

RESOLUTION F26-16

A RESOLUTION ADOPTING POST-ISSUANCE COMPLIANCE PROCEDURES RELATING TO THE ISSUANCE OF FEDERALLY TAX-EXEMPT BONDS

WHEREAS, the Board of Trustees (the “Board”) of Shawnee State University (the “*University*”) is authorized by Sections 3345.11 and 3345.12 of the Ohio Revised Code to issue obligations to pay costs of University facilities and to refund obligations previously issued to pay costs of University facilities; and

WHEREAS, pursuant to the provisions of the Internal Revenue Code of 1986, as amended (the “*Code*”), and the regulations promulgated thereunder (the “*Regulations*”), the Internal Revenue Service (the “*IRS*”) strongly recommends that issuers establish written requirements and procedures to ensure compliance with the applicable provisions of the Code and the Regulations; and

WHEREAS, desires to adopt the below described procedures (the “*Post-Issuance Compliance Procedures*”) in order to ensure compliance with the provisions of the Code and the Regulations;

THEREFORE BE IT RESOLVED that the Board of Trustees of Shawnee State University approves the following effective upon adoption:

Adoption of Post-Issuance Compliance Procedures

The Board hereby adopts the following Post-Issuance Compliance Procedures, the purpose of which is to establish written directives and procedures in connection with Bonds issued so as to ensure that all applicable post-issuance requirements of the Code and Regulations needed to preserve the tax-exempt status of Bonds are met. In addition, the University hereby adopts policies and procedures to assist it in complying with Rule 15c2-12 of the Securities and Exchange Commission (“SEC”). The University reserves the right to use its discretion, as necessary and appropriate, to make exceptions or establish additional requirements as it may from time to time reasonably determine. The University also reserves the right to change the directives and procedures herein set forth from time to time, without prior notice to any party to the Bonds, *provided*, any material changes to such directives and procedures shall be approved and documented as an amendment or supplement to this Resolution.

General

The University is the issuer of the Bonds and will bear full responsibility for all ongoing tax compliance matters relating to the Bonds.

The University expects to use a corporate trustee (the “*Trustee*”) to administer all Bonds. The Trustee will in each case be assigned certain document retention requirements in compliance with the University’s document retention policy. The University retains the right to inquire of the Trustee for any documentation regarding any issue of Bonds.

The University shall execute a continuing disclosure agreement in connection with the Bonds.

Designation of Responsible Person(s)

The Board hereby designates its Vice President for Finance and Administration (the “*Compliance Officer*”) as the officer with responsibility to oversee compliance herewith. The Compliance Officer may seek the advice of any other officer of the University as may be necessary to comply herewith.

Post-Issuance Compliance Requirements

Bond Closing Documentation

The Compliance Officer shall consult with bond counsel and other legal counsel and advisors, as needed, during the Bond issuance process to identify requirements and to establish procedures necessary or appropriate so that Bonds which are intended to be tax-exempt will continue to qualify for tax-exempt status. Those requirements and procedures shall be documented in the tax certificates and/or other documents finalized at or before issuance of the Bonds. Those requirements and procedures shall include actions to be taken in connection with future compliance with applicable arbitrage rebate requirements by both the University and the Trustee and all other applicable post-issuance requirements of federal tax law throughout (and in some cases beyond) the term or maturity of the Bonds.

External Advisors

The University shall consult with bond counsel and other legal counsel and advisors, as needed, following issuance of the Bonds to ensure that all applicable post-issuance requirements in fact are met. This shall include, without limitation, consultation in connection with the use of proceeds, as well as future contracts with respect to the use of Bond-financed or refinanced assets.

The University shall engage expert advisors, accountants or consultants (each a “*Rebate Analyst*”) to assist in the calculation of arbitrage rebate payable in respect of the investment of Bond proceeds, unless the tax certificate documents that arbitrage rebate will not be applicable to an issue of Bonds.

Unless otherwise provided by the indenture, tax certificates or other authorizing documents relating to the Bonds, unexpended Bond proceeds shall be held by the Trustee, and the investment of Bond proceeds shall be managed by the University. The University shall prepare (or cause the Trustee to prepare) regular, periodic statements regarding the investments and transactions involving Bond proceeds and such statements shall be delivered to the University if it so requests.

Arbitrage Rebate and Yield

Unless the tax certificate documents state that arbitrage rebate will not be applicable to an issue of Bonds, the Board directs the Compliance Officer to be responsible for:

- engaging the services of a Rebate Analyst and, prior to each rebate calculation date, causing the Trustee or other account holder to deliver periodic statements concerning the investment of Bond proceeds to the Rebate Analyst;
- providing to the Rebate Analyst additional documents and information reasonably requested by the Rebate Analyst;
- monitoring efforts of the Rebate Analyst;
- assuring payment of required rebate amounts, if any, no later than 60 days after each 5-year anniversary of the issue date of the Bonds, and no later than 60 days after the last Bond of each issue is redeemed;
- during the construction period of each capital project financed in whole or in part by Bonds, monitoring the investment and expenditure of Bond proceeds and consulting with the Rebate Analyst to determine compliance with any applicable exceptions from the arbitrage rebate requirements during each 6-month spending period up to 6 months, 18 months or 24 months, as applicable, following the issue date of the Bonds; and
- retaining copies of all arbitrage reports and account statements as described below under “Record Keeping Requirements”.

The University, in the tax certificate relating to the Bonds and/or other documents finalized at or before the issuance of the Bonds, shall agree to undertake the tasks listed above (unless the tax certificate documents that arbitrage rebate will not be applicable to an issue of Bonds).

Use of Bond Proceeds and Bond-Financed or Refinanced Assets:

The Board directs the Compliance Officer to be responsible for:

- monitoring the use of Bond proceeds and the use of Bond-financed or refinanced assets (e.g., facilities, furnishings or equipment) throughout the term of the applicable Bonds to ensure compliance with covenants and restrictions set forth in the tax certificate relating to the Bonds;
- maintaining records identifying the assets or portion of assets that are financed or refinanced with proceeds of each issue of Bonds, including a final allocation of Bond proceeds as described below under “Record Keeping Requirements”;
- consulting with bond counsel and other legal counsel and advisers in the review of (i) any

unrelated trade or business income generated by the University's use of Bond-financed or refinanced assets and (ii) any contracts, research agreements or other arrangements with private persons involving the use of Bond-financed or refinanced assets, all in order to ensure compliance with all covenants and restrictions set forth in the tax certificate relating to the Bonds;

- maintaining records of any contracts or arrangements involving the use of Bond-financed or refinanced assets as described below under "Record Keeping Requirements";
- conferring at least annually with personnel responsible for the use and/or operation of Bond-financed or refinanced assets to identify, discuss and review any existing or planned use of Bond-financed or refinanced assets, to ensure that such uses are consistent with all covenants and restrictions set forth in the tax certificate relating to the Bonds; and
- to the extent that the Compliance Officer discovers that any applicable tax restrictions regarding use of Bond proceeds and Bond-financed or refinanced assets will or may be violated, consulting promptly with bond counsel and other legal counsel and advisers to determine a course of action to remediate all nonqualified uses and all nonqualified use of Bond proceeds, if any (including, if necessary, utilization of the IRS's voluntary closing agreement program), if such counsel or adviser advises that remedial action is necessary.

The University, in the tax certificate relating to the Bonds and/or other documents finalized at or before the issuance of the Bonds, shall agree to undertake the tasks listed above.

All relevant records and contracts shall be maintained as described below.

Record Keeping Requirements

The Board directs the Compliance Officer to be responsible for maintaining the following documents for the term of each issue of Bonds (including refunding Bonds, if any) plus at least six years:

- a copy of the Bond closing transcript(s) and other relevant documentation delivered to at or in connection with closing of the issue of Bonds, including any elections made by the University in connection therewith and, if any, all post-issuance amendments or other modifications thereto;
- a copy of all material documents relating to capital expenditures financed or refinanced by Bond proceeds, including (without limitation) construction contracts, purchase orders, invoices, Trustee requisitions and payment records, draw requests for Bond proceeds and evidence as to the amount and date for each draw down of Bond proceeds, as well as documents relating to costs paid or reimbursed with Bond proceeds and records identifying the assets or portion of assets that are financed or refinanced with Bond proceeds, including a final allocation of Bond proceeds;
- a copy of all contracts and arrangements involving the use of Bond-financed or refinanced

assets; and

- a copy of all records of investments, investment agreements, swaps, arbitrage reports and underlying documents, including Trustee statements, in connection with any investment agreements, and copies of all related bidding documents, if any.

The University, in the tax certificate relating to the Bonds and/or other documents finalized at or before the issuance of the Bonds, shall agree to the foregoing records retention requirements and procedures.

Modification of Bond Terms and Provisions

The Board directs the Compliance Officer to be responsible for identifying any events resulting in (i) changes or modifications of any of the contractual terms of Bonds (including without limitation modifications of the bond interest rates, maturity dates or payment schedule), (ii) changes to any credit enhancement of or liquidity facility for Bonds, (iii) changes in the nature of the security for Bonds, (iv) purchase of Bonds by the University, or (v) any deferral or default of payment of principal and interest due on Bonds. The Compliance Officer shall consult with bond counsel and other legal counsel and advisors, as needed, prior to authorizing or undertaking any of the events described in the preceding sentence.

IRS Correspondence and Audits

The Board directs the Compliance Officer to consult with bond counsel and other legal counsel and advisors, as needed, in connection with any correspondence received from the IRS or the opening of any IRS examination of any type with respect to Bonds. The Compliance Officer designated as the responsible person for these Post-Issuance Compliance Procedures shall be named (or shall designate a person to be named) on any Form 8038 for any issue of Bonds as the person whom the IRS is to contact regarding matters connected with the Bonds.

Post-Issuance Securities Law Requirements

In each year that has Bonds or taxable obligations outstanding subject to SEC Rule 15c2-12, no later than the date 210 days after the end of the University's fiscal year (the "Annual Report Filing Date"), the Compliance Officer shall file, or cause its dissemination agent, if applicable, to file, its annual audited financial statements in addition to other financial and operating data (the "Annual Report") with the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access facility for municipal securities disclosure ("EMMA"). In preparing its Annual Report, the Compliance Officer shall review each of its outstanding Continuing Disclosure Certificates (individually, the "Certificate", and collectively, the "Certificates") to determine the financial information and operating data which, together with the University's annual audited financial statements, shall constitute the content of the Annual Report. Each Certificate shall be included as an Exhibit to this document.

For its Certificates with respect to bonds or other obligations issued on or after December 1, 2010, the Compliance Officer shall monitor the following events and provide notice of

such events to the MSRB through EMMA as required by the applicable Certificate, but not later than ten (10) business days after occurrence:

- i. Principal and interest payment delinquencies;
- ii. Nonpayment related defaults;
- iii. Unscheduled draws on debt service reserves reflecting financial difficulties;
- iv. Unscheduled draws on credit enhancements reflecting financial difficulties;
- v. Substitution of credit or liquidity providers, or their failure to perform;
- vi. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- vii. Modifications to rights of security holders;
- viii. Bond calls, except for mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event;
- ix. Defeasances;
- x. Release, substitution or sale of property securing repayment of the securities;
- xi. Rating changes;
- xii. Bankruptcy, insolvency, receivership or similar event¹;
- xiii. The consummation of a merger, consolidation or acquisition;
- xiv. Appointment of a successor or additional trustee or the change of name of a trustee if material; and
- xv. Tender offers.

The SEC requires the listing of (i) through (xv) although some of such events may not be applicable to the Bonds.

¹ This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the University, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the University.

Successor Responsible Person(s)

The Board directs the Compliance Officer as the responsible person to inform any successor of the requirements set forth in these Post-Issuance Compliance Procedures. The Compliance Officer may undertake such training of the University_employees as is necessary to accomplish these Post-Issuance Compliance Procedures.

(October 14, 2016)