- The table to the right shows the twenty state-supported institutions designated by the West Virginia Higher Education Policy Commission as the University's peers
- The amounts show undergraduate tuition and mandatory fees for in-state and out-of-state students for the 2010-2011 academic year
- Among its designated peers, Marshall's tuition rates rank 5<sup>th</sup> lowest for in-state tuition and 4<sup>th</sup> lowest for out-of-state tuition
- These low tuition rates allow Marshall to remain competitive in the State and the region

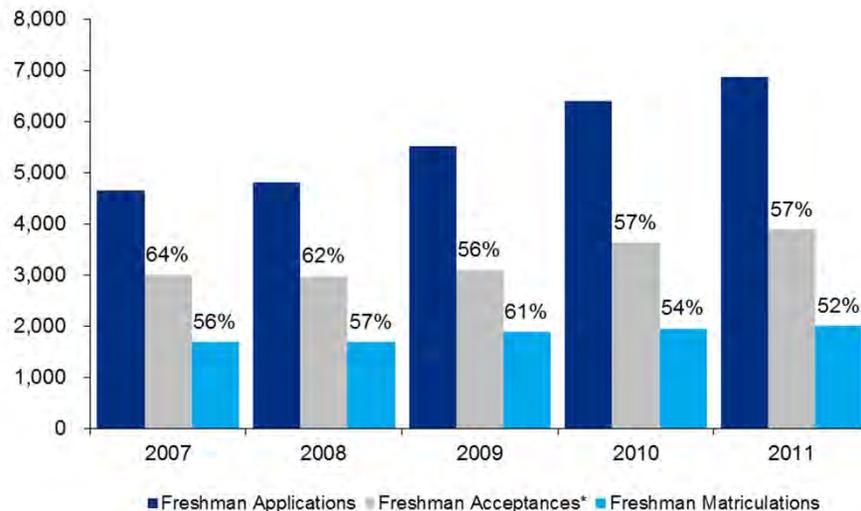
COMPARISON OF TUITION FOR MARSHALL UNIVERSITY PEERS			
2010-2011 In-State Tuition		2010-2011 Out-of-State Tuition	
Oakland University	9,285	Oakland University	21,675
University of Missouri-Kansas City	8,602	University of Missouri-Kansas City	20,191
Southern Illinois University	8,401	East Tennessee State University	18,999
Wright State University	7,797	East Carolina University	17,831
West Chester University	7,680	Southern Illinois University	17,703
University of North Dakota	6,934	University of Idaho	16,994
University of South Alabama	6,810	West Chester University	16,386
University of Arkansas (Main)	6,768	University of North Dakota	16,373
University of South Dakota	6,762	University of NC (Greensboro)	16,281
University of Arkansas (Little Rock)	6,643	Morehead State University	16,236
Eastern Washington University	6,605	University of Arkansas (Main)	16,000
Morehead State University	6,492	University of Arkansas (Little Rock)	15,590
Southeast Missouri State University	6,255	Eastern Washington University	15,323
East Tennessee State University	6,003	Wright State University	15,213
University of Mississippi	5,439	Western Carolina University	14,721
University of Idaho	5,402	University of Mississippi	13,894
<b>Marshall University</b>	<b>5,285</b>	University of South Alabama	13,620
Western Carolina University	5,124	<b>Marshall University</b>	<b>12,896</b>
East Carolina University	5,076	University of Wyoming	12,237
University of NC (Greensboro)	4,520	Southeast Missouri State University	11,190
University of Wyoming	3,927	University of South Dakota	8,259
<b>Average</b>	<b>6,526</b>	<b>Average</b>	<b>15,736</b>

# Student Admission Trends

- Applications among freshman students have increased by approximately 48% from 2007 to 2011
- While applications have steadily risen, the University has maintained an acceptance rate between 56%-64% during this time period
- At the same time, matriculation rates have also remained in the 52%-61% range as well
- For Fall 2010, 74% of the University's first-time freshman class enrolled from West Virginia
- Average incoming Freshman ACT for the 2010 class was 22.1 and the average incoming Freshman cumulative High School GPA was 3.38

## Marshall University

### Undergraduate Freshman Applications (2007 – 2011)



Fall of Year	Freshman Applications	Freshman Acceptances*	Freshman Matriculations
2007	4,652	2,997	1,688
2008	4,798	2,969	1,687
2009	5,510	3,093	1,883
2010	6,393	3,634	1,951
2011	6,864	3,881	2,006

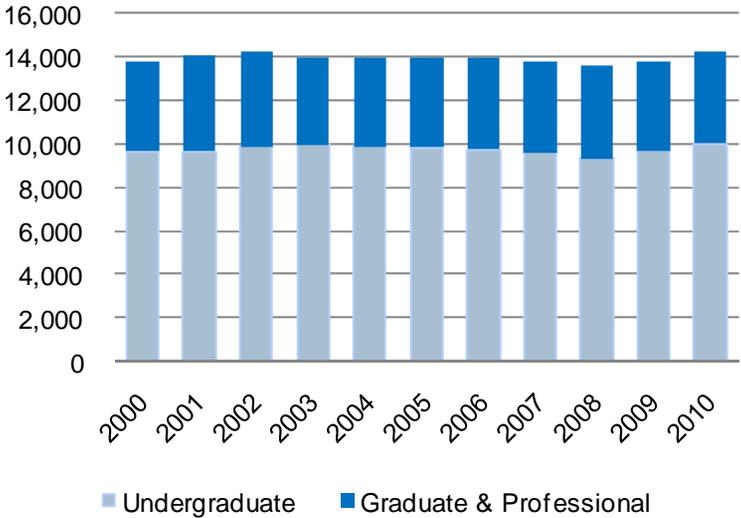
\* excludes cancelled applications

# Student Demand Trends

- Student enrollment for Fall 2010 was 14,196, which was a 3.0% increase over Fall 2009
- Entering full-time freshman enrollment in Fall 2011 is 2,002 (preliminary), an increase of 2.5% over Fall 2010
- Although Fall 2011 enrollment is incomplete, we expect an increase in undergraduate students, including out-of-state undergraduate students
- As of Fall 2011, there are over 2,350 students housed on campus, bringing the occupancy rate for Fall 2011 Benchmark up to 94.3% from 85.3% for Fall 2010

## Marshall University

Fall Total Enrollment (2000 – 2010)

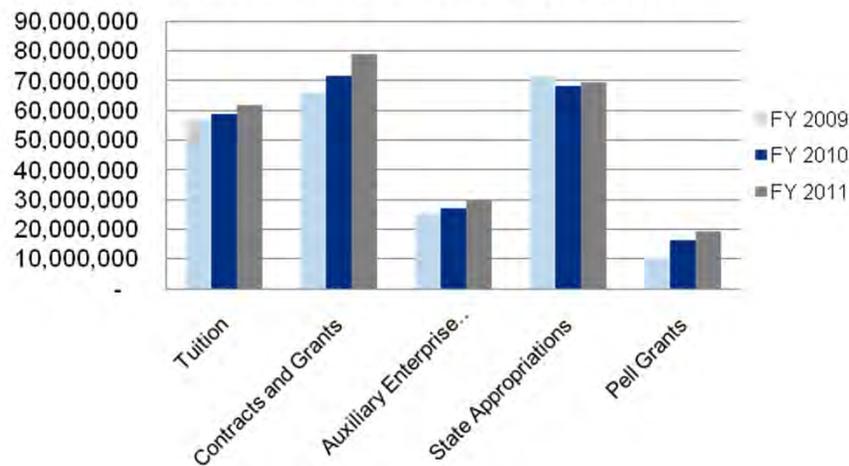


Fall of Year	Undergraduate Headcount Enrollment*	Graduate Headcount Enrollment*	Full-Time Equivalent Enrollment*
2000	9,637	4,114	10,604
2001	9,664	4,362	10,684
2002	9,893	4,329	11,065
2003	9,963	4,004	11,064
2004	9,861	4,064	10,902
2005	9,845	4,151	10,968
2006	9,725	4,215	10,819
2007	9,590	4,224	10,754
2008	9,314	4,270	10,681
2009	9,693	4,086	10,965
2010	10,020	4,176	11,549

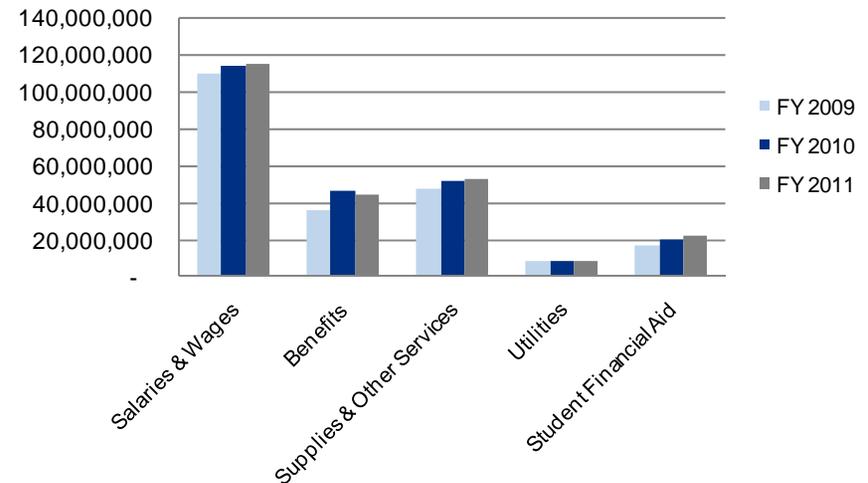
\* FTE data reflects the January final submission

# Marshall University – 2011 Revenue Drivers and Expense Management

## KEY REVENUE DRIVERS



## OPERATIONS EXPENSE TRENDS



- Contract and Grant revenues are favorably impacted by increased federal grant awards and the matching funds from the Bucks for Brains Campaign
- State Appropriations reductions for FY 2010 and FY 2011 were backfilled with Fiscal Stabilization Funds
- Increased eligibility in Pell Grants have impacted revenue and Student Financial Aid expense
- Benefit variances are largely caused by changes in OPEB reporting requirements
- Utility rate increases are being mitigated by energy conservation efforts – Savings to date: 658,000 Kwh's of Electricity, 3,246 Mcf's of Natural Gas, 3.9 million gallons of water

**Policy Commission Approving Resolution**

**HIGHER EDUCATION POLICY COMMISSION**

**APPROVING RESOLUTION**

**Board of Governors of Marshall University,  
University Revenue Bonds, Series 2011**

**Adopted: October 12, 2011**

APPROVING RESOLUTION OF THE  
HIGHER EDUCATION POLICY COMMISSION

RESOLUTION APPROVING THE ISSUANCE BY THE BOARD OF GOVERNORS OF MARSHALL UNIVERSITY OF NOT TO EXCEED \$54,000,000 AGGREGATE PRINCIPAL AMOUNT OF THE BOARD'S UNIVERSITY REVENUE BONDS, SERIES 2011 (THE "SERIES 2011 BONDS"); MAKING CERTAIN DETERMINATIONS WITH RESPECT TO THE SERIES 2011 BONDS AND AUTHORIZING CERTAIN ACTIONS RELATED THERETO.

WHEREAS, on November 1, 2010, with prior approval by the Higher Education Policy Commission (the "Commission"), the Board of Governors of Marshall University (the "Marshall Board") and United Bank, Inc., as Trustee entered into a Trust Indenture (the "Original Indenture") pursuant to which the Board issued its \$37,140,000 aggregate principal amount Marshall University Refunding Revenue Bonds, Series 2010 (the "Series 2010 Bonds") for the purpose of refunding certain prior bonds which had been issued by the Higher Education Interim Governing Board, the predecessor to the Board, as its University Facilities Revenue Bonds, Series 2001 A (Marshall University Projects); and

WHEREAS, the Series 2010 Bonds were secured by a pledge of certain auxiliary revenues received from the operation of certain of the Marshall University's (the "University") auxiliary facilities; and

WHEREAS, the Original Indenture provided that the Marshall Board could in the future issue additional revenue bonds on parity with the Series 2010 Bonds for the purpose, among other things, of financing the costs of new Facilities (as defined in the Original Indenture), or improvements to existing Facilities, or to finance any other capital improvements or acquisition of equipment which the Marshall Board is permitted by law to finance, add additional sources of revenue to support and be pledged for the payment of the Series 2010 Bonds and additional bonds issued under the Original Indenture, and that the Original Indenture could be amended without the consent of holders of any outstanding bonds issued thereunder to provide for such expansion of revenues and facilities and any other amendments necessarily related to such expansion of pledged revenues and Facilities; and

WHEREAS, by Resolution adopted September 29, 2011 (the "Marshall Board Bond Resolution"), a copy of which is attached hereto as EXHIBIT A, the Marshall Board authorized, subject to the approval of the Commission, the issuance of one or more series of revenue bonds in an amount not to exceed \$54,000,000 (the "Series 2011 Bonds") for the purpose of financing certain capital improvement projects (the "Projects") as may be determined by an Authorized Representative (as defined in the

{H0704520.3 }

Marshall Board Bond Resolution) and listed in Exhibit B to the Marshall Board Bond Resolution and to establish reserve funds, if any, and pay capitalized interest, costs of issuance of the Series 2011 Bonds and related costs; and

WHEREAS, this Marshall Board authorized the issuance of the Series 2011 Bonds as additional bonds under the Original Indenture and further authorized amending and restating the Original Indenture to expand the definition of Facilities and Revenue in the Original Indenture and to make certain other amendments necessarily related to the foregoing; and

WHEREAS, pursuant to the authority contained in Chapter 18B, Article 10, Section 8 of the West Virginia Code of 1931, as amended (the "Act"), no revenue bonds may be issued by a state institution of higher education without the Commission approving the proposed revenue bonds, making certain findings with respect to the proposed revenue bonds and authorizing the terms of the proposed revenue bonds; and

WHEREAS, pursuant to the Act, the Commission has reviewed the proposed issuance of the Series 2011 Bonds in an aggregate principal amount not to exceed \$54,000,000; and

WHEREAS, based upon such review, the Commission has determined that the proposed issuance of the Series 2011 Bonds is clearly in the best interests of Marshall University, its students and the community to be served, and meets all guidelines set forth in the Act, and that the issuing of the Series 2011 Bonds should be approved.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE HIGHER EDUCATION POLICY COMMISSION AS FOLLOWS:

1. That the proposed issuance of the Series 2011 Bonds in accordance with and as described in the Marshall Board Bond Resolution attached hereto as EXHIBIT A and incorporated herein by reference, be approved.
2. That the Commission determines that the aggregate amount of the Series 2011 Bonds does not exceed the amount which can be paid as to principal and interest and reasonable margins therefor from the revenues pledged to the payment thereof.
3. That the Commission approves and authorizes the issuance of the Series 2011 Bonds and hereby determines that the Series 2011 Bonds shall be issued in accordance with and shall bear the final terms as shall be set forth in the required Certificate of Determinations as executed by an Authorized Representative of Marshall University as provided in the Marshall Board Bond Resolution, so long as such terms are within the parameters set forth in the Marshall Board Bond Resolution.
4. That this Resolution shall take effect immediately upon adoption.

Adopted this 12th day of October, 2011.

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Chairman

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Secretary

CERTIFICATION

The undersigned, being the duly qualified, elected and acting Secretary of the Higher Education Policy Commission does hereby certify that the foregoing Resolution was duly adopted by the members of the Commission at an emergency meeting duly held, pursuant to proper notice thereof, on October 12, 2011, at 4:00 p.m., West Virginia, a quorum being present and acting throughout, and which Resolution is a true, correct and complete copy thereof as witness my hand and the seal of the Commission this \_\_\_\_\_, \_\_, 2011.

\_\_\_\_\_  
Secretary, Higher Education Policy  
Commission

**EXHIBIT A**

**[COPY OF MARSHALL BOARD OF GOVERNORS RESOLUTION]**

**RESOLUTION OF THE MARSHALL UNIVERSITY  
BOARD OF GOVERNORS**

**RESOLUTION AUTHORIZING THE FINANCING OF CERTAIN CAPITAL IMPROVEMENTS; AUTHORIZING THE FINANCING OF THE COSTS OF SUCH CAPITAL IMPROVEMENTS AND RELATED EXPENSES THROUGH THE ISSUANCE BY THE MARSHALL UNIVERSITY BOARD OF GOVERNORS OF ITS UNIVERSITY REVENUE BONDS (THE "SERIES 2011 BONDS") IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$54,000,000; AUTHORIZING THE EXECUTION OF AN AMENDED AND RESTATED TRUST INDENTURE WITH RESPECT TO THE SERIES 2011 BONDS; AUTHORIZING THE SALE OF THE SERIES 2011 BONDS TO CITIGROUP GLOBAL MARKETS INC. (AS LEAD UNDERWRITER), BANK OF AMERICA MERRILL LYNCH AND RAYMOND JAMES & ASSOCIATES, INC. PURSUANT TO A BOND PURCHASE AGREEMENT WITH RESPECT TO THE SERIES 2011 BONDS AND THE EXECUTION AND DELIVERY OF SUCH BOND PURCHASE AGREEMENT; AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT FOR THE SERIES 2011 BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS AND AGREEMENTS IN CONNECTION WITH THE SERIES 2011 BONDS, INCLUDING BUT NOT LIMITED TO A CONTINUING DISCLOSURE AGREEMENT, PRELIMINARY OFFICIAL STATEMENT, OFFICIAL STATEMENT AND A TAX CERTIFICATE; DELEGATING TO THE PRESIDENT AND THE INTERIM SENIOR VICE PRESIDENT FOR FINANCE AND ADMINISTRATION OF MARSHALL UNIVERSITY AND THE CHAIRMAN AND VICE-CHAIRMAN OF THE MARSHALL UNIVERSITY BOARD OF GOVERNORS CERTAIN RESPONSIBILITIES IN CONNECTION WITH THE SALE AND ISSUANCE OF THE SERIES 2011 BONDS, INCLUDING THE SELECTION OF A TRUSTEE THEREFORE, AND THE INVESTMENT OF BOND PROCEEDS; AND TAKING OTHER ACTIONS IN CONNECTION WITH THE SALE AND ISSUANCE OF THE BONDS**

WHEREAS, on November 1, 2010 the Board of Governors of Marshall University (the "Board") and United Bank, Inc., as Trustee entered into a Trust Indenture (the "Original Indenture") pursuant to which the Board issued its \$37,140,000 aggregate principal amount Marshall University Refunding Revenue Bonds, Series 2010 (the "Series 2010 Bonds") for the purpose of refunding certain prior bonds which had been issued by the Higher Education Interim Governing Board, the predecessor to the Board, as its University Facilities Revenue Bonds, Series 2001 A (Marshall University Projects); and

**WHEREAS**, the Series 2010 Bonds were secured by a pledge of certain auxiliary revenues received from the operation of certain of the Marshall University's (the "University") auxiliary facilities; and

**WHEREAS**, the Original Indenture provided that the Board could in the future issue additional revenue bonds on parity with the Series 2010 Bonds for the purpose, among other things, of financing the costs of new Facilities (as defined in the Original Indenture), or improvements to existing Facilities, or to finance any other capital improvements or acquisition of equipment which the Board is permitted by law to finance, add additional sources of revenue to support and be pledged for the payment of the Series 2010 Bonds and additional bonds issued under the Original Indenture, and that the Original Indenture could be amended without the consent of holders of any outstanding bonds issued thereunder to provide for such expansion of revenues and facilities and any other amendments necessarily related to such expansion of pledged revenues and Facilities;

**WHEREAS**, the Board has determined that it is necessary and desirable to issue one or more series of revenue bonds (the "Series 2011 Bonds") for the purpose of financing certain capital improvement projects (the "Projects") as may be determined by an Authorized Representative (as defined herein) and listed in Exhibit B hereto and to establish reserve funds, if any, and pay capitalized interest, costs of issuance of the Series 2011 Bonds and related costs; and

**WHEREAS**, the Projects are contained in the University's approved campus development plan; and

**WHEREAS**, this Board has determined to issue the Series 2011 Bonds as tax-exempt or taxable obligations in an aggregate principal amount not to exceed \$54,000,000 as additional bonds under the Original Indenture and desires to amend and restate the Original Indenture to expand the definition of Facilities and Revenue in the Original Indenture and to make certain other amendments necessarily related to the foregoing; and

**WHEREAS**, pursuant to Chapter 18B, Article 2A of the West Virginia Code of 1931, as amended (the "Issuer Enabling Act"), the Legislature of the State of West Virginia created the Board to serve as the governing board for the University commencing July 1, 2001 and to assume control, supervision and management of the financial, business and education policies and affairs of the state institutions of higher education under its jurisdiction; and

**WHEREAS**, pursuant to Chapter 18, Article 23, Sections 16, 17, and 19 through 21 inclusive, and Chapter 18B, Article 10, Sections 8 and 13 of the West Virginia Code of 1931, as amended (collectively, the "Enabling Act", the Issuer Enabling Act and

Enabling Act being hereinafter collectively referred to as the “Act”), the Board is authorized to issue revenue bonds of the State for financing (1) the acquisition of land or any rights or interest in land; (2) the construction or acquisition of new buildings; (3) the renovation or construction of additions to existing buildings; (4) the acquisition of furnishings and equipment for the buildings; and (5) the construction or acquisition of any other capital improvements or capital education facilities at the University, including any roads, utilities or other properties, real or personal, or for other purposes necessary, appurtenant or incidental to the construction, acquisition, financing and placing in operation of the buildings, capital improvements or capital education facilities, including student unions, dormitories, housing facilities, food service facilities, motor vehicle parking facilities and athletic facilities; and

**WHEREAS**, the Series 2011 Bonds will be “Additional Bonds” as contemplated by the Original Indenture which are to be issued pursuant to the terms of an Amended and Restated Trust Indenture (the “Restated Indenture”); and

**WHEREAS**, pursuant to West Virginia Code Section 18B-10-8 the approval of the West Virginia Higher Education Policy Commission (the “Commission”) is required prior to the issuance of any revenue bonds by the Board; and

**WHEREAS**, the Board may in the future issue additional revenue bonds (the "Additional Bonds", and together with the Series 2010 Bonds and the Series 2011 Bonds, the "Bonds"), pursuant to the terms of the Restated Indenture for the purpose, among other things, of financing the costs of new facilities, or improvements to existing facilities, or to finance any other capital improvements or acquisition of equipment which the Board is permitted by law to finance or refunding bonds issued pursuant to the Restated Indenture; and

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

**WHEREAS**, it is in the best interest of this Board to grant to the President and (Interim) Senior Vice President for Finance and Administration of the University and the Chairman and Vice-Chairman of the Board, acting together or individually (each, an “Authorized Officer”), the power and authority to establish the final terms and provisions of and execute the Series 2011 Bonds, the Restated Indenture and the Bond Purchase

Agreement, to select a Trustee, bond insurer, if any, and other participants, each as hereinafter defined, to determine the Projects, if any, to be financed with the proceeds of the Bonds; and

**WHEREAS**, this Board finds and represents that it has full power and authority to issue the Series 2011 Bonds and to make the respective pledges for the payment thereof as will be set forth in the Restated Indenture and the Series 2011 Bonds, and to execute and deliver the Restated Indenture and such other documents hereinafter described and, on behalf of the owners of the Series 2011 Bonds, to grant a lien on and security interest in the Revenues, other sources of revenue and funds described in each Restated Indenture, as permitted under the Act, and to execute and deliver such other documents and to take the actions contemplated thereby.

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

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

(a) It has full power and authority to issue the Series 2011 Bonds and to make the respective pledges for the payment thereof as are described in the recitals hereto and more particularly set forth in the Restated Indenture, and to enter into the Restated Indenture and the other agreements relating to the Series 2011 Bonds and the Projects and this Board has taken or will take by the adoption of this Resolution all actions necessary to authorize its proper officers to sign, seal and deliver the Restated Indenture, the Bond Purchase Agreement, the Series 2011 Bonds, the Continuing Disclosure Agreement and the other agreements relating thereto and to authorize the distribution of one or more Preliminary Official Statements and authorize the distribution of one or more Official Statements.

(b) This Resolution is adopted pursuant to and in accordance with the provisions of the Act, and the Series 2011 Bonds shall be issued pursuant to and in accordance with the Act.

(c) Citigroup Global Markets Inc. (as lead underwriter), Bank of America Merrill Lynch and Raymond James & Associates, Inc. (collectively the "Underwriters") are hereby appointed as the underwriters for the Series 2011 Bonds. The Authorized Officers are hereby authorized and directed, upon advice of counsel, to enter into a Bond Purchase Agreement with the Underwriters for the Series 2011 Bonds (whether one or more, the "Bond Purchase Agreement"). It is understood by this Board that the Underwriters will be compensated only from the proceeds of the Series 2011 Bonds.

(d) Huddleston Bolen LLP (“Bond Counsel”) is hereby appointed as bond counsel for the Series 2011 Bonds. It is understood by the Board that Bond Counsel will be compensated only from the proceeds of the Series 2011 Bonds.

(e) It is in the best interests of this Board and the University that an Authorized Officer have the power and authority to execute and deliver one or more certificates of this Board (whether one or more, the "Certificate of Determination") setting forth the final terms and provisions of the Series 2011 Bonds and the Bond Purchase Agreement.

(f) The form of the Restated Indenture as attached hereto as Exhibit C is hereby approved with such insertions and deletions as may be approved by an Authorized Officer.

**Section 2. The Bonds.** There is hereby authorized to be issued and the Board hereby determines to issue, pursuant to the Act, its Series 2011 Bonds in an aggregate principal amount not to exceed \$54,000,000, and to expend all of the proceeds to finance the costs of the Projects and of related expenses, including but not limited to establishing reserve funds, if any, and paying capitalized interest and all costs incurred in connection with the issuance of the Series 2011 Bonds, such Series 2011 Bonds to be secured by and payable exclusively from the respective Revenues, other sources of revenue and funds pledged under the Restated Indenture. The exact aggregate principal amount of the Series 2011 Bonds, not to exceed \$54,000,000, shall be approved by an Authorized Officer, such approval to be evidenced by the execution by an Authorized Officer of the Certificate of Determination, substantially in the form attached hereto as Exhibit A and incorporated herein by reference. The Series 2011 Bonds shall contain a recital that they are issued pursuant to the Act or other applicable provisions of state law, which recital shall be conclusive evidence of their validity and of the regularity of their issuance.

**Section 3. Restated Indenture, Bond Purchase Agreement, Continuing Disclosure Agreement, Preliminary Official Statement, Official Statement and Tax Certificate.** It is anticipated that the Restated Indenture, Bond Purchase Agreement, Continuing Disclosure Agreement, Preliminary Official Statement, Official Statement and a Tax Certificate shall be prepared, delivered and executed in connection with the issuance of the Series 2011 Bonds (all of the foregoing documents, except the Series 2011 Bonds, are hereinafter collectively referred to as the “Bond Documents”). The Authorized Officers, with the assistance of counsel, are authorized to negotiate and approve the form and content of the Bond Documents under such terms and conditions as are, in the opinion of such Officers, in the best interests of the Board and the State. The Authorized Officers are hereby authorized, empowered and directed to execute and deliver the Bond Documents prior to or simultaneously with the issuance of the Series 2011 Bonds for and on behalf of the Board, in the form and upon those terms and conditions as approved by the Authorized Officers, with assistance of counsel, and such

approval shall be conclusively evidenced by the execution of the Bond Documents by an Authorized Officer.

**Section 4. Terms of Bonds.** The Series 2011 Bonds shall be designated and dated such date or dates, shall be issued in one or more series, not to exceed \$54,000,000 in aggregate principal amount, shall mature on such date or dates not later than 30 years from their respective issuance dates, shall bear interest at such rate or rates of interest not to exceed six percent (6%) per annum and shall have such redemption provisions and other terms all as set forth in the Certificate of Determination. The Series 2011 Bonds shall be in the denominations and in registered form, be payable in the medium of payment and at such places, be subject to mandatory and optional redemption prior to maturity and be entitled to the priorities and Revenues, other sources of revenues and funds, all as provided in the Restated Indenture.

**Section 5. Bond Insurance.** The Authorized Officers, with the assistance of counsel, are, at their discretion, authorized to negotiate and approve bond insurance to insure the payment of principal of and interest on the Series 2011 Bonds (“Bond Insurance”), under such terms and conditions as are in the best interests of the Board and the University. Bond insurance shall not be obtained unless in the opinion of the Authorized Officers it is in the best interests of the University to do so. The Authorized Officers are hereby authorized, empowered and directed to execute and deliver the documents relating to the Bond Insurance prior to or simultaneously with the issuance of the Series 2011 Bonds for and on behalf of the Board, in the form and upon those terms and conditions as approved by the Authorized Officers, and such approval shall be conclusively evidenced by the execution of the documents relating to the Bond Insurance by an Authorized Officer.

**Section 6. Sale of the Series 2011 Bonds.** The Series 2011 Bonds shall be sold to the Underwriters pursuant to the Bond Purchase Agreement, for the price or prices and upon the terms set forth in the Certificate of Determination and the Bond Purchase Agreement. The execution and delivery of the Bond Purchase Agreement is hereby authorized. Following the execution of the Certificate of Determination, the Authorized Officers are hereby authorized and directed to execute the Bond Purchase Agreement with such changes, insertions and omissions as may be approved by the Authorized Officer, his or her execution thereof to be conclusive evidence of such approval.

**Section 7. Certificate of Determination.** An Authorized Officer is hereby authorized and directed to set forth the final principal amount or amounts, the maturities, the interest rates, the redemption provisions, the price or prices, the Projects to be financed with the proceeds of the Series 2011 Bonds and other terms and details of the Series 2011 Bonds, subject to the parameters set forth herein, including but not limited to Section 4, in the Certificate of Determination to be executed and delivered in connection with the sale of the Series 2011 Bonds. Assuming such parameters are met, the

Certificate of Determination shall have full force and effect as if adopted as a part of this Resolution.

**Section 8. Official Statements.** (a) The preparation and distribution of a preliminary official statement with respect to the Series 2011 Bonds (whether one or more, the "Preliminary Official Statement"), is hereby authorized in such form as may be approved by an Authorized Officer; and (b) The preparation and distribution of a final Official Statement with respect to the Series 2011 Bonds (whether one or more, the "Official Statement") is hereby authorized in such form as may be approved by an Authorized Officer, such approval to be evidenced by the execution by an Authorized Officer of such Official Statement; and the delivery by the Underwriters to prospective purchasers of the Series 2011 Bonds of the Official Statement is hereby authorized and approved with respect to each series of Series 2011 Bonds.

**Section 9. Continuing Disclosure Agreement.** So long as any of the Series 2011 Bonds remain outstanding, the Board and the University shall provide certain annual financial information and material event notices regarding the University as described in paragraph (b)(5)(i) of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission and/or as otherwise required by law.

**Section 10. Bonds Are Special Obligations.** The Series 2011 Bonds are special obligations of the Board payable solely from and secured by the Revenues (as defined in the Restated Indenture) and funds pledged under the Restated Indenture. The Series 2011 Bonds, together with the interest thereon, is a special obligation of the State and shall not constitute a debt or general obligation of the State, and the credit or taxing power of the State shall not be pledged therefor, but the Series 2011 Bonds shall be payable only from the respective Revenues (as defined in the Restated Indenture) and funds pledged for their payment as provided in the Restated Indenture. No recourse shall be had for the payment of the principal of, premium, if any, or interest on the Series 2011 Bonds or for any claim based thereon, on this Resolution or on any of the documents executed in connection therewith, including but not limited to the Series 2011 Bonds and the Bond Documents, against any official, member, officer or employee of this Board, the University or the State or any person executing the Series 2011 Bonds, and neither members of this Board nor any person executing the Series 2011 Bonds shall be liable personally on the Series 2011 Bonds by reason of the issuance thereof.

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

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

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

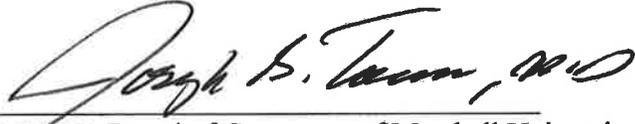
**Section 14. Additional/Incidental Actions.** The Authorized Officers are hereby authorized and directed to seek the required approval of the Commission for the issuance of the Series 2011 Bonds and to execute and deliver such other documents, agreements, instruments and certificates, including but not limited to guaranteed investment contracts with respect to the Series 2011 Bond proceeds, and to take such other action as may be necessary or appropriate in order to effectuate the execution, delivery and/or receipt of the Indenture, the Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement, the Continuing Disclosure Agreement, the issuance and sale of the Series 2011 Bonds and the investment of the Series 2011 Bond proceeds, and for carrying out the transactions contemplated therein, all in accordance with the Act and other applicable provisions of the Code of West Virginia of 1931, as amended, including any action necessary with respect to The Depository Trust Company. The execution, delivery and due performance of the Bond Documents and all documents and instruments required in connection therewith are hereby in all respects approved, authorized, ratified and confirmed, including any and all acts heretofore taken in connection with the issuance of the Series 2011 Bonds.

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

Adopted this 29<sup>th</sup> day of September, 2011.

CERTIFICATION

The undersigned, being the duly qualified, elected and acting Secretary of the Board of Governors of Marshall University does hereby certify that the foregoing Resolution was duly adopted by the members of the Board at a regular meeting duly held, pursuant to proper notice thereof, on September 29, 2011, at Huntington, West Virginia, a quorum being present and acting throughout, and which Resolution is a true, correct and complete copy thereof as witness my hand this 7<sup>th</sup> day of October, 2011.



Secretary, Board of Governors of Marshall University

## EXHIBIT A

### CERTIFICATE OF DETERMINATIONS

The undersigned, [Chair or Vice-Chair of the Marshall University Board of Governors (the "Board")][President or (Interim) Senior Vice President of Finance Administration of Marshall University], in accordance with a Bond Resolution adopted by the Board on September 29, 2011 (the "Resolution"), with respect to the \$ \_\_\_\_\_ Board of Governors of Marshall University, University Revenue Bonds, Series 2011 (the "Bonds"), hereby finds and determines as follows:

1. [She][He] is an Authorized Officer within the meaning of the Resolution.
2. The Bonds shall be dated \_\_\_\_\_, 2011.
3. The Bonds shall be issued in the aggregate principal amount of \$ \_\_\_\_\_ .
4. Such principal amount does not exceed \$54,000,000, being the maximum principal amount authorized by the Resolution.
5. The Bonds shall mature in the amounts and on the dates and shall be subject to mandatory sinking fund redemption in the amounts and on the dates set forth on Schedule 1 attached hereto and incorporated herein.
6. The Bonds shall bear interest at the rates and produce the yields set forth on Schedule 1 attached hereto and incorporated herein, which rates do not exceed six percent (6%) per annum.
7. The Bonds shall be subject to optional redemption as set forth on Schedule 2 attached hereto and incorporated herein.
8. The Bonds shall be sold to Citigroup Global Markets Inc. (as lead underwriter), Bank of America Merrill Lynch and Raymond James & Associates, Inc. (the "Underwriters"), pursuant to the terms of the Bond Purchase Agreement by and between the Underwriters and the Board, at an aggregate purchase price of \$ \_\_\_\_\_ (representing par value, less an underwriting discount of \$ \_\_\_\_\_ plus a net original issue [premium/discount] of \$ \_\_\_\_\_ (original issue premium of \$ minus original issue discount of \$ \_\_\_\_\_ )) (the "Closing Date").

9. The proceeds of the Bonds shall be applied as set forth on Schedule 3 attached hereto and incorporated herein, including any additional determinations deemed necessary by the [Authorized Officer].

10. United Bank, Inc. is hereby designated by the [Authorized Officer] to serve in the capacities of Trustee, Registrar and Paying Agent under the Indenture.

11. The Preliminary Official Statement of the Board dated October \_\_\_\_, 2011, is hereby ratified and deemed final within the meaning of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, with such changes, omissions, insertions and revisions as the Authorized Officer (as defined in the Resolution) shall deem advisable. Such signature to evidence approval thereof.

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

[13. ("Bond Insurer") has offered Bond Insurance for the Bonds pursuant to the terms of a commitment letter dated \_\_\_\_\_, 2011 (the "Commitment"). The Bond Insurer is approved and the Commitment for the Bond Insurance is accepted.]

The undersigned hereby certifies that the foregoing terms and conditions of the Bonds are within the limitations prescribed by the Resolution, and the Bonds may be issued with such terms and conditions as authorized by the Resolution.

WITNESS my signature this day of Oct 6, 2011.

MARSHALL UNIVERSITY  
BOARD OF GOVERNORS

By: Terrence K. Gelsia  
Its: Chairman

## **Schedule 1**

### **Maturities**

### **Mandatory Redemption.**

## **Schedule 2**

### **Optional Redemption**

### **Extraordinary Optional Redemption of the Bonds**

### **Schedule 3**

#### **Application of Proceeds and Other Funds.**

**[EXHIBIT WILL SHOW APPLICATION OF BOND PROCEEDS TO PROJECTS]**

## EXHIBIT B

### PROJECT LIST

<b>Project</b>	<b>Total Estimated Cost</b>
Biotechnology Incubator and Applied Engineering Complex	50,000,000
Multi-floor Parking Structure	7,000,000
Soccer Stadium Complex	5,400,000
Fine Arts Incubator-Visual Arts	11,000,000
Indoor Athletic Complex	14,000,000
Sports Medicine Translational Research Center	7,500,000
Academic Support Center	3,500,000
Modern Academic Instructional (High Technology) Facility	14,000,000
Land Acquisition and Building Demolition	<u>2,000,000</u>
Totals	114,400,000

**EXHIBIT C**  
**Form of Restated Indenture**