

RESOLUTION APPROVING ISSUANCE OF THE SERIES 2014 BONDS

BE IT RESOLVED by the Board of Trustees for Jacksonville State University (the “Board”), a public corporation and instrumentality of the State of Alabama (herein called the “University”), as follows:

Section 1. Findings. The University has ascertained and does hereby find and declare as follows:

(a) The University has heretofore issued (i) its Tuition Revenue Bonds, Series 2008 (the “Series 2008 Bonds”) under that certain Trust Indenture dated as of December 1, 1988 (herein called the “Original Indenture”) between the University and Central Bank, as trustee, (ii) its Tuition Revenue Refunding Bonds, Series 1993 (the “Series 1993 Bonds”) under that certain First Supplemental Indenture dated as of October 1, 1993 (herein called the “First Supplemental Indenture”) between the University and Central Bank, as Trustee, (iii) its Tuition Revenue Bonds, Series 1999 (the “Series 1999 Bonds”) under that certain Second Supplemental Indenture dated as of March 1, 1999 (herein called the “Second Supplemental Indenture”) between the University and Chase Manhattan Bank, as Trustee. The Series 1988 Bonds were refunded and defeased by the Series 1993 Bonds and are no longer outstanding. The Series 1993 Bonds have been paid and retired. The Series 1999 Bonds were paid and defeased from the proceeds of the Series 2009 Bonds hereinafter referred to. In 2002, the University issued its Tuition and Fee Revenue Bonds, Series 2002 (the “Series 2002 Bonds”) under a Third Supplemental Indenture dated as of October 1, 2002 between the University and JP Morgan Chase Bank, as trustee (the “Third Supplemental Indenture”). Pursuant to the Third Supplemental Indenture, the University added as security and a source of payment of the Series 2002 Bonds the Fees payable by students enrolled at the University, so that the Series 2002 Bonds and any Additional Bonds which may be issued under the Original Indenture, as supplemented and amended from time to time, are payable from and secured by the Tuition and Fees payable by students enrolled at the University.

(b) In the Original Indenture, as supplemented and amended by the Third Supplemental Indenture, the University reserved the right to issue, upon compliance with the conditions precedent set forth therein, additional bonds secured on a parity with the Series 1999 Bonds and the Series 2002 Bonds, as respects the pledge made in the Original Indenture, as supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture and the Third Supplemental Indenture (any such additional bonds being herein called “Additional Bonds”), for the purposes of (i) refunding or retiring all or any portion of any one or more series of bonds outstanding under the Original Indenture, (ii) acquiring (by construction or otherwise) capital improvements to the facilities of the University, and (iii) refunding any obligations of the University incurred for either of the aforesaid purposes. The Series 2002 Bonds, the Series 2008 Bonds, the Series 2009 Bonds and the Series 2011 Bonds hereinafter

described were issued as Additional Bonds and are herein referred to as the “Outstanding Bonds.”

(c) It is necessary, advisable, in the best interest of the University and in the public interest that the University refund the Series 2008 Bonds in order to achieve significant debt service savings.

(d) The University has heretofore on December 17, 2008 issued its \$10,000,000 Tuition and Fee Revenue Bonds, dated December 1, 2008 (the “Series 2008 Bonds”). The Series 2008 Bonds were issued pursuant to a Resolution of the Board dated September 19, 2008 and a Fourth Supplemental Indenture dated as of December 1, 2008 between the University and the Trustee (the “Fourth Supplemental Indenture”). The University has heretofore on April 23, 2009 issued its \$61,665,000 Tuition and Fee Revenue Bonds, dated April 1, 2009 (the “Series 2009 Bonds”). The Series 2009 Bonds were issued pursuant to a Resolution of the Board dated January 26, 2009 and a Fifth Supplemental Indenture dated as of April 1, 2009 between the University and the Trustee (the “Fifth Supplemental Indenture”). The University has heretofore on August 9, 2011 issued its (i) \$1,435,000 Taxable Tuition and Fee Revenue Bonds, dated August 1, 2011 (the “Series 2011A Bonds”) and (ii) \$9,625,000 Tuition and Fee Revenue Bonds, dated August 1, 2011 (the “Series 2011B Bonds” and together with the Series 2011A Bonds herein referred to as the “Series 2011 Bonds”). The Series 2011 Bonds were issued pursuant to a Resolution of the Board dated November 12, 2010 and a Sixth Supplemental Indenture dated as of August 1, 2011 between the University and the Trustee (the “Sixth Supplemental Indenture”). It is necessary, desirable and in the best interest of the University that the University issue the Series 2014 Bonds hereinafter authorized for the purposes of (i) refunding the Series 2008 Bonds (ii) paying a portion of the costs of construction certain capital improvements to Pete Mathews Coliseum (the “Series 2014 Improvements”) and (iii) paying the costs of issuing said Series 2014 Bonds.

(e) No event of default under the Original Indenture, as supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture and the Sixth Supplemental Indenture, and no event which, with the giving of notice or the passage of time or both, would constitute such an event of default has occurred and is continuing. In particular, the University is not in default in the payment of the principal of or the interest on any of the Outstanding Bonds.

(f) No bonds, other than the Outstanding Bonds, have heretofore been issued by the University under the Original Indenture, as supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture and the Sixth Supplemental Indenture.

Section 2. Authorization of the Series 2014 Bonds. Pursuant to the applicable provisions of Code of Alabama 1975, Title 16, Chapter 52, and Section 16-3-28 of said Code,

and in order to obtain funds with which to (i) pay the costs of refunding the Series 2008 Bonds, (ii) construct the Series 2014 Improvements and (iii) pay the costs of issuing said Series 2014 Bonds, there are hereby authorized to be issued by the University not to exceed \$12,500,000 aggregate principal amount of Tuition and Fee Revenue Bonds, Series 2014 (herein called the "Series 2014 Bonds"), all under the terms, conditions and provisions set out in the Seventh Supplemental Indenture authorized in Section 4 of this resolution (said Seventh Supplemental Indenture being herein called the "Seventh Supplemental Indenture"), which will further supplement and amend the Original Indenture, as heretofore supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture and the Sixth Supplemental Indenture. The Series 2014 Bonds may be issued in one or more series and may be taxable or tax-exempt, shall bear such date, shall mature at such times (not to exceed a final maturity of December 1, 2030) and, in such manner, shall be payable at such place, shall bear interest from the date until their maturity at such fixed per annum rate or rates which would result in minimum present value savings of not less than 3.00% of the principal amount of the Series 2008 Bonds being refunded, and shall produce negative arbitrage with respect to the Escrow Account created for the refunding of the Series 2008 Bonds of not more than the net present value savings produced from such refunding, shall bear such numbers and shall be in such form and contain such provisions (including, without limitation, redemption provisions) as are set out in the Seventh Supplemental Indenture and as shall be consistent with the provisions of this resolution. The precise principal amount of each series of the Series 2014 Bonds and the definitive interest rates on the Series 2014 Bonds shall be determined by the President of the University, his execution of the Seventh Supplemental Indenture, and the Bond Purchase Agreement (as hereinafter defined) to be conclusive evidence of such approval. The Series 2014 Bonds shall be issued on a parity of lien and pledge with the Outstanding Bonds pursuant to the provisions of the Original Indenture, as supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture and the Seventh Supplemental Indenture; provided however that the Series 2014 Bonds shall not be entitled to the security or benefit of the Reserve Fund and the Holders of the Series 2014 Bonds shall have no claim on the Reserve Fund or any account therein. All the provisions of the Seventh Supplemental Indenture and of the Series 2014 Bonds authorized to be issued thereunder are hereby adopted as a part of this resolution as though the same were set out in full herein. Unless the context clearly indicates a different meaning, any reference in the succeeding provisions of this resolution to the Indenture means the Original Indenture as supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture and the Seventh Supplemental Indenture.

Section 3. Source of Payment of the Series 2014 Bonds. The principal of and interest (and premium, if any) on the Series 2014 Bonds shall be payable solely from the revenues defined in the Indenture, as such definition is amended by the Seventh Supplemental Indenture, as the "Pledged Revenues" (herein called the "Pledged Revenues"). Nothing contained in this resolution, in the Series 2014 Bonds or in the Indenture shall be deemed to impose any obligation on the University to pay the principal of or the interest (or premium, if any) on the Series 2014 Bonds except from the Pledged Revenues. The Series 2014 Bonds shall

not represent or constitute obligations of any nature whatsoever of the State of Alabama and shall not be payable out of moneys appropriated to the University by the State of Alabama. The agreements, covenants and representations contained in this resolution, in the Series 2014 Bonds, and in the Indenture do not and shall never constitute or give rise to any personal or pecuniary liability or charge against the general credit of the University, and in the event of a breach of any such agreement, covenant or representation, no personal or pecuniary liability or charge payable directly or indirectly from the general revenues of the University shall arise therefrom. Neither the Series 2014 Bonds nor the pledge or any agreement contained in the Indenture or in this resolution shall be or constitute an obligation of any nature whatsoever of the State of Alabama, and neither the Series 2014 Bonds nor any obligation arising from the aforesaid pledge or agreements shall be payable out of any monies appropriated to the University by the State of Alabama. Nothing contained in this section, however, shall relieve the University or its officers from its or their obligation to perform the several agreements on its or their part contained herein and in the Indenture so long as such performance does not impose a general liability or charge upon the University.

Section 4. Authorization of the Seventh Supplemental Indenture. To specify the details respecting the Series 2014 Bonds and as further security for the payment of the principal of and the interest (and premium, if any) on the Outstanding Bonds and any other Additional Bonds that may be issued under the Indenture, pro rata and without preference or priority of one bond over another or of the bonds of any one series over those of any other, the University does hereby authorize and direct the President of Jacksonville State University to execute and deliver, for and in the name and on behalf of the University, a Seventh Supplemental Indenture (herein, as previously indicated, called the “Seventh Supplemental Indenture”) to The Bank of New York Mellon Trust Co., N.A., as Trustee (herein, in its capacity as Trustee under the Indenture, called the “Trustee”). The University does also hereby authorize and direct the Vice President for Administrative and Business Affairs of Jacksonville State University to affix the corporate seal of the University to the Seventh Supplemental Indenture and to attest the same. The Seventh Supplemental Indenture shall be in such form and shall contain such terms and conditions, not inconsistent with the provisions hereof, as the President of Jacksonville State University shall determine to be necessary or desirable in order to consummate the transactions authorized by this resolution, the determination of the definitive form of, and the definitive terms and conditions of, the Seventh Supplemental Indenture by the President of Jacksonville State University to be established conclusively by his execution of such document.

Section 5. Sale of the Series 2014 Bonds. The Series 2014 Bonds shall be and hereby authorized to be sold and awarded to Merchant Capital, LLC. (herein called the “Underwriter”), at and for a purchase price for the Series 2014 Bonds of not less than 99.225% of the par amount thereof, plus any original issue premium and less any original issue discount, plus accrued interest on the Series 2014 Bonds from their date to the date of their delivery. The Series 2014 Bonds shall be sold pursuant to and on the terms and conditions specified in a bond purchase agreement (herein called the “Bond Purchase Agreement”) between the University and the Underwriter. The Bond Purchase Agreement shall be in such form as the President of Jacksonville State University shall determine to be necessary or desirable in order to consummate the transactions authorized by this resolution, the determination of the definitive form of the Bond Purchase Agreement by such officer to be conclusively established by his

execution of the same. The President of Jacksonville State University is hereby authorized and directed to execute the Bond Purchase Agreement for and in the name and behalf of the University.

Section 6. Authorization of the Official Statement. The President of Jacksonville State University and the Vice President for Administrative and Business Affairs of Jacksonville State University are hereby authorized and directed to execute and deliver, for and in the name and behalf of the University, an official statement (herein called the “Official Statement”), with respect to the Series 2014 Bonds (herein called the “Bonds”). Said Official Statement shall be in such form as the officers executing the Official Statement shall determine to be necessary or desirable in order to consummate the transactions authorized by this resolution, the determination by such officers of the definitive form of the Official Statement to be established conclusively by their execution thereof. The use of the Official Statement by the Underwriter in connection with the offering and sale of the Bonds is hereby authorized and approved.

Section 7. Execution and Delivery of the Series 2014 Bonds. The President of Jacksonville State University is hereby authorized and directed to execute the Series 2014 Bonds for and in the name and on behalf of the University, either by manually signing or by causing a facsimile of his signature to be imprinted thereon, and the Vice President for Administrative and Business Affairs of Jacksonville State University is hereby authorized and directed either to impress upon or to cause a facsimile of the corporate seal of the University to be imprinted on the Series 2014 Bonds and to attest the same either by manually signing or by causing a facsimile of his signature to be imprinted thereon, all in the manner provided in the Indenture. The President of Jacksonville State University is hereby authorized and directed to deliver the Series 2014 Bonds to the Trustee and to direct the Trustee to authenticate all the Series 2014 Bonds and to deliver them to the Underwriters upon payment to the University of the purchase price therefor.

Section 8. Application of Proceeds. The entire proceeds derived by the University from the sale of the Series 2014 Bonds shall be delivered by the University to the Trustee, which is thereupon authorized and directed to apply and disburse such moneys for the purposes specified in the Seventh Supplemental Indenture.

Section 9. Ratification and Authorization of Financing Team. To accomplish the objectives of this resolution, the Board does hereby ratify the appointment of Merchant Capital, LLC. as Underwriter; Waldrep Stewart & Kendrick, L.L.C as Bond Counsel and Underwriter’s Counsel (herein together called the “Financing Team”). Without limiting the generality of other provisions of this resolution, the members of the Financing Team are authorized (i) to communicate on behalf of the University with rating agencies and bond insurers, (ii) to prepare documents (including those specifically authorized and referred to in this resolution) and financial schedules and projections, and (iii) to the extent deemed necessary or helpful, to consult with other professionals.

Section 10. General Authorization. The President of Jacksonville State University and the Vice President for Administrative and Business Affairs of Jacksonville State University are hereby further authorized and directed to take such further actions and to execute, deliver,

seal and attest such other documents and certificates as may be necessary or appropriate to effect the issuance of the Series 2014 Bonds and to carry out fully the transactions contemplated in the documents authorized in this resolution to be executed and delivered on behalf of the University.

Section 11. Severability. The various provisions of this resolution are hereby declared to be severable. In the event any provision hereof shall be held invalid by a court of competent jurisdiction, such invalidity shall not affect any other provision of this resolution.

Section 12. Resolution Constitutes a Contract. The provisions of this resolution pertaining to the Series 2014 Bonds shall constitute a contract between the University and each holder of the Series 2014 Bonds.

_____ moved that said resolution be finally adopted, which motion was seconded by _____, and upon said motion being put to vote, the following vote was recorded:

YEAS:

NAYS:

The Chairman thereupon announced that said motion had been carried.

* * *

There being no further business to come before the meeting, the same was adjourned upon motion duly made, seconded and unanimously adopted.

Chairman
Board of Trustees for Jacksonville State University

President of the University and
Secretary to the Board