RESOLUTION F10-26

A RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL RECEIPTS BONDS OF SHAWNEE STATE UNIVERISTY AND OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Board of Trustees (the "Board") of Shawnee State University, a state university of the state of Ohio (the "University"), is authorized by Sections 3345.11 and 3345.12 of the Revised Code, enacted by the General Assembly under authority of Section 2i of Article VIII of the Constitution of Ohio, to issue obligations to pay costs of University facilities and to refund obligations previously issued to pay costs of University facilities; and

WHEREAS, the Amended and Restated Trust Agreement dated as of June 1, 2007 (the "Amended and Restated Trust Agreement") between the University and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), permits the issuance, from time to time, of General Receipts Bonds of the University; and

WHEREAS, the Trust Agreement and the Act, as defined below, permit the acquisition, construction, reconstruction, rehabilitation, remodeling, renovating, enlarging, improving, equipping furnishing and equipping of "facilities" as defined in Revised Code Section 3345.12(A)(6), including without limitation, (i) paying the costs of various improvements to the University's campus, including (A) improvements to athletics and recreation facilities, and (B) renovations and enhancements to academic buildings, including science labs (collectively, the "Series 2026 Project"), (ii) currently refunding all or a portion of the University's outstanding General Receipts Bonds, Series 2016, to achieve interest savings, (iii) paying capitalized interest on such Series 2026 Bonds (if necessary), and (iv) paying costs of issuance of such Series 2026 Bonds; and

WHEREAS, the Trust Agreement and the Act permit the University to issue obligations to refund obligations previously issued to pay costs of University facilities; and

WHEREAS, this Board has determined to finance, by the issuance of one or more series of General Receipts Bonds, in a maximum aggregate principal amount not to exceed: (i) $26,000,000 for the purpose of paying all or a portion of the costs the Series 2026 Project, and the related costs of issuance; and (ii) $13,025,000 for the purpose of refunding, in whole or in part, the Outstanding Bonds as may be determined, from time to time, by the University's Fiscal Officer, and the related costs of issuance;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of Shawnee State University, as follows:

Section 1. Definitions and Interpretations. Where used in this Resolution, the Second Supplemental Trust Agreement, and the related Certificate of Award, and in addition to words and terms defined elsewhere in this Resolution, the Trust Agreement, and the Second Supplemental Trust Agreement, the following terms shall have the following meanings:

"Act" means Sections 3345.11 and 3345.12 of the Revised Code, including the provisions of Sections 9.96 and 9.98 to 9.983 of the Revised Code incorporated therein.

"Bond Purchase Agreement" means any Bond Purchase Agreement between the Original Purchaser and the University relating to the sale and purchase of Series 2026 Bonds.

"Book Entry Form" or "book entry system" means a form or system under which physical Bond certificates in fully registered form are issued only to a Securities Depository or its nominee as registered owner, with the certificated Bonds held by and immobilized in the custody of the Securities Depository or its agent, and the book entry system, maintained by and the responsibility of others than the University or Trustee, is the record that identifies, and records the transfer of the interests of, the owners of book entry interests in those Bonds.

"Certificate of Award" means, collectively, the Certificate of Award authorized pursuant to Section 5.

"Code" shall have the same meaning as set forth in the Trust Agreement.

"Credit Facility" shall have the same meaning as set forth in the Trust Agreement.

"First Supplemental Trust Agreement" means the First Supplemental Trust Agreement between the University and the Trustee, dated as of November 1, 2016.

"Fiscal Officer" means the Chief Financial Officer of the University.

"Interest Payment Dates" means June 1 and December 1 of each year or such other dates provided in the Certificate of Award.

"Original Purchaser" means the financial institution or institutions selected by the Fiscal Officer to directly purchase or underwrite an offering of Series 2026 Bonds and identified in the Certificate of Award.

"Outstanding Bonds" means the General Receipts Bonds, Series 2016, dated November 29, 2016, issued and Outstanding under the Trust Agreement in the original principal amount of $13,025,000.

"Refunded Bonds" means the Outstanding Bonds or portions thereof to be refunded by the Series 2026 Bonds, as determined and identified in a Certificate of Award.

"Register" means the books kept and maintained by the Trustee, as Bond Registrar, for the registration, exchange and transfer of Bonds pursuant to the Trust Agreement.

"Registered Owner" means the person in whose name a Bond is registered on the Register.

"Second Supplemental Trust Agreement" means the Second Supplemental Trust Agreement between the University and the Trustee, authorized pursuant to Section 8 of this Resolution, including as part thereof this Resolution and the Certificate of Award.

"Securities Depository" means any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book entry system to record ownership and effect transfers of book entry interests in bonds, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

"Series 2026 Bonds" means the General Receipts Bonds authorized by this Resolution.

"Series 2026 Project" means the Series 2026 Project as defined in the recitals to this Resolution.

"Series 2026 Cost of Issuance Account" means the account by that name in the Series 2026 Project Fund.

"Series 2026 Project Account" means the account by that name in the Series 2026 Project Fund.

"Series 2026 Project Fund" means the fund by that name established in Section 6(b) hereof.

"Series Resolution" or "this Resolution" means this Resolution authorizing the issuance and sale of the Series 2026 Bonds, including the Certificate of Award.

"Taxable Bonds" means such portion, if any, of Series 2026 Bonds that are obligations, the interest on which is included in gross income for federal income tax purposes.

"Tax-Exempt Bonds" means such portion, if any, of Series 2026 Bonds that are obligations, the interest on which is excluded from gross income for federal income tax purposes.

"Trust Agreement" means, collectively, the Amended and Restated Trust Agreement, as amended and supplemented from time to time, including as amended and supplemented by the First Supplemental Trust Agreement and the Second Supplemental Trust Agreement.

Unless the context otherwise indicates, words importing the singular number shall include the plural number, and vice versa, and the terms "hereof," "herein," "hereby," "hereto," "hereunder," and similar terms, mean this Resolution and the applicable Second Supplemental Trust Agreement authorized by this Resolution. References to sections, unless otherwise stated, are to sections of this Resolution.

Section 2. Authority. This Resolution is adopted pursuant to the Trust Agreement and the Act.

Section 3. Authorization, Designation and Purpose of Series 2026 Bonds. The University is authorized to issue, sell and deliver, as provided and authorized in this Resolution and the Second Supplemental Trust Agreement, General Receipts Bonds of the University for the purposes of (i) paying costs of the Series 2026 Project; (ii) refunding the Refunded Bonds; (iii) paying capitalized interest, if applicable; and (iv) paying costs of issuing the Series 2026 Bonds. The principal amount of the Series 2026 Bonds is to be the amount set forth in the Certificate of Award, determined on the basis of the Fiscal Officer's certification therein of the amount required for the aforementioned purposes; provided, however, that the aggregate principal amount of Series 2026 Bonds shall not exceed the maximum amount specified in the recitals hereof. The proceeds from the sale of the Series 2026 Bonds shall be allocated, deposited and applied as provided in Section 6.

The Series 2026 Bonds may be issued in one or more separate Series, each bearing a distinctive designation as provided in the applicable Certificate of Award, provided that the Series 2026 Bonds of each Series shall satisfy the requirements of this Resolution. Separate Series of Series 2026 Bonds may be issued at the same or different times. If separate Series of Series 2026 Bonds are issued at different times, a separate Certificate of Award and Supplemental Trust Agreement may be signed and delivered for each Series.

The Fiscal Officer shall designate in the Certificate of Award whether the Series 2026 Bonds will be issued as Tax-Exempt Bonds or as Taxable Bonds, and if issued in separate series, which series shall constitute Tax-Exempt or Taxable Bonds, as the case may be. Such designation shall be based on the Fiscal Officer's determination, in consultation with the University's Blue Rose Capital Advisors, Inc. as financial advisor to the University that the designation is in the best interest of the University, providing for an overall debt structure upon terms most favorable to the University.

The Fiscal Officer, in connection with the issuance of the Series 2026 Bonds, is authorized to contract for one or more Credit Facilities, and to pay the costs of them from proceeds of the Series 2026 Bonds, if the Fiscal Officer determines that each Credit Facility will result in a savings in the cost of the financing to the University.

Section 4. <u>Terms and Provisions Applicable to the Series 2026 Bonds.</u>

<u>(a)</u> **<u>Form and Numbering.</u>** The Series 2026 Bonds shall be issued only as fully registered Bonds and substantially in the form set forth in the Second Supplemental Trust Agreement, and shall be numbered as determined by the Fiscal Officer. The Series 2026 Bonds may be issued in certificated form or in Book Entry Form with a Securities Depository, as provided in the Second Supplemental Trust Agreement.

<u>(b)</u> **<u>Denominations and Dates.</u>** The Series 2026 Bonds shall be dated as of the respective dates of their issuance or as of another date as may be stated in the Certificate of Award. The Series 2026 Bonds shall be issued in the denominations authorized in the applicable Second Supplemental Trust Agreement.

<u>(c)</u> **<u>Interest.</u>** The Series 2026 Bonds shall bear interest from their respective dates payable on the Interest Payment Dates at the respective rates per year to be determined by the Fiscal Officer and set forth in the Certificate of Award and Second Supplemental Trust Agreement. For Series 2026 Bonds that bear interest at rates that are fixed to the maturity thereof, the weighted average fixed interest rate of such fixed rate Series 2026 Bonds of a Series shall not exceed six percent (6.0%) per year.

<u>(d)</u> **<u>Maturities.</u>** The Series 2026 Bonds shall mature on the dates and in the amounts as the Fiscal Officer determines, provides and states in the Certificate of Award, provided that no Series 2026 Bonds shall mature later than June 1, 2060.

<u>(e)</u> **<u>Prior Redemption.</u>**

<u>(i)</u> **<u>Term Bonds Mandatory Redemption.</u>** If provided for in the Certificate of Award, Series 2026 Bonds maturing in a particular year may be consolidated with the principal amount of Series 2026 Bonds maturing in one or more prior consecutive years to provide for Term Bonds maturing in that later year in the aggregate principal amount of those consolidated maturities. Any such Term Bonds shall be subject to mandatory redemption by the University pursuant to mandatory sinking fund requirements at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the date of redemption, on the dates and in the principal amounts as determined by the Fiscal Officer in the Certificate of Award. The amounts required to be paid to the Bond Service Account shall include amounts sufficient to redeem (less the amount of any credit as provided in the Second Supplemental Trust Agreement for the Series 2026 Bonds) on each principal payment date the respective principal amounts of any Term Bonds subject to mandatory sinking fund redemption.

At its option, to be exercised on or before the 45th day next preceding any mandatory sinking fund redemption date, the University may (i) deliver to the Trustee for cancellation Term Bonds, in any aggregate principal amount desired, or (ii) receive a credit in respect to the mandatory sinking fund requirement (and corresponding mandatory redemption obligation) of the University for any Term Bonds of the same Series maturing in the same year as the Term Bonds so delivered to the Trustee, which prior to that date have been redeemed (other than through the operation of the mandatory sinking fund requirements provided for) or purchased for cancellation and cancelled by the Trustee and not theretofore applied as a credit against any mandatory sinking fund requirement (and corresponding mandatory redemption obligation). Each Term Bond so delivered or previously redeemed or purchased for cancellation shall be credited by the Trustee at 100% of its principal amount against the mandatory sinking fund requirement (and corresponding mandatory redemption obligation) of the University on that redemption date with respect to Term Bonds maturing in the same year and any credit in excess of that amount may be credited against future mandatory sinking fund requirements with respect to Term Bonds of the same Series maturing in the same year. If the University intends to avail itself in any year of the provisions of this paragraph, the University will on or before the 45th day next preceding the mandatory redemption date of that year furnish the Trustee with a certificate, signed by the Fiscal Officer, stating the extent to which the provisions of clauses (i) and (ii) above in this paragraph are to be availed of with respect to such mandatory sinking fund requirement (and corresponding mandatory redemption obligation). Unless that certificate is so timely furnished by the University, the mandatory sinking fund requirement (and corresponding mandatory redemption obligation) for that year shall not be reduced.

(ii) **Optional Redemption.** Series 2026 Bonds of one or more maturities may, as determined in the Certificate of Award, be subject to redemption at the option of the University prior to their stated maturities, in whole or in part (as directed by the University), from moneys other than those deposited in accordance with any mandatory sinking fund requirements as provided above, on the dates and at the redemption prices set forth in the Certificate of Award. If determined to provide lower interest costs and to be in the best interest of the University, as may be provided in the Certificate of Award, the Fiscal Officer may determine that none of the maturities of Series 2026 Bonds will be subject to optional redemption prior to maturity or that certain maturities of Series 2026 Bonds will not be subject to optional redemption prior to maturity.

(iii) **Partial Redemption.** If fewer than all of the outstanding Series 2026 Bonds of one maturity, if at the time not registered in the name of a Securities Depository or its nominee, are to be called for redemption, the selection of the Bonds or portions of those Bonds (in denominations authorized in the Second Supplemental Trust Agreement) of that maturity to be called for redemption shall be in the manner provided in the Trust Agreement. If optional redemption of Series 2026 Bonds at a redemption price above 100% of the principal amount to be redeemed is to take place on any applicable mandatory sinking fund redemption date, the Series 2026 Bonds to be optionally redeemed shall be selected prior to the selection of the Term Bonds to be redeemed by mandatory sinking fund redemption. In the event of a partial redemption of Series 2026 Bonds that are Term Bonds, the Trustee shall allocate the principal amount of that Term Bond to be redeemed against the mandatory sinking fund schedule for such Term Bond in accordance with the written direction of the Fiscal Officer.

(iv) **Notice.** Notice of call for redemption of any Series 2026 Bonds, setting forth the information provided for in the Trust Agreement, shall be given by the Trustee on behalf of the University in the manner provided in the Second Supplemental Trust Agreement. Notice by publication shall not be required. Any defect in that notice as to any Series 2026 Bond shall not affect the validity of the proceedings for the redemption of any other Series 2026 Bond, and any failure to receive notice duly mailed shall not affect the validity of the proceedings for the redemption of any Series 2026 Bonds.

(f) **Places and Manner of Payment.** The Series 2026 Bonds shall be payable at the places and in the manner provided in the Second Supplemental Trust Agreement.

(g) **Execution and Authentication.** The Series 2026 Bonds shall be executed and authenticated in the manner provided in the Trust Agreement.

Section 5. Sale and Award of Series 2026 Bonds.

(a) **General; Certificate of Award.** The Series 2026 Bonds may be sold to an Original Purchaser purchasing directly for its own investment or purchasing as an underwriter for a public offering and, in either event, shall be sold in accordance with this Resolution and the Certificate of Award, and on such further terms authorized or not inconsistent with this Resolution and not materially adverse to the University as are provided for or specified in the Certificate of Award and any Bond Purchase Agreement. The purchase price for the Series 2026 Bonds shall not be less than 98% of the aggregate principal amount of the Series 2026 Bonds (or, if the Series 2026 Bonds are sold at any original issue discount, 98% of the amount resulting from the subtraction of the aggregate net original issue discount from the aggregate original principal amount of the Series 2026 Bonds), plus any interest accrued on Series 2026 Bonds from their date to their delivery date. The original issue discount, if any, shall not exceed in the aggregate 5% with respect the Series 2026 Bonds. The Fiscal Officer is authorized and directed to execute a Certificate of

Award and any Bond Purchase Agreement for the Series 2026 Bonds, in order to provide for the definitive terms and terms of sale and award to the Original Purchaser of the Series 2026 Bonds as provided in this Resolution, but not later than June 30, 2027. Any Certificate of Award and any Bond Purchase Agreement for the Series 2026 Bonds shall not be inconsistent with this Resolution, and shall be approved by the Fiscal Officer, with the execution of the Bond Purchase Agreement constituting conclusive evidence of such approval and a finding that the terms are not materially adverse to the University, on behalf of the University. The Certificate of Award for the Series 2026 Bonds shall be incorporated in and form a part of the related Second Supplemental Trust Agreement.

(b) **Official Statement.** In the event that the Series 2026 Bonds are sold by public offering, the Fiscal Officer is authorized and directed to prepare or authorize to be prepared, and to complete a preliminary official statement and final official statement relating to the original issuance of the Series 2026 Bonds. If and to the extent applicable, the Fiscal Officer shall certify or otherwise represent, that the preliminary official statement, in original or revised form, is a "deemed final" official statement (except for permitted omissions) by the University as of a particular date and that a completed version is a "final" official statement for purposes of Rule 15c2-12 adopted by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 (the "Rule"). The distribution and use of a preliminary official statement and final official statement by the University and the Original Purchaser is hereby authorized and approved with respect to Series 2026 Bonds.

The Fiscal Officer and any other appropriate officers of the University or the Board are further authorized (i) to use and distribute, or authorize the use and distribution of, the preliminary and final official statement and supplements thereto in connection with the original issuance of Series 2026 Bonds of any Series as may in their judgment be necessary or appropriate, and (ii) to sign and deliver, on behalf of the University and in their official capacities, such certificates in connection with the accuracy of the preliminary and final official statements and any amendment thereto as may in their judgment be necessary or appropriate.

(c) **Continuing Disclosure Agreement.** If and to the extent required by the Rule, the University, for the benefit of the holders and beneficial owners of the Series 2026 Bonds, shall make a continuing disclosure agreement in the Second Supplemental Trust Agreement for the related Series of the Series 2026 Bonds. The Fiscal Officer shall have the responsibility for the compliance by the University with that continuing disclosure agreement, and the Fiscal Officer shall establish procedures in order to ensure that compliance. That continuing disclosure agreement shall be the continuing disclosure agreement for purposes of the Rule, and its performance shall, as provided in it, be subject to the annual appropriation by the Board of moneys to meet costs required to be incurred to perform it.

Section 6. Allocation of Proceeds of Series 2026 Bonds.

(a) **Allocation.** The proceeds from the sale of the Series 2026 Bonds of each Series, net of any amounts retained by the Original Purchaser for its compensation, shall be received and receipted for by the Fiscal Officer or by her authorized representative for that purpose, and shall be allocated, deposited and credited as follows:

(i) to the Debt Service Fund, any portion of the proceeds representing accrued interest and capitalized interest;

(ii) to the Series 2026 Project Account in the Series 2026 Project Fund, the amount set forth in the Certificate of Award to be used to pay costs of the Series 2026 Project;

(iii) to the Series 2026 Cost of Issuance Account in the Series 2026 Project Fund, the amount set forth in the Certificate of Award to be used to pay costs of issuing the Series 2026 Bonds;

(iv) to the Debt Service Fund, the amount set forth in the Certificate of Award as the amount needed to refund the Refunded Bonds; and

(v) to the provider of any Credit Facility, if provided for in the Certificate of Award, the amount that Certificate provides to pay fees and expenses relating to that Instrument.

(b) Series 2026 Project Fund. The Series 2026 Project Fund shall be established and shall be held by the University or the Trustee in a separate deposit account or accounts (except when invested as provided below) set up in a bank or banks that are members of the Federal Deposit Insurance Corporation. Within the Series 2026 Project Fund shall be established the Series 2026 Project Account to be applied to pay "costs of facilities" as defined in Revised Code Section 3345.12, including the reimbursement to the University of moneys temporarily advanced for the purpose in anticipation of being reimbursed from the proceeds of the Series 2026 Bonds. Within the Series 2026 Project Fund shall also be established the Series 2026 Costs of Issuance Account for the purpose of paying pay costs of Series of 2026 Bonds.

Moneys on deposit in the Series 2026 Project Fund may be invested by or at the direction of the Fiscal Officer in eligible investments described in the Second Supplemental Trust Agreement maturing or redeemable at the option of the holder prior to the time or times needed for the purposes of that fund. Those investments and the proceeds of their sale shall constitute part of, and earnings from any of those investments shall be credited to, that Fund. Those investments may be sold, exchanged or collected from time to time by or at the direction of the Fiscal Officer. Any amounts in the Series 2026 Project Fund certified by the Fiscal Officer to be in excess of the amount needed to pay costs of the Series 2026 Projects may be used to pay principal of or interest on the Series 2026 Bonds of the series that funded the Series 2026 Project if that expenditure will not, in the opinion of bond counsel to the University, adversely affect the exclusion of interest on the Series 2026 Bonds from gross income for federal income tax purposes.

Section 7. Tax Covenants. The representations and covenants in this Section apply only to any portion of Series 2026 Bonds issued as Tax-Exempt Bonds. The Board, for itself and the University, covenants that:

It will use, and will restrict the use and investment of, the proceeds of the Series 2026 Bonds in such manner and to such extent as may be necessary so that (A) those Bonds will not constitute private activity bonds, arbitrage bonds or hedge bonds under Section 141, 148 or 149 of the Code, or be treated other than as bonds to which Section 103 of the Code applies, and (B) the interest on those Bonds will not be treated as a preference item under Section 57 of the Code.

It (a) will take or cause to be taken such actions that may be required of it for the interest on the Series 2026 Bonds to be and remain Tax-Exempt Bonds, and (b) will not take or authorize to be taken any actions that would adversely affect that exclusion, and that it, or persons acting for it, will, among other acts of compliance, (1) apply the proceeds of the Series 2026 Bonds to the governmental purpose of the borrowing, (2) restrict the yield on investment property, (3) make timely and adequate payments to the federal government, (4) maintain books and records and make calculations and reports, and (5) refrain from certain uses of those proceeds and of property financed with those proceeds, all in such manner and to the extent necessary to assure that exclusion of that interest under the Code.

The Fiscal Officer and other appropriate officers are authorized (i) to make or effect any election, selection, designation, choice, consent, approval or waiver on behalf of the University with respect to the Series 2026 Bonds as the University is permitted to make or give under the federal income tax laws, including, without limitation, any of the elections provided for in Section 148(f)(4)(C) of the Code or available under Section 148 of the Code, for the purpose of assuring, enhancing or protecting favorable tax treatment or status of the Series 2026 Bonds or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing the rebate amount or payments of penalties, or making payments of special amounts in lieu of making computations to determine, or paying, excess earnings as rebate, or obviating those amounts or payments, as determined by that officer, which action shall be in writing and signed by the officer, (ii) to take any and all other actions, make or obtain calculations, make payments, and make or give reports, covenants and certifications of and on behalf of the University, as may be appropriate to assure the intended tax status of the Series 2026 Bonds, and (iii) to give one or more appropriate certificates, for inclusion in the transcript of proceedings for those Series 2026 Bonds, setting forth the reasonable expectations of the University regarding the amount and use of all the proceeds of those Series 2026 Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of the interest on and the tax status of the Series 2026 Bonds.

Section 8. Second Supplemental Trust Agreement. The President of the University, the Fiscal Officer, and the Chair of the Board, or any two of them, are authorized and directed to execute and deliver to the Trustee, in the name of and on behalf of the University, and the Secretary to the Board is authorized to attest, a Second Supplemental Trust Agreement pursuant to the Trust Agreement and in connection with the issuance of the Series 2026 Bonds, not substantially adverse to the University as may be permitted by the Act and the Trust Agreement and approved by the officers executing it on behalf of the University.

Section 9. Refunding of Refunded Bonds. The University authorizes the Fiscal Officer to cause the refunding of the Refunded Bonds upon the determination of the Fiscal Officer that any such refunding is in the best interests of the University. The principal of and interest and any applicable call premium on the Refunded Bonds shall be paid when due from cash and direct obligations of the United States (or either) on deposit with, or held for the credit of, the Trustee in accordance with the Trust Agreement or any escrow agreement that may be provided for the Refunded Bonds (the "Escrow Agreement"). The Fiscal Officer is authorized on behalf of the University to make arrangements for the purchase of any such direct obligations from the proceeds of the Series 2026 Bonds and other sources of moneys and for the delivery to the Trustee, if required under the circumstances, of a report of an independent public accounting firm of national reputation to the effect that the cash and direct obligations so held by the Trustee are of such maturities and interest payment dates and bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to pay the principal of and the interest and any premium on the Refunded Bonds on the dates set forth in the Certificate of Award and thereby discharge and satisfy the covenants, agreements and other obligations of the University with respect to those Refunded Bonds under the Trust Agreement and cause those Refunded Bonds to be deemed paid and discharged pursuant to, and no longer to be outstanding under, the Trust Agreement.

The Fiscal Officer is authorized and directed to take any and all actions necessary and appropriate to effect the early call for redemption, pursuant to the Trust Agreement and applicable Series Resolution, of those Refunded Bonds to be redeemed prior to maturity, including publication and mailing of any notices. Any amounts released to the University from the funds and accounts held by the Trustee under the Trust Agreement or any Escrow Agreement shall be applied as set forth in the related Second Supplemental Trust Agreement or Escrow Agreement. The Chair of the Board, the President of the University, and the Fiscal Officer, or any two or more of them, are authorized to execute and deliver to the Trustee, in the name of and on behalf of the University, one or more Escrow Agreements for the Refunded Bonds. The Board hereby determines to provide for the payment of the principal of and the interest and any redemption premium on the Refunded Bonds as provided in this Resolution.

Section 10. Other Documents. The President of the University, the Fiscal Officer, and the Chair of the Board, or any one of them, are authorized and directed to furnish, sign and deliver such other documents, certificates and instruments as may be necessary or appropriate to issue the Series 2026 Bonds and to consummate the transactions contemplated in this Resolution, the Second Supplemental Trust Agreement, the Bond Purchase Agreement, and the Escrow Agreement, each as applicable to the related

Series of Series 2026 Bonds. The Secretary to the Board or other appropriate officials of the University shall furnish the Original Purchaser a true transcript of proceedings certified by such officers of the University as may be appropriate of all proceedings had with reference to the issuance of the Series 2026 Bonds.

Section 11. Open Meeting. It is found and determined that all formal actions of this Board concerning and relating to the adoption of this Resolution were taken in an open meeting of this Board, and that all deliberations of this Board and of any of its committees that resulted in those formal actions were taken in meetings open to the public, in full compliance with applicable legal requirements, including Section 121.22 of the Revised Code.

June 26, 2026

Shawnee State University

June 2026 Fee Pledge Request $26,000,000

I. Project Overview

Shawnee State University proposes to issue general receipts bonds to provide approximately $26.0 million of new funding for high-priority capital improvements. In addition, the University may refinance or restructure all or a portion of Series 2016 bonds (up to $13.025 Million of current debt) if determined to be advantageous to the University's overall debt structure at the time of bond issuance.

Shawnee State University has identified various high-priority capital projects for potential funding. The projects to be funded include

- New construction and renovations of existing athletic and recreation facilities needed as a result of Shawnee State University's transition to NCAA Division II from NAIA and the implementation of a football program (scheduled to begin in Fall 2028 (Fiscal Year 2029).
- Renovation of existing student housing facilities to facilitate the increased needs due to academic growth, new sports programs and the advanced age of the current housing facilities.
- Renovation of existing academic and administrative buildings as part of a strategic roadmap to utilize space better to create a community for students/faculty/staff, updating 35+ year old buildings, reprioritize student-facing services (considering the new non-traditional student) and provide a tech-forward environment.

The proposed projects will allow the University to meet the needs and demands of current and prospective students. These renovations also support strategic initiatives that are focused upon preparing students for the professional workplace and providing a vibrant campus environment that encourages and promotes increased student participation and retention.

To that end, we have engaged Blue Rose Capital Advisors to assist with evaluation and execution of the Series 2026 General Receipts Bonds and new money components. The new funding enables the University to make needed upgrades to educational, athletic, health and recreation facilities and to redirect general funds to operating needs instead of serving as the primary source for University-funded capital renovations. Further, the improvements to these buildings and facilities support and enhance the University's newly-framed recruitment strategies and transition to NCAA Division II.

Shawnee State University

June 2026 Fee Pledge Request $26,000,000

II. Project Financing and Costs

Shawnee State University's Board of Trustees are scheduled to authorize the issuance of up to $26.0 million in General Receipts Bonds to fund new projects as described above in Section I.

The new bond proceeds will provide funding for anticipated construction costs and related project costs of various capital projects as described in Section IV. A breakdown of the project costs appears below:

Shawnee State University's Estimated Project Costs and Resources

	Athletic Complex Improvements (Labold Field, Branch Rickey Park, and Spartan Stadium)	University -owned Residential Housing Renovations (Main Campus)	Renovation of Existing Academic & Administrative Facilities (Main Campus)	Total Costs
PROJECT COSTS:				
Construction	$ 15,000,000	$ 5,000,000	$ 5,000,000	$ 25,000,000
Architects and Engineers (6%)	$ 1,050,000	$ 350,000	$ 350,000	$ 1,750,000
Bond Issuance Expenses	$ 600,000	$ 200,000	$ 200,000	$ 1,000,000
Contingency (10%)	$ 1,500,000	$ 500,000	$ 500,000	$ 2,500,000
Total Project Costs	$ 18,150,000	$ 6,050,000	$ 6,050,000	$ 30,250,000
PROJECT RESOURCES:				
State Funding	$ -		$ 850,000	$ 850,000
Local Funding (Non-state gifts and grants)	$ 2,550,000	$ 850,000		$ 3,400,000
Total Project Resources	$ 2,550,000	$ 850,000	$ 850,000	$ 4,250,000
TOTAL COSTS LESS PROJECT RESOURCES TO BE FUNDED BY DEBT	$ 15,600,000	$ 5,200,000	$ 5,200,000	$ 26,000,000
TOTAL PLANNED BOND PROCEEDS	$ 15,600,000	$ 5,200,000	$ 5,200,000	$ 26,000,000

The debt service for the new bond issue has been structured to meet the current and future needs of the students at Shawnee State University. The University anticipates that the new bond issue will have a 30-year repayment schedule and mature on June 1, 2056. Bond Issuance Expenses are estimated at $1,000,000 for conservatism and actual expenses are expected to be below that estimate. See following "Sources and Uses of Funds" schedule for details.

The debt service for the portion of the issue related to new bond funds will also be structured to benefit the University.

Shawnee State University

June 2026 Fee Pledge Request $26,000,000

BOND SOLUTION

Shawnee State University, OH
Base Case (Insured)

Period Ending	Proposed Principal	Proposed Debt Service	Existing Debt Service	Total Adj Debt Service
06/30/2027		1,042,631	1,560,075	2,602,706
06/30/2028		1,247,000	1,559,575	2,806,575
06/30/2029		1,247,000	1,563,575	2,810,575
06/30/2030		1,247,000	1,569,575	2,816,575
06/30/2031		1,247,000	1,567,225	2,814,225
06/30/2032		1,247,000	1,568,825	2,815,825
06/30/2033		1,247,000	1,566,025	2,813,025
06/30/2034		1,247,000	1,571,500	2,818,500
06/30/2035	375,000	1,622,000	490,350	2,112,350
06/30/2036	390,000	1,618,250	491,875	2,110,125
06/30/2037	410,000	1,618,750	492,875	2,111,625
06/30/2038	430,000	1,618,250	493,350	2,111,600
06/30/2039	450,000	1,616,750	493,300	2,110,050
06/30/2040	475,000	1,619,250	492,725	2,111,975
06/30/2041	500,000	1,620,500	491,625	2,112,125
06/30/2042	1,015,000	2,110,500		2,110,500
06/30/2043	1,065,000	2,109,750		2,109,750
06/30/2044	1,120,000	2,111,500		2,111,500
06/30/2045	1,175,000	2,110,500		2,110,500
06/30/2046	1,235,000	2,111,750		2,111,750
06/30/2047	1,295,000	2,110,000		2,110,000
06/30/2048	1,360,000	2,110,250		2,110,250
06/30/2049	1,430,000	2,112,250		2,112,250
06/30/2050	1,500,000	2,110,750		2,110,750
06/30/2051	1,575,000	2,110,750		2,110,750
06/30/2052	1,655,000	2,112,000		2,112,000
06/30/2053	1,735,000	2,109,250		2,109,250
06/30/2054	1,825,000	2,112,500		2,112,500
06/30/2055	1,915,000	2,111,250		2,111,250
06/30/2056	2,010,000	2,110,500		2,110,500
	24,940,000	52,768,881	15,972,475	68,741,356

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SOURCES AND USES OF FUNDS

Shawnee State University, OH Base Case (Insured)

Dated Date	07/30/2026
Delivery Date	07/30/2026

Sources:

Bond Proceeds:	
Par Amount	24,940,000.00
Premium	658,092.75
	25,598,092.75

Uses:

Project Fund Deposits:	
Project Fund	25,000,000.00
Delivery Date Expenses: Cost of Issuance	200,000.00
Underwriter's Discount	144,901.40
Bond Insurance	250,652.18
	595,553.58
Other Uses of Funds:	
Contingency	2,539.17
	25,598,092.75

III. Fee Impact

The pro-forma analysis submitted by Shawnee State University forecasts combined revenues from a variety of sources which are expected to sufficiently cover the operating costs and debt service obligation of the projects included in this request. Revenue sources include annual general receipts, student fees, and auxiliary revenues.

Shawnee State University intends to increase the portion of the Shawnee State Advantage tuition guarantee amount allocated to bond service fees to $156 per semester from the current bond service fee of $150 per semester. This increase is the maximum allowable increase to comply with the legislative cap of 3% allowed under H.B. 96 of the 136th General Assembly. As such, the bond service fee percentage increase for each new incoming cohort group in future fiscal years will be subject to the applicable legislative fee caps imposed in the future. The $156 bond service fee is expected to continue during the duration of the 2026 Bond.

IV. Project Descriptions

Renovation and Rehabilitation of Facilities for Athletics and Student Recreation, Health and Fitness

In 2024, the City of Portsmouth transferred Spartan Municipal Stadium, a 98-year-old facility, and 28 acres of land around the stadium to Shawnee State University for athletics use. These facilities, along with those on campus that serve SSU Athletics need significant upgrades in preparation for competition in NCAA Division II's Mountain East Conference. State funding cannot be used for athletic facilities. Renovations to Spartan Stadium and surrounding fields will include improvements to the historical stadium and football field to accommodate the University's new football program that will begin in fall 2028; an addition of a track to accommodate track & field competitions; improvements to an existing baseball field and construction of a baseball stadium; construction of a softball stadium; creation of practice and multi-use recreational fields; and construction of a fieldhouse for use by all teams. The athletics project also includes the construction of a soccer and lacrosse stadium on campus and improvements in the University's James A. Rhodes Athletics Center for basketball, volleyball, and gym use.

Completion of Renovations to University-Owned Residential Housing

In prior fiscal years, the University has funded from general receipt sources major upgrades to three University-owned residential housing buildings. The new, bond-funded project will enable the renovation of the existing buildings. The renovated apartments will be used for traditional student housing, summer athletic and academic camps and will support the availability of housing options for students attending during the summer term. These renovations and possible reconfigurations (living & learning opportunities) can also support in the transition into our new acceptance in NCAA Division II. This project will also upgrade sidewalks, wayfinding, and exterior appurtenances. The buildings are nearly 50 years old and are in dire need of this rehabilitation. Renovations will also allow some units to remain in use instead of being designated as unavailable due to potential maintenance issues.

Renovation and Rehabilitation of Existing Academic and Administrative Facilities

In 2025, the University commissioned BHDP, a Cincinnati architectural firm, to develop a comprehensive Campus Repurposing Plan based on Shawnee State University's Strategic Plan. The Repurposing Plan will guide the University in facilities planning and improvements in the coming years based on the following objectives:

- Utilize space better to create a community for student and faculty/staff.
- Elevate the University's reputation by updating 35+ year old buildings.
- Reprioritize student-facing services, considering the new non-traditional student.
- Increase student retention and graduation rates.
- Provide a "tech-forward" environment.

BHDP held several workshops with University Leadership Committee for planning purposes, toured campus to examine facility conditions and functions, led workshops with numerous University department personnel and Student focus groups to gain a deeper understanding of the University's needs. The final version of the Repurposing Plan is being completed and will include a typology study addressing lecture classroom and office spaces of the future, planning strategies, design scenarios, and phasing plans/estimated costs for construction projects based on information obtained by BHDP.

University leadership will review the final Repurposing Plan and identify the projects that will best match the current needs of the University. Funding from bond proceeds will be used to address these projects.

V. Financial Ratio Analysis(1)

Through the 1997 enactment of Senate Bill 6 ("S.B. 6"), the 122nd General Assembly established a standardized method for monitoring the financial health of Ohio's state-assisted colleges and universities. Subsequently, the administrative rules used to guide the implementation of S.B. 6 identified three financial ratios to evaluate an institution's fiscal health. The rules also established threshold factors for ranges of ratios, and created a weighted score of the threshold factors, termed the *composite score*, which provides a summary statistic to evaluate an institution's financial stability. The ratios and composite score are described in greater detail below, including how Shawnee State University performed when these measures are applied to its FY 2022, FY 2023, FY 2024, FY 2025 audited financial statements and FY 2026 and FY 2027 estimated financial statements—the most up-to-date financial data available.

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*NOTE: The FY 2027 ratio shown in *italics* reflects the ratios and composite score when $25,000,000 in debt is added to the projected FY 2027 calculations.

1. Viability Ratio

The viability ratio is defined as expendable net assets divided by plant debt. This ratio is a measure of an institution's ability to retire its long-term debt using available current resources. A viability ratio in excess of 100% indicates that the institution has expendable fund balances in excess of its plant debt. Pursuant to this analysis, a viability ratio of 60% or greater is considered good, while a ratio below 30% might be a cause for concern. Shawnee State University's viability ratios for FY 2022, FY 2023, FY 2024, FY 2025, FY 2026 and FY 2027 are as follows:

FY 2022	FY 2023	FY 2024	FY 2025	FY 2026 (Est.)	FY 2027 (Est.)*
80.0%	86.8%	117.0%	153.0%	184.3%	74.0%

(1) Financial Ratios are presented excluding the impact of the implementation of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* and an amendment of this statement, GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* and GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

2. Primary Reserve Ratio

The primary reserve ratio is defined as expendable net assets divided by total operating expenses. This ratio is one measure of an institution's ability to continue operating at current levels without future revenues. Pursuant to this analysis, a ratio of 10% or greater is considered good, while a ratio below 5% would be a cause for concern. Shawnee State University's primary reserve ratios for FY 2022, FY 2023, FY 2024, FY 2025, FY 2026 and FY 2027 are as follows:

FY 2022	FY 2023	FY 2024	FY 2025	FY 2026 (Est.)	FY 2027 (Est.)*
20.3%	23.4%	34.4%	35.7%	34.4%	34.5%

3. Net Income Ratio

The net income ratio represents the change in total net assets divided by total revenues. This ratio is an important measure of an institution's financial status in terms of current year operations. A negative net income ratio results when an institution's current year expenses exceed its current year revenues. A positive net income ratio indicates that the institution experienced a net increase in current year fund balances. Shawnee State University's net income ratios for FY 2022, FY 2023, FY 2024, FY 2025, FY 2026 and FY 2027 are as follows:

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FY 2022	FY 2023	FY 2024	FY 2025	FY 2026 (Est.)	FY 2027 (Est.)*
2.8%	-3.4%	5.6%	5.6%	7.0%	4.1%

The Net Income Ratio component of the Senate Bill 6 composite score contains increases/decreases in the fair value of investment; this ratio is particularly sensitive to fluctuations in the market value of the University's investment portfolio.

4. Composite Score

The ratios are translated into a single composite score by assigning individual scores to ranges of ratios, weighting the individual scores, and summing the weighted scores. The primary reserve score is weighted more heavily than is the viability ratio, which in turn is weighted more heavily than the net income ratio. This scoring process effectively emphasizes the need for campuses to have strong expendable fund balances, manageable plant debt, and a positive operating balance.

The minimum acceptable composite score is any score above 1.75. Institutions with composite scores at or below this level merit special monitoring, and would be placed on fiscal watch if the ratio analysis yielded a composite score at or below this level for two consecutive years. The highest possible score is a 5.0. Shawnee State University's composite scores have been above the minimum threshold:

FY 2022	FY 2023	FY 2024	FY 2025	FY 2026 (Est.)	FY 2027 (Est.)*
3.0	2.6	4.2	4.2	4.2	3.7

VI. Financial Outlook and Bond Rating

According to its FY 2025 audited financial report, Shawnee State University's financial position remains strong, having reported total assets of $115,114,809 and liabilities of $ 56,557,890. Net position, which represents the value of the university's assets after liabilities and deferred outflows/inflows are deducted, increased by $6,016,904 in FY 2025 to $60,338,480 or 52.43% of total assets. These amounts reflect the decrease in net position resulting from the implementation of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* and an amendment of this statement, GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* and GASB No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. These statements require the university to recognize a net pension liability (asset), pension expense and related pension related deferred inflows and outflows of resources based on the university's proportionate share of collective amounts for all participating employers in the plans. The cumulative effect of the accounting change related to pension and postemployment benefits reporting in 2025 was a reduction of $24,140,030 to net position. The FY 2025 net position without the GASB No.68, GASB No.71 and GASB No.75 adjustments was $84,478,510 ($24,565,530 are Expendable/Unrestricted).

In January 2026, Shawnee State University's issuer and revenue bond rating received an upgrade from Moody's Investor Service from Baa3 to Baa2 with a Stable outlook. The upgrade was driven by continued growth in financial reserves and liquidity, improved operating performance and stabilized enrollment. The University will also elect to utilize bond insurance to enhance the 2026 Bonds if beneficial to the issuance of the bond series.

VII. Institutional Plant Debt

The table on the following page depicts how long-term plant debt at Ohio's public colleges and universities has changed at the statewide level over the past five years. Between FY 2021 and FY 2025, statewide plant debt increased 10.5% or approximately $850 million and increased $9.8 million (0.1%) from FY 2024 to FY 2025. Shawnee State University's plant debt decreased $1,950,689 (10.8%) from FY 2021 to FY 2025 and decreased $691,730 (4.1%) from FY 2024 to FY 2025.

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STATEWIDE LONG TERM DEBT					
INSTITUTIONS	FY 2021	FY2022	FY2023	FY2024	FY2025
UNIVERSITIES					
BOWLING GREEN	$264,328,392	$259,896,975	$260,294,383	$252,425,859	$248,754,103
CENTRAL STATE	$11,321,647	$9,237,350	$9,237,350	**N/A**	**N/A**
CLEVELAND STATE	$191,833,039	$228,355,565	$222,126,009	$211,979,070	$196,368,893
KENT STATE	$420,215,000	$398,273,000	$381,267,000	$365,725,000	$339,908,000
MIAMI UNIV.	$628,770,000	$584,311,000	$552,065,000	$503,532,000	$478,600,000
NEOMED	$48,808,382	$135,645,872	$164,209,631	$156,713,621	$150,399,368
OHIO STATE	$3,267,024,000	$4,098,182,000	$3,928,330,000	$4,132,598,000	$4,133,542,000
OHIO UNIVERSITY	$640,261,765	$649,195,154	$636,713,035	$626,397,411	$679,508,091
SHAWNEE STATE	$18,005,000	$17,060,000	$17,854,924	$16,746,041	$16,054,311
UNIV. AKRON	$356,161,587	$345,080,479	$343,433,633	$291,497,044	$289,149,304
UNIV. CINCINNATI	$1,132,460,000	$1,209,281,000	$1,170,155,000	$1,383,456,000	$1,354,405,000
UNIV. TOLEDO	$284,174,000	$293,076,000	$279,101,000	$262,962,000	$242,797,000
WRIGHT STATE	$56,936,716	$54,059,363	$52,801,508	$42,176,123	$37,056,411
YOUNGSTOWN STATE	$69,516,043	$63,334,752	$68,255,404	$66,451,449	$100,214,234
COMMUNITY COLLEGES					
BELMONT TECH	$0	$0	$456,549	$235,146	$0
CINCINNATI STATE	$24,525,000	$21,725,000	$18,825,000	$15,800,000	$12,665,000
CLARK STATE	$9,950,000	$4,313,456	$4,018,584	$3,716,916	$3,403,409
COLUMBUS STATE	$172,422,624	$161,718,399	$161,219,580	$146,888,913	$216,105,651
COTC	$91,286	$67,667	$1,785,130	$1,399,206	$1,128,990
CUYAHOGA	$293,530,210	$282,477,980	$267,662,297	$255,323,484	$237,304,197
EASTERN GATEWAY	$13,627,925	$15,593,827	$15,593,827	**N/A**	**N/A**
EDISON STATE	$1,615,000	$4,023,215	$3,512,816	$3,682,945	$2,800,919
HOCKING	$19,733,516	$18,591,662	$17,593,004	$16,651,137	$15,699,270
JAMES RHODES	$2,893,870	$5,721,248	$5,721,248	$5,600,703	$4,822,680
LAKELAND	$83,563,536	$80,872,571	$78,897,344	$79,609,102	$75,584,882
LORAIN	$69,479,795	$67,746,490	$66,541,482	$61,016,649	$57,228,404
MARION TECH	$0	$0	$0	$0	$1,685,572
NORTH CENTRAL	$562,405	$471,566	$1,435,572	$4,128,135	$3,249,423
NORTHWEST STATE	$0	$3,332,000	$3,128,000	$2,934,000	$2,736,000
OWENS STATE	$0	$0	$0	$33,179,399	$31,368,011
RIO GRANDE	$0	$0	$0	$0	$2,094,926
SINCLAIR	$0	$0	$7,760,628	$7,949,085	$7,915,581
SOUTHERN STATE	$11,475,000	$10,390,000	$8,155,000	$7,360,000	$6,545,000
STARK STATE	$602,524	$984,643	$645,004	$551,959	$460,371
TERRA STATE	$4,980,000	$4,830,000	$11,738,379	**N/A**	**N/A**
WASHINGTON STATE	$0	$0	$0	$0	$0
ZANE STATE (MATC)	$5,360,000	$5,000,000	$5,964,182	$5,299,594	$4,605,006
STATEWIDE TOTAL	$ 8,104,228,262	$ 9,032,848,234	$ 8,766,497,503	$ 8,963,985,991	$ 8,954,160,007

Note: Above totals represent "Plant Debt" as reported to Ohio Department of Higher Education
as part of Institutions Senate Bill 6 financial data.