



3-28-2003

WMU Board of Trustees Regular Formal Session, March 28, 2003

WMU Board of Trustees

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WESTERN MICHIGAN UNIVERSITY BOARD OF TRUSTEES
REGULAR FORMAL SESSION
FRIDAY, MARCH 28, 2003

The regular formal session of the Western Michigan University Board of Trustees was called to order by Chair Klohs at 11 a.m. on Friday, March 28, 2003, in the Connable Board Room, Bernhard Center.

Board members present: Trustee Anthony, Trustee Aseritis, Trustee Holden, Trustee Klohs, Trustee Martin, Trustee Miller and Interim President Litynski (ex officio). Absent: Trustee DeNooyer and Trustee Pero.

Remarks by the Chair. Chair Klohs spoke of the difficult time being experienced throughout the world and the expertise our faculty is providing with answers/views on the current crisis. She spoke of the WMU partnership in the World Affairs Council of West Michigan that was responsible for bringing Archbishop Desmond Tutu to the VanAndel Arena where he addressed over 6,500 people. Chair Klohs reported on the upcoming 38th annual Food Marketing Conference organized by the Food Marketing Program and noted the recent three-day Lake Michigan Watershed Academy, coordinated by the WMU Great Lake Center for Environmental and Molecular Science. Chair Klohs spoke of the 19th annual Medallion Scholarship competition attracting more than 800 high school seniors from Michigan and 13 other states indicating that since its beginning the program has offered \$80 million to more than 13,000 students and is among the largest merit scholarships in American higher education. She noted that three paper science and engineering majors will compete in hang glider flights (with sails made of recycled paper) as part of the U.S. Department of Energy's celebration of the Wright Brothers first successful flight. Chair Klohs welcomed Sylvester Bush and Eric Zehnpfenning, newly elected president and vice president respectively of the Western Student Association. She thanked Interim President Litynski for the excellent job he is doing in his interim position.

Remarks by Interim President. Dr. Litynski spoke of the challenging times for the nation and how the events in Iraq have touched the campus in many ways. He noted that some 54 of our students, staff, members of our staff and their families have been called to active military duty with 11 more awaiting orders. He noted the sacrifices they are making and wished them a safe return.

He indicated that the first 80 days of service as interim president have been challenging and rewarding, stating that he has spoken or otherwise communicated with as many individuals, groups and organizations as possible to make everyone aware of the great things happening at the University as well as the budget problems facing Western.

He spoke of the initiatives included in his State of the University presented last month, noting they will have to be evaluated in terms of fiscal realities as the budget situation becomes clearer. Dr. Litynski highlighted the national television appearances by the women's basketball team, winning the MAC tournament and playing in the first round of the NCAA basketball tournament. He also spoke of the appearance of members of the World War II Tuskegee Airmen at the College of Aviation, and the 1980 Nobel Peace Prize winner Adolfo Perez Esquivel speaking on "Human Rights and Justice for All" as part of the United Way Peace Jam initiative. Dr. Litynski reported on his upcoming testimony in Lansing before the House Higher Appropriations Subcommittee for Higher Education as part of the budget process for next academic year. He spoke of the Presidential Scholars Convocation celebrating the accomplishments of forty-five our outstanding senior students; 2002 distinguished service awards presented to Dr. Arlen Gullickeson, director of the Evaluation Center, and Dr. Barbara Havira, associate professor of history and women's studies; and noted great progress in developing the BTR Park. In concluding his remarks, Dr. Litynski spoke of the recent death of Dr. Arnold Schneider, founding dean of the Haworth College of Business and talked of Dr. Schneider's many accomplishments.

Acceptance of the Agenda. The agenda was accepted as presented following a motion by Trustee Miller, supported by Trustee Aseritis.

Approval of the Minutes of the January 2003 Annual Formal Session. The minutes of the January annual formal session were approved after a motion by Trustee Anthony, supported by Trustee Holden.

Honorary Degree Recommendation. Following a motion by Trustee Anthony, supported by Trustee Miller, the Board of Trustees approved the recommendation to award an honorary degree to Dr. Zack L. York. The honorary Doctor of Fine Arts degree will be conferred on Dr. York (first chair of the University's Theatre Department) at the April 26 commencement exercises.

Academic and Student Affairs Committee Recommendations – Presented by Trustee Miller in the absence of Committee Chair DeNooyer

Grant Report. The grant report for January 2003 was approved on a motion by Trustee Martin, supported by Trustee Miller.

Personnel Report. The personnel report was approved on a motion by Trustee Miller, supported by Trustee Anthony.

Administrative Appointments

David Barnes, Associate Professor and Interim Chair, Department of Geosciences, effective July 1, 2003 through June 30, 2004.

Administrative Appointments (continued)

Rollin Douma, Associate Vice President for Academic Affairs, Office of the Provost, effective April 1, 2003.

Leonard Ginsberg, Interim Dean, College of Arts and Sciences, effective January 6, 2003.

John Patten, Professor and Chair, Department of Manufacturing Engineering and Director, Center for Manufacturing Research, effective August 4, 2003.

Chester B. Rogers, Associate Vice President and Director, Academic Collective Bargaining, effective January 6, 2003.

Larry tenHarmsel, Dean, Lee Honors College, effective April 1, 2003.

Administrative Leave

Ed Edwards, Professor and Chair, Department of Finance and Commercial Law, effective June 30, 2003 through December 8, 2003.

Administrative Resignation

Kent Baldner, Associate Professor and Chair, Department of Philosophy, effective June 30, 2003.

Administrative Return to Faculty

Kent Baldner, Associate Professor, Department of Philosophy, effective April 12, 2004.

Ed Edwards, Professor, Department of Finance and Commercial Law, effective December 9, 2003.

Appointments - Tenure Track

Marie-Laure Bougnol, Assistant Professor, Department of Management, effective August 4, 2003.

Carla Bradley, Associate Professor, Department of Counselor Education and Counseling Psychology, effective August 4, 2003.

Christopher Cheatham, Assistant Professor, Department of Health Physical Education and Recreation, effective August 4, 2003.

Appointments - Tenure Track (Continued)

Teresa Crumpton, Faculty Specialist II, Department of Speech Pathology and Audiology, effective July 1, 2003.

Allison Downey, Assistant Professor, Department of Teaching, Learning and Leadership, effective August 4, 2003.

C. James Hueng, Assistant Professor, Department of Economics, effective August 4, 2003.

Paula Jamison, Assistant Professor, Department of Occupational Therapy, effective August 4, 2003.

Dongil Lee, Assistant Professor, Department of Chemistry, effective August 4, 2003.

Mustafa Mughazy, Instructor, Department of Asian and Middle Eastern Languages, effective August 4, 2003.

Ilana Nash, Assistant Professor, Department of English, effective August 4, 2003.

Wendy Ransom-Hodgkins, Assistant Professor, Department of Biological Sciences, effective August 4, 2003.

Regina Spellers, Assistant Professor, Department of Communication, effective August 4, 2003.

Heidi Douglas-Vogley, Faculty Specialist II, Department of Speech Pathology and Audiology, effective August 4, 2003.

Reappointments - Term

Ako Fukushima, Faculty Specialist I, Department of Asian and Middle Eastern Languages, effective December 9, 2002 through December 7, 2003.

Olivia Gabor, Visiting Assistant Professor, Department of Foreign Languages and Literatures, effective August 4, 2003 through August 1, 2004.

Reappointments - Adjunct

Sam King, Adjunct Associate Professor, Department of Sociology, effective April 1, 2003, through March 31, 2006.

Hector Quemada, Adjunct Assistant Professor, Department of Biological Sciences, effective April 1, 2003 through March 31, 2006.

Appointments - Adjunct

Bao Ping Zhu, Adjunct Assistant Professor, College of Health and Human Services, effective April 1, 2003 through March 31, 2006.

Resignations

Insoo Hyun, Assistant Professor, Department of Philosophy, effective August 3, 2003.

Todd Neal, Assistant Professor, Department of Theatre, effective January 9, 2003.

Mark Richardson, Associate Professor, Department of English, effective August 15, 2003.

Retirements with Emeriti Status

Wendy Cornish, Professor, Department of Dance, Professor Emerita of Dance, effective December 31, 2003.

Joseph Ellin, Professor, Department of Philosophy, Professor Emeritus of Philosophy, effective December 31, 2003.

William Harrison, Professor, Department of Geosciences, Professor Emeritus of Geosciences, effective December 8, 2003.

Pamela Keesler, Faculty Specialist I, Career English Language Center for International Students, Faculty Specialist I Emerita of CELCIS, effective August 30, 2002.

(Correction)

Lorna Kierepka, Faculty Specialist II, Department of Industrial and Manufacturing Engineering, Faculty Specialist II Emerita of Industrial and Manufacturing Engineering, effective August 31, 2003. **(Correction)**

Paul Mergen, Professor, Department of Art, Professor Emeritus of Art, effective December 31, 2003.

Robert Shamu, Professor, Department of Physics, Professor Emeritus of Physics, effective April 30, 2008.

Lovette Teichert, Master Faculty Specialist, Career English Language Center for International Students, Master Faculty Specialist Emerita of CELCIS, effective August 31, 2003.

Richard Wright, Professor and Dean, College of Aviation, Professor Emeritus of Philosophy, effective February 21, 2003.

Tenure

Ila Baker, Master Faculty Specialist, Career English Language Center for International Students, effective August 5, 2002.

Joel Boyd, Master Faculty Specialist, Career English Language Center for International Students, effective August 5, 2002.

Robert Dlouhy, Master Faculty Specialist, Career English Language Center for International Students, effective August 5, 2002.

Mary Lu Light, Master Faculty Specialist, Career English Language Center for International Students, effective August 5, 2002.

Thomas Marks, Master Faculty Specialist, Career English Language Center for International Students, effective August 5, 2002.

Darryl Salisbury, Master Faculty Specialist, Career English Language Center for International Students, effective August 5, 2002.

Adelia VanMeter, Master Faculty Specialist, Speech Pathology and Audiology, effective August 5, 2002.

Lovette Teichert, Master Faculty Specialist, Career English Language Center for International Students, effective August 5, 2002.

Chair Sabbatical Leave

Kent Baldner, Associate Professor, Department of Philosophy, effective July 1, 2003 through April 11, 2004.

Faculty Sabbatical Leave

Marlene Breu, Associate Professor, Department of Family and Consumer Sciences.

NON-ACADEMIC**Retirement**

Patricia M. Guenther, Assistant Director, Business Development Services, effective May 18, 2003.

Approval of New Programs. Following a motion by Trustee Miller, supported by Trustee Anthony, the following programs were approved.

Ph.D. in Evaluation – The program, effective fall 2003, is the result of the collaborative efforts of the WMU Evaluation Center and the Colleges of Arts and Sciences, Education, Engineering and Applied Sciences and Health and Human Services. As indicated, the program will prepare evaluation specialists who can work in a variety of sectors and determine how to improve products, services, systems policies and programs.

Ph.D. in Spanish – As indicated, the new program, effective fall semester 2003, will enhance students' comprehension and appreciation of the breadth and culture of Hispanic culture. The requirements will include a reading knowledge of a language other than Spanish and English and a six-month teaching, study or residential experience in a Spanish-speaking country.

Ph.D. in Educational Leadership – Effective fall semester 2003, the program, with a concentration in higher education leadership, is designed to provide a terminal degree for administrators, faculty and others working within institutions of higher education or other adult learning environments and/or those preparing to work within such institutions. The concentration has been developed to support working professionals, with non-traditional course delivery formats, including on-line and other distance learning techniques, weekend courses and intensive summer classes.

Graduate Certificate Program in Ethnohistory – The program, also effective fall semester 2003, is a collaboration between the departments of Anthropology and History and has been developed to supplement graduate-level study by allowing students to focus on ethnohistory, which applied research techniques and theoretical approaches from the fields of anthropology and history to the study of cultures. As indicated, it will be especially useful to those employed in museums, archives and libraries.

Major in Personal Financial Planning – The creation of this major in the Department of Finance and Commercial Law will blend well with a current major in Finance and its three concentrations – financial management, financial institutions and investments – and will allow the department to market more effectively an academic area which is in great demand at this time. The major provides the formal academic training necessary for preparation for the certification process leading to the Certified Financial Planner designation and is effective fall semester 2003.

Interdisciplinary Major in Global and International Studies – Effective fall 2003, the single new, interdisciplinary major will replace an assortment of largely outdated, underenrolled coordinate majors – Latin American Studies, European Studies, Asian Studies and Russian and European Studies – and will improve access to existing faculty expertise in area studies.

Budget and Finance Committee Recommendations

Gift Report – On a motion by Trustee Holden, supported by Trustee Aseritis, the gift report for January and February 2003 was approved.

Personnel Report. The personnel report was approved following a motion by Trustee Miller, supported by Trustee Anthony.

Retirements

Betty Benner, Office Coordinator, Transportation Services, effective June 30, 2003

Mary Birch, Groundkeeper I, Physical Plant Landscape Services, effective January 29, 2003

Robert Higgins, Strip/Camera Operator/Platemaker, Auxiliary Enterprises, effective June 20, 2003

Richard Hoff, Bindery Operator, Auxiliary Enterprises, effective June 20, 2003

Karen Page, Custodian, Residence Life, effective May 31, 2003

Parking Fine Increase. On a 6-0 roll call vote, following a motion by Trustee Holden, supported by Trustee Miller, the Board of Trustees approved a parking fine increase from the current \$50 to \$100 for illegally parking in handicapped spaces, effective July 1, 2003. (This is the maximum amount allowed by Michigan Statute.)

Unsecured Line of Credit. On a 6-0 roll call vote and a motion by Trustee Holden, supported by Trustee Anthony, the Board of Trustees authorized the Vice President for Business and Finance/Treasurer be authorized to enter into, at his/her discretion, an agreement(s) with a lending institution(s) for a line of credit(s) in the aggregate amount not to exceed \$35 million. As indicated, a \$25 million line of credit was approved by the Board in 1999 and the increase will allow officials to effectively manage short-time working capital in a time of uncertainty over state appropriation cuts.

Approval of Sale of Property. The Board of Trustees, on a 6-0 roll call vote, following a motion by Trustee Holden, supported by Trustee Miller, approved the sale of real property (located in the Township of Arlington, county of Van Buren, State of Michigan) described as follows:

The Southeast ¼ of the Southeast ¼ of Section 2, Town 2 South, Range 15 West, according to the Government Survey thereof.

ALSO, that part of the North ½ of the Southeast ¼ and that part of the Southwest ¼ of the Southeast ¼, all in Section 2, Town 2 South, Range 15 West, according to the Government Survey thereof, lying Easterly of the center of Black River, also referred to as Black River Drain, excluding the East ½ of the Northeast ¼ of the Southeast ¼ of Section 2.

The property was gifted to the University in exchange for funding of a charitable gift annuity life income plan and sold on February 28, 2003, with the proceeds placed into the University's annuity account with State Street Bank of Boston to be administered under the standard terms of our gift annuity plan. On the deaths of the income beneficiaries, the remaining proceeds for the gift annuity will go into the President's Unrestricted Endowment per the donor's direction.

Health Insurance Portability and Accountability Act (HIPAA) Privacy Regulations: Compliance Actions. On a motion by Trustee Holden, supported by Trustee Aseritis, the Board of Trustees approved the resolution involving designations and declarations in accordance with the Privacy Regulations of the Health Insurance Portability and Accountability Act.

Communication Antenna Leases. Following a 6-0 roll call vote and a motion by Trustee Holden, supported by Trustee Anthony, the Board of Trustees authorized the treasurer/assistant treasurer to execute the necessary documents to lease up to six commercial tenants for the newly constructed tower built to host the WMUK Public Radio station.

Mama Maria, Inc. Lease Agreement. The Trustees, on a 6-0 roll call vote and motion by Trustee Holden, supported by Trustee Martin, authorized the treasurer/assistant treasurer to enter into an additional lease (original lease approved January 24, 2003, effective February 1, 2003) not to exceed three years, with Mama Maria, Inc. for approximately 4,000 square feet of space adjacent to current space leased at the former Cole/Gilmore Building at 411 Kalamazoo Avenue. (The original lease was for a car detailing shop, with the additional space to be used for storage and small-scale body and car paintwork.)

Lease Agreement – KC's Budget Auto. On a 6-0 roll call vote and a motion by Trustee Holden, supported by Trustee Miller, the Board authorized the treasurer/assistant treasurer to enter into a lease, not to exceed three years (with two optional one-year extensions at the Administration's option), with KC's Budget Auto, Inc. for approximately 1,800 square feet of vacant space and large parking lot at the former Cole/Gilmore property at 431 W. Kalamazoo Avenue.

Resolution re Series 2003 General Revenue Bonds. The Board of Trustees, following a 6-0 roll call vote and a motion by Trustee Holden, supported by Trustee Miller, approved a resolution authorizing the issuance and delivery of General Revenue Bonds, Series 2003, and providing for other matters relating thereto. As indicated, the proceeds of the bond issue, expected to generate \$54 million, will largely be used to refund 1993A general revenue bonds currently held by the University, resulting in a present value savings of some \$3 million. The remainder of the bond issue will be used to finance construction of the new College of Health and Human Services facility.

Public Comments. Western Association officers, outgoing president John Knowles and incoming president and vice president, Sylvester Bush and Eric Zehnpfennig, reported on the achievements of the past year and plans for the future. Tim Birch, president of AFSCME 1668, spoke of upcoming contract negotiations and awareness of budgetary problems.

Executive Session. The Board of Trustees went into executive session at 1:50 p.m., on a 6-0 roll call vote and motion by Trustee Aseritis, supported by Trustee Miller, as provided for under Michigan law and returned to general session for adjournment at 2:40 p.m.

Respectfully submitted,



Betty A. Kocher
Secretary
Board of Trustees

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

WHEREAS, the Board of Trustees of Western Michigan University (the "Board") is a body corporate created by and existing under the Constitution of the State of Michigan with full constitutional authority over and general supervision of Western Michigan University (the "University") and control and direction of all expenditures from the University's funds; and

WHEREAS, the Board has previously issued and has outstanding General Revenue Bonds in several series (the "Outstanding bonds"), and it may be appropriate and economic to refund all or any portion of the outstanding principal maturities of the Outstanding Bonds (the outstanding bonds, if any, to be refunded to be determined by an Authorized Officer (hereinafter defined) and to be herein called the "Bonds to be Refunded"); and

WHEREAS, the Board has determined it is appropriate and in the best interests of the University to finance all or a portion of certain capital expenditures of or for the benefit of the University, as described on Exhibit A attached hereto (collectively, the "Project") with the proceeds of the general revenue bonds authorized hereby; and

WHEREAS, in the exercise of its constitutional duties, and in order prudently to control and direct expenditures from the University's funds, the Board has determined it is necessary and desirable to authorize the issuance and delivery of the Board's General Revenue Bonds (the "Bonds") in order to provide funds which, together with other available funds of the University, will be used to fund all or a part of (i) the costs of refunding the Bonds to be Refunded, (ii) the costs of the Project (the portion of the Project to be financed to be determined by an Authorized Officer), and (iii) the costs related to the refunding and to the issuance of the Bonds, including the costs of insurance premiums or other credit or liquidity facilities, if appropriate; and

WHEREAS, a trust agreement or indenture (the "Trust Agreement") must be entered into by and between the Board and a trustee (the "Trustee") to be designated by an Authorized Officer, pursuant to which the Bonds will be issued and secured; and

WHEREAS, the indentures authorizing the Outstanding Bonds create certain conditions for the issuance of General Revenue Bonds on a parity basis with the Outstanding Bonds; and

WHEREAS, the Vice President for Business and Finance and Treasurer shall, on or prior to the delivery of the Bonds, certify that the conditions for issuing the Bonds, secured on a parity basis by General Revenues with the Outstanding Bonds, have been met; and

WHEREAS, it is necessary to authorize the Authorized Officers to negotiate the sale of the Bonds with an underwriter or group of underwriters to be selected by an Authorized Officer (collectively, the "Underwriter") and to enter into a bond purchase agreement or agreements (collectively, the "Bond Purchase Agreement") and, if deemed appropriate, a remarketing agreement or agreements (collectively, the "Remarketing Agreement") or a broker dealer

agreement or agreements (collectively, the "Broker Dealer Agreement") with the Underwriter setting forth the terms and conditions upon which the Underwriter will agree to purchase the Bonds and the interest rates thereof and the purchase price therefor; and

WHEREAS, in order to be able to market the Bonds at the most opportune time, it is necessary for the Board to authorize the President and the Vice President for Business and Finance and Treasurer (each an "Authorized Officer") or either of them individually, to negotiate, execute and deliver on behalf of the Board, the Trust Agreement, the Bond Purchase Agreement, the Remarketing Agreement or Broker Dealer Agreement, and other related documents, to establish the specific terms of the Bonds and to accept the offer of the Underwriter to purchase the Bonds, all within the limitations set forth herein; and

WHEREAS, the refunding of the Bonds to be Refunded and the acquisition, equipping and construction of the Project and the funding of all or a part of the costs thereof with the proceeds of the Bonds will serve proper and appropriate public purposes; and

WHEREAS, the Board has full power under its constitutional authority for the supervision of the University and the control and direction of expenditures from the University funds, to refund the Bonds to be Refunded, to acquire, equip and construct the Project and to pay all or a part of the costs of the refunding and the costs of the Project by issuance of the Bonds, and to support payment of the Bonds by a pledge of General Revenues (as shall be defined in the Trust Agreement in a manner generally consistent with the definition thereof contained in the trust agreements securing the Outstanding Bonds);

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

1. The Board hereby approves the definition of the term "Project" as set forth on Exhibit A attached hereto, and authorizes the Authorized Officers, or either of them, to (i) select the portion of the Project to be financed, in whole or in part, from the proceeds of the Bonds, and to fund, as appropriate, the remaining portion of the costs of the Project from available funds of the University or other available funds, and to proceed with the acquisition, equipping and construction of the Project, and (ii) determine which, if any of the outstanding General Revenue Bonds of the Board shall be refunded, based on whether such refunding would produce interest costs savings, more favorable debt service schedules, or more flexible documentation, and to cause to be called for redemption such of the those bonds as are appropriate and consistent with the foregoing objectives.

2. The Board hereby authorizes the issuance, execution and delivery of the Bonds in one or more series to be designated GENERAL REVENUE BONDS, with appropriate series designations, if any, in the aggregate original principal amount to be established by an Authorized Officer, but not to exceed the principal amount necessary to produce proceeds of Fifty Four Million Dollars (\$54,000,000). The Bonds shall be dated as of the date or dates established by an Authorized Officer, and shall be issued for the purpose of providing funds which, together with other available funds, will be used to pay all or a portion of the costs of

refunding the Bonds to be Refunded, all or a portion of the costs of the Project, including, if determined to be appropriate by an Authorized Officer, capitalized interest related to all or a portion of the Project for a period specified by an Authorized Officer, and all or a portion of the costs related to the refunding and the issuance of the Bonds, including the costs of bond insurance premiums or other credit or liquidity facilities, if appropriate. The Bonds shall be serial Bonds or term Bonds, which may be subject to redemption requirements, or both, as shall be established by an Authorized Officer, but the first maturity shall be no earlier than January 1, 2004 and the last maturity shall be no later than December 31, 2043. The Bonds may bear no interest or may bear interest at stated fixed rates for the respective maturities thereof as shall be established by an Authorized Officer, but the highest yield (computed using the stated coupon and the stated original offering price) for any maturity shall not exceed 6.0% per annum, and the Bonds may be issued in whole or in part as capital appreciation bonds, which for their term or any part thereof bear no interest but appreciate in principal amount over time at compounded rates (not in excess of 6.0% per annum) to be determined by an Authorized Officer. Alternatively, all or part of the Bonds may bear interest at a variable rate of interest for all or a portion of their term, and the variable rate of interest shall not exceed the lesser of the maximum rate permitted by law or the maximum rate, if any, to be specified in the Trust Agreement. In addition, all or part of the Bonds may be issued in related series, one of which bears interest at a variable rate and one of which bears interest at a residual rate determined by subtracting the variable rate from the fixed rate paid by the Board, but the combined rate on such Bonds, taking the two related series together, which shall be determined by an Authorized Officer, shall not exceed 6.0% per annum. The Bonds may be subject to redemption or call for purchase prior to maturity at the times and prices and in the manner as shall be established by an Authorized Officer, but no redemption premium shall exceed 3% of the principal amount being redeemed. Interest on the Bonds shall be payable at such times as shall be specified by an Authorized Officer. The Bonds shall be issued in fully registered form in denominations, shall be payable as to principal and interest in the manner, shall be subject to transfer and exchange, and shall be executed and authenticated, all as shall be provided in the Trust Agreement. The Bonds shall be sold to the Underwriter pursuant to the Bond Purchase Agreement for a price to be established by an Authorized Officer (but the Underwriter's discount, exclusive of original issue discount, shall not exceed 0.75% of the principal amount thereof) plus accrued interest, if any, from the dated date of the Bonds to the date of delivery thereof.

In relation to the debt service on the Bonds, or in relation to all or any portion of the Outstanding Bonds, either of the Authorized Officers may, at any time, on behalf of and as the act of the Board, enter into an interest rate swap, cap or similar agreement or agreements (collectively, the "Swap Agreement") with a counter-party or counter-parties to be selected by the Authorized Officer. Such Swap Agreement shall provide for payments between the Board and the counter-party related to interest on all or a portion of the Bonds or the Outstanding Bonds, or to indexed or market established rates. If the Swap Agreement is entered into in connection with the issuance of the Bonds, the expected effective interest rates on the Bonds, taking into account the effect of the Swap Agreement, shall be within the limitations set forth herein.

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

to such limitations as may be specified in the Trust Agreement, or from a letter of credit, line of credit or other liquidity device (the "Liquidity Device"), or any combination thereof, all as shall be determined by an Authorized Officer and provided for in the Trust Agreement. Any reimbursement obligation for draws under the Liquidity Device shall be a limited and not a general obligation of the Board, payable from and secured by a pledge of General Revenues. Either Authorized Officer is authorized to execute and deliver, for and on behalf of the Board, any agreements or instruments necessary to obtain, maintain, renew or replace, and provide for repayments under, any Liquidity Device deemed by such officer to be required for the purposes of this Resolution. Purchase obligations shall not be considered as principal or interest on the Bonds. In the alternative, any or all of the Bonds may be subject to rights on behalf of the holders thereof to tender their Bonds for purchase by the market through a dutch auction procedure, subject to a specified maximum interest rate not in excess of the lesser of the maximum rate specified by law or the rate specified in the Trust Agreement.

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

No recourse shall be had for the payment of the principal amount of or interest or premium on the Bonds, the Swap Agreement or the Liquidity Device, or any claim based thereon, against the State of Michigan, or any member or agent of the Board (including, without limitation, any officer or employee of the University), as individuals, either directly or indirectly, nor, except as specifically provided in the Trust Agreement or the instruments entered into in connection with the Swap Agreement or the Liquidity Device, if any, against the Board, nor shall the Bonds and interest with respect thereto, or any obligations of the Board in connection with the Swap Agreement or Liquidity Device, if any, become a lien on or be secured by any property, real, personal or mixed, of the State of Michigan or the Board, other than General Revenues and the moneys, securities or other investments from time to time on deposit in certain funds established as pledged pursuant to the Trust Agreement or agreements entered into in connection with the Swap Agreement or Liquidity Device, if any.

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

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

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

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

6. Either Authorized Officer is hereby authorized and directed, in the name and on behalf of the Board and as its corporate act and deed, to select the Underwriter and to negotiate, execute and deliver the Bond Purchase Agreement and Remarketing Agreement or Broker Dealer Agreement, if necessary, with the Underwriter setting forth the terms of the Bonds and the sale thereof, in the forms as an Authorized Officer may approve upon recommendation of the Office of the General Counsel, all within the limitations set forth herein.

7. Either of the Authorized Officers is authorized, empowered and directed, in the name and on behalf of the Board, and as its corporate act and deed, to execute the Bonds by manual or facsimile signature and, if deemed appropriate, to impress or imprint the University seal thereon, and either of the Authorized Officers is authorized to deliver the Bonds to the Underwriter in exchange for the purchase price thereof, as provided in the Bond Purchase Agreement.

8. Either Authorized Officer is hereby authorized to cause the preparation of a Preliminary Official Statement, if necessary, and an Official Statement with respect to the Bonds, and to execute and deliver the Official Statement. The Underwriter is authorized to circulate and use, in accordance with applicable law, the Preliminary Official Statement, if any, and the Official Statement in connection with the offering, marketing and sale of the Bonds.

9. The President, the Vice President for Business and Finance and Treasurer, the Secretary of the Board, the Assistant Vice President for Finance, the General Counsel or any Associate or Assistant General Counsel, and all other appropriate officers or representatives of the Board or the University and each one of them, are authorized to perform all acts and deeds

and to execute and deliver for and on behalf of the Board all instruments and documents (including an Escrow Deposit Agreement with an Escrow Agent to be selected by an Authorized Officer, and a direction to the Underwriter or the Escrow Agent to subscribe for securities necessary to accomplish the refunding) required by this resolution, the Trust Agreement, or the Bond Purchase Agreement, or necessary, expedient and proper in connection with the issuance, sale and delivery of the Bonds, as contemplated hereby. Any reference to an officer of the Board or the University herein shall include any interim or acting officer appointed by the Board. Any action required under the Trust Agreement, Bond Purchase Agreement, Swap Agreement, agreement entered into in connection with the Liquidity Device or any other instrument related to the Bonds, either in connection with the issuance of the Bonds or in connection with the ongoing administration of the financing program related to the Bonds, may be taken by and on behalf of the Board by an Authorized Officer.

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

11. Any resolutions or parts of resolutions or other proceedings of the Board in conflict herewith are hereby repealed insofar as such conflict exists.

RESOLUTION

Recitals

WHEREAS a primary purpose of the Health Insurance Portability and Accountability Act (HIPAA) is to protect individually identifiable health information;

WHEREAS the United States Department of Health and Human Services has promulgated final privacy regulations (“the Final Privacy Rules”) for the use and disclosure of protected health information that become effective on April 14, 2003, and these and other proposed and final regulations will apply to HIPAA Covered Entities;

WHEREAS, the University is a Covered Entity under HIPAA subject to the Final Privacy Rules whose activities include both covered and non-covered functions;

WHEREAS the University wishes to comply with the Final Privacy Rules by: (i) declaring itself to be a Hybrid Entity with covered and non-covered components; (ii) identifying and designating those Covered Components that are subject to the Final Privacy Rules; and (iii) adopting policies and procedures and taking other actions as appropriate to comply with the Final Privacy Rules and other applicable regulations;

WHEREAS if it is appropriate as part of its HIPAA compliance activities, the University will also enter into organized health care arrangements (“OHCAs”) with Covered Entities that are not part of the University but that work with Covered Components.

Resolved

1. Western Michigan University is designated and declared to be a Hybrid Entity within the meaning of the Final Privacy Rules with covered and non-covered components.
2. The Covered Components within Western Michigan University shall be as designated from time to time. Initially, the designated Covered Components are:
 - Sindecuse Health Center
 - The appropriate clinics with the Unified Clinics within the College of Health and Human Services
 - The activities of the University in the administration of the self-insured health insurance plan (The “University Plan”) administered by the Human Resources Department, presently in conjunction with Blue Cross Blue Shield of Michigan as the Third Party Administrator, and
 - To the extent that they perform covered functions for or perform activities that would make them a business associate of Sindecuse Health Center, the Unified Clinics or the University Plan if they were a third party, the office of the vice president for legal affairs and general counsel, the office of information technology, the office of the vice president for business and finance, and the office of internal audit.

3. The Board of Trustees delegates to the President and/or his or her designee, and the Treasurer or the Assistant Treasurer the continuing authority, to enter into one or more OHCAs.
4. The Board of Trustees further delegates to the President and/or his or her designee the continuing authority to designate Covered Components, to adopt required policies and procedures, appoint Privacy Officer(s), Compliance Officer(s) and Complaint or Contact Officers, and take such other actions as necessary or appropriate from time to time in order to operate in accordance with HIPAA, the Final Privacy Rules and other applicable final regulations.

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