

JACKSONVILLE STATE UNIVERSITY
BOARD OF TRUSTEES
MINUTES

The Board of Trustees of **JACKSONVILLE STATE UNIVERSITY** held a Special Called Emergency meeting in Jacksonville, Alabama on **Saturday, December 5, 2015 at 10:00 a.m. CDT.**

Mr. Jim Bennett, Chairman of the Board of Trustees, called the meeting to order and welcomed the Trustees to an Emergency Called meeting of the Board of Trustees to deal with a critical bond refunding issue that needed to be completed during the month of December.

Roll call showed the following members of the Board of Trustees were:

PRESENT:

Mr. Jim Bennett, Chairman
Mr. Jim Coxwell
Mr. Clarence W. Daugette, III
Mr. Thomas Dedrick
Senator Vivian Davis Figures
Mr. Tony L. Ingram
Mr. Randall Jones
Mr. Ronnie Smith

ABSENT:

Governor Robert Bentley
Mrs. Gale Saxon Main
Mr. Randy Owen
Dr. Windon Edge, Faculty Senate President
Mr. Tyler Brown, Student Government Association

BUILDING AND FINANCE COMMITTEE

Mr. Ronnie Smith stated that a few weeks ago the University received results of a bond review rating that allowed us to retain our current bond rating. After this occurred, Ms. Allyson Barker, Vice President for Administrative and Business Affairs, and Mr. Joe Whitmore, Associate Vice President for Business and Auxiliary Affairs, talked with various bond advisors and received a recommendation that a bank qualified bond refunding might be appropriate. Proposals were received from Stifel, Nicolaus & Company, Piper Jaffray Investments, and Frazier Lanier Investments. Piper Jaffray and Frazier Lanier both recommended that we take no action at this time. Mike Dunn of Stifel, Nicolaus & Company offered a proposal to refund a little less than \$9,000,000 of

the 2009 bonds at a rate 3.5%. This would give us cash at closing of approximately \$620,000.00 and allow us to release funds of approximately \$350,000-\$400,000 held in reserve. Because these are bank qualified bonds you can only refund a total of \$10,000,000 in one calendar year so it is important to complete the refunding process before the end of 2015.

On behalf of the Building and Finance Committee, Mr. Smith made the following recommendation for the Board's approval:

Resolution 569

RESOLUTION APPROVING ISSUANCE OF REVENUE REFUNDING 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, the Series 2011 Bonds and the Series 2014 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 2009 Bonds in order to achieve significant debt service savings through the issuance of one or more series of Revenue Refunding Bonds.

(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"). The University has heretofore on August 7, 2014 issued its (i) \$2,055,000 Taxable Tuition and Fee Revenue Bonds, dated August 1, 2014 (the "Series 2014A Bonds") and (ii) \$10,000,000 Tuition and Fee Revenue Bonds, dated August 1, 2014 (the "Series 2014B Bonds" and together with the Series 2014A Bonds herein referred to as the "Series 2014 Bonds"). The Series 2014 Bonds were issued pursuant to a Resolution of the Board dated July 21, 2014 and a Seventh Supplemental Indenture dated as of August 1, 2014 between the University and the Trustee (the "Seventh Supplemental Indenture"). It is necessary, desirable and in the best interest of the University that the University issue the Tuition and Fee Revenue Bonds hereinafter authorized for the purposes of (i) refunding the Series 2009 Bonds (ii) paying a portion of the costs of construction of such capital improvements as may be described in the Supplemental Indentures herein authorized (the "Improvements") and (iii) paying the costs of issuing said series of 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, the Sixth Supplemental Indenture and the Seventh 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, the Sixth Supplemental Indenture and the seventh Supplemental Indenture.

Section 2. Authorization of Additional 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 2009 Bonds, (ii) construct the Improvements and (iii) pay the costs of issuing said series of Bonds, there are hereby authorized to be issued by the University its Tuition and Fee Revenue Bonds (herein called the "Additional Bonds"), all under the terms, conditions and provisions set out in the Supplemental Indentures authorized in Section 4 of this

resolution (said Supplemental Indentures being herein called the "Supplemental Indentures"), 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, the Sixth Supplemental Indenture and the Seventh Supplemental Indenture. The Additional 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 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 present value savings that would, in the determination of the President of the University and the Vice President for Administrative and Business Affairs, be financially advantageous to the University, 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 respective Supplemental Indenture and as shall be consistent with the provisions of this resolution. The precise principal amount of each series of the Additional Bonds and the definitive interest rates on the Additional Bonds shall be determined by the President of the University, his execution of the respective Supplemental Indenture, and the Bond Purchase Agreement (as hereinafter defined) to be conclusive evidence of such approval. The Additional 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 and the Series 2015 Bonds shall not be entitled to the security or benefit of the Reserve Fund and the Holders of the Series 2014 Bonds and the Series 2015 Bonds and any future series of bonds as may be determined by the President of the University and the Vice President of Administrative and Business Affairs, shall have no claim on the Reserve Fund or any account therein. All the provisions of the Supplemental Indentures and of each series of Additional 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 Bonds. The principal of and interest (and premium, if any) on the Additional Bonds shall be payable solely from the revenues defined in the Indenture, as such definition is amended by the respective Supplemental Indenture, as the "Pledged Revenues" (herein called the "Pledged Revenues"). Nothing contained in this resolution, in any series of Additional 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 Additional Bonds except from the Pledged Revenues. The Additional 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 Additional 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 Additional 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 Additional 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 Supplemental Indentures. To specify the details respecting the Additional 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 Supplemental Indenture with respect to such series of Additional Bonds (with each such Supplemental Indenture to have a nomenclature of __ 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 each Supplemental Indenture and to attest the same. The respective 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, such Supplemental Indenture by the President of Jacksonville State University to be established conclusively by his execution of such document.

Section 5. Sale of the Additional Bonds. The Additional Bonds shall be and hereby authorized to be sold and awarded to Stifel, Nicholas & Company, Incorporated (herein called the "Underwriter"), at and for a purchase price for such series of Additional Bonds and on the terms and conditions specified in one or more bond purchase agreements (herein called the "Bond Purchase Agreements") between the University and the Underwriter. The Bond Purchase Agreements 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 Agreements 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 Agreements for and in the name and behalf of the University.

Section 6. Authorization of Preliminary Official Statements and Official Statements. 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, one or more preliminary official statements or official statements (herein collectively called the "Official Statements"), with respect to each series of Additional Bonds, and are hereby authorized to deem such Official Statements "final" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission. Said Official Statements 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 Statements to be established conclusively by their execution thereof. The use of the Official Statements by the Underwriter in connection with the offering and sale of the Additional Bonds is hereby authorized and approved.

Section 7. Execution and Delivery of the Additional Bonds. The President of Jacksonville State University is hereby authorized and directed to execute each series of Additional 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 each series of Additional 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 each Series of Additional Bonds to the Trustee and to direct the Trustee to authenticate all the Additional Bonds and to deliver them to the Underwriter 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 each Supplemental Indenture.

Section 9. Authorization to Approve Certain Matters. The Board has determined that it is in the best interest of the University to authorize the issuance of the Additional Bonds for the purposes described in this resolution and subject to the limitations of this resolution without a further meeting or approval of the Board. The Board does hereby authorize the President and the Vice President for Administrative and Business Affairs:

(a) to determine when and if any Additional Bonds shall be issued and to approve the schedule of issuance for each series of Bonds; provided that no Bonds shall be issued under the authority of this resolution after December 31, 2018;

(b) to approve the principal amount of the Additional Bonds to be issued in each series and the designation of the Additional Bonds as tax-exempt or taxable Bonds; provided that the aggregate principal amount of each series of Additional Bonds shall not exceed the amount necessary to pay the principal and interest on the Refunded Bonds (taking into account any original issue premium or discount) and the costs of issuing the Bonds (provided, however, that any savings realized from such refinancings may be realized by the University up front as additional principal in order to finance future capital improvements;

(c) to determine which of the Series 2009 Bonds are to be refunded and redeemed by the Bonds; provided that any such refunding shall result in a minimum net present value savings of at least 3%;

(d) to approve the forms of Supplemental Indenture(s), Bond Purchase Agreements(s), Preliminary Official Statement(s), Official Statement(s) and Escrow Agreement(s) to be delivered in connection with each series of Bonds;

(e) to approve the final form and pricing details of each series of Additional Bonds, including the interest rates to be borne by such Additional Bonds, the principal maturities thereof and any original issue discount or premium with respect to the Bonds; provided that the net interest cost of any series of Bonds shall not exceed 5.00%;

(f) to approve the expenses of issuing the Additional Bonds; and

(g) to take such other steps and to execute and approve such other documents as may be necessary or appropriate to cause the Additional Bonds to be issued, sold and delivered consistent with the provisions of this resolution and the respective Supplemental Indenture.

The final approval by the President of the University and the Vice President for Administrative and Business Affairs of the items listed above may be conclusively evidenced by a certificate signed by each of them and delivered at the time of issuance of the Bonds.

Section 10. Ratification and Authorization of Financing Team. To accomplish the objectives of this resolution, the Board does hereby ratify the appointment of Stifel, Nicolaus & Company, Incorporated as Underwriter; Waldrep Stewart & Kendrick, L.L.C as Bond Counsel and Disclosure Counsel to the University, and Balch & Bingham LLP, as 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 11. 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 12. 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 13. 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.

Mr. Ronnie Smith moved that said resolution be finally adopted, which motion was seconded by Senator Vivian Figures, and upon said motion being put to vote, the following vote was recorded:

YEAS:

Mr. Jim Bennett
Mr. James L. Coxwell
Mr. Clarence Dauge
Mr. Thomas Dedrick
Senator Vivian Figures
Mr. Tony Ingram
Mr. Randy Jones
Mr. Ronnie Smith

NAYS:

The Chairman thereupon announced that said motion had been carried.

Executive Session

Chairman Bennett asked for a roll call vote to enter into Executive Session for approximately 45 minutes to discuss the good names of individuals or pending litigation.

President Beehler called roll for voting to approve the Executive Session. The following persons voted:

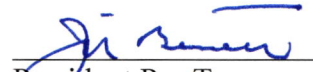
Chairman Jim Bennett, Yes
Mr. Jim Coxwell, Yes
Mr. Clarence W. Dauge, Yes
Mr. Thomas Dedrick, Yes
Senator Vivian Davis Figures, Yes
Mr. Tony L. Ingram, Yes
Mr. Randy Jones, Yes
Mr. Ronnie Smith, Yes

Chairman Bennett reported a unanimous vote for the Executive Session and stated that the Board members would return for a public vote on any actionable items.

Upon returning from Executive Session Chairman Bennett reported that the Board had no actionable items to consider.

There being no further business, Chairman Bennett declared that the meeting was adjourned and stated that the next meeting of the Board of Trustees would be held at the Houston Cole Library on January 25, 2016.


Secretary


President Pro Tempore