

Issuance of OSU Revenue Bonds

BACKGROUND

In order for the university to take advantage of near-historic low borrowing rates, the university is seeking approval to issue up to \$366M in general revenue bonds as provided in the bond sale resolution in Attachment 1.

If the bond issuance is approved, the university plans to use the proceeds to:

- Refund existing debt to realize interest cost savings;
- Establish a long-term bond principal repayment reserve;
- Provide near term liquidity to underpin anticipated operational revenue losses due to the impacts of the coronavirus pandemic;
- Provide funding for capital projects on the current Ten-Year Capital Forecast as a hedge against a potential shortfall in the other funds currently anticipated to help fund the forecast, including OSU's Education & General (E&G) funds; and
- Pay bond issuance costs.

PROPOSED USES OF BOND FUNDS

The proposed uses for funds from a bond sale are described in more detail below.

Refund Existing Debt

There is an opportunity to issue bonds to advance refund the 2015 General Revenue Bonds 2015A & 2015B. Advance refunding refers to the practice of using the funds received from a new bond issuance to pay off debt issued in a prior year. 2015 bonds lend themselves to advance refunding because they were issued at a higher interest rate than the current market and they have a ten-year call option, which, if executed, could result in interest cost savings. Advance refunding requires that the proceeds of the new debt issued be invested in the intervening period until the call date of the bonds being refunded.

Depending on borrowing and earnings rates at the time of sale, the net present value savings of refunding the 2015 bonds ranges from \$1.8M to \$14M. Market factors would determine whether to include advance refunding of the 2015 bond series in the proposed bond sale. The proposed Bond Resolution authorizes the Vice President of Finance and Administration to refund the 2015 bonds.

Establish a Repayment Reserve

The proposed bond issuance will allow the university, depending on the borrowing and earnings rates at the time of sale, to issue bonds to establish a repayment reserve investment fund as a Board designated quasi-endowment. The reserve fund will replace the internal bank function to repay the lump sum payment due upon maturity after a 90-year investment cycle (referred to as the "bullet" repayment).

The university proposes to set aside \$42.7M for the reserve investment fund. Frequent review of the fund's investment performance against its target return will be required in the short and intermediate term to ensure that the cash balance will be sufficient to repay the bullet maturities

as they come due. The proposed Bond Resolution authorizes the Vice President of Finance and Administration to issue the bonds necessary to establish the reserve fund. Staff will propose an update to the Investment Policy at a future meeting to specify how the funds will be invested and how the reserve will be monitored and managed and reported to the Board.

Provide Operational Liquidity

The proposed bond sale would provide the Board with financial flexibility to use bond funds for operational needs due to temporary interruptions in delivery of services and lost revenues related to COVID-19. Any use of bond proceeds for operational liquidity would be subject to Board approval and managed as a strategic initiative loan from the Internal Bank.

Provide Funding for Capital Projects

The projects identified in the Ten-Year Capital Forecast are fundamental to achieving the goals identified in Strategic Plan 4.0. There is a great deal of uncertainty about the state of Oregon’s capacity and desire to fund capital projects and state-paid bonds over the upcoming two biennia given the impact of the coronavirus pandemic on state revenues. The university has an opportunity now to manage a portion of this risk by issuing bonds in the current low interest rate market. Bond proceeds from the proposed sale would also give the university flexibility to release E&G funds committed to capital projects so they can be used for immediate needs.

Table 1 summarizes fund sources for estimated project budgets in the Ten-Year Capital Forecast by biennium. The forecast focuses on renewal of the university’s research infrastructure and on new space that furthers this focus, while strategically positioning the university to advance its academic and research mission. The pandemic is not anticipated to impact this focus or materially modify the specific projects within the forecast. Use of the bond proceeds to fund capital projects would be subject to Board review during each capital project stage gate review.

Table 1. Summary of Ten-Year Capital Forecast approved by the Board in January 2020

In Millions	State-paid Bonds	State-paid CIR	OSU-paid bonds	Pledged gift funds	E&G CIR	Gifts, Partnerships, Other	Total
2019-2021 Biennium	\$ 93	\$ 22	\$ 76	\$ 27	\$ 31	\$ 110	\$ 358
2021-2023 Biennium	58	20	57	6	51	431	623
2023-2025 Biennium	107	22	30	46	71	227	503
2025-2027 Biennium	55	27	0	28	86	105	301
2027-2029 Biennium	85	22	0	33	90	74	304
Total	\$ 398	\$ 113	\$ 164	\$ 139	\$ 329	\$ 947	\$ 2,090

The full January 2020 Ten Year Capital Forecast is included in Attachment 2 for reference.

FINANCIAL IMPACTS

In alignment with the Debt Policy, the Board must review the financial impacts of any new debt issued. The financial impacts of the proposed bond sale are provided below.

Current Debt Profile

The university currently has \$636M in external debt outstanding composed of:

- \$311.1M OSU General Revenue Bonds;
- \$274.9M State-Issued Debt;
- \$40M 4-year Fixed Rate Note; and
- \$10M Line of Credit.

Resolution Authorization Amount

Bond issuances include different costs and fees. Table 2 below provides the maximum par amount (or face value) of the proposed bond issue.

Table 2. Maximum par amount of proposed bond issuance.

New Increment of Debt Issuance	\$300,000,000
2015A Bond Refund	41,040,000
2015B Bond Refund	10,075,000
Accrued Interest on 2015A&B Bonds	11,200,000
Subtotal	\$362,315,000
1% Underwriting & Cost of Issuance	\$3,623,150
Subtotal	\$365,938,150
Rounded	\$366,000,000

Credit Rating

Prior to every bond issuance, Moody’s Investors Service conducts a review to provide an issuance rating specific to the general revenue bonds. Moody’s credit rating is based on both measurable and subjective data elements.

Taking the Ten-Year Business Forecast and the proposed revenue bond issuance together, the university’s modeling identifies the potential of a downgrade from Aa3 to an A1 rating, continuing through FY2021 and returning to Aa3 in FY2022. Given the impacts of the pandemic on the university’s FY2021 budget revenue, it is possible that the university could see a downgrade at the next Moody’s update in spring 2021. Issuing debt now will advance the timing of a new rating.

The result of a potential downgrade is an estimated addition of 0.10 to 0.15%, or \$450,000 per year, to the new debt cost and a similar increase to the cost of the existing \$50M short-term debt approved by the Board in April 2020. The previously issued OSU General Revenue Bonds are categorized as fixed coupon so there is no additional interest rate exposure with a downgrade.

Annual Incremental Repayment Cost

The current Ten-Year Business Forecast includes a \$120M bond issuance in FY2024. Table 3 shows for illustration purposes the annual debt service amount for the FY2024 issuance compared to the new increment of \$300M in 2020 (2015A&B bond refund amounts not included in this comparison).The proposed October 2020 issuance would replace the summer 2024 issuance anticipated in the Ten-Year Capital Forecast.

Table 3. Proposed timing of bond issuance and estimated annual repayment cost.

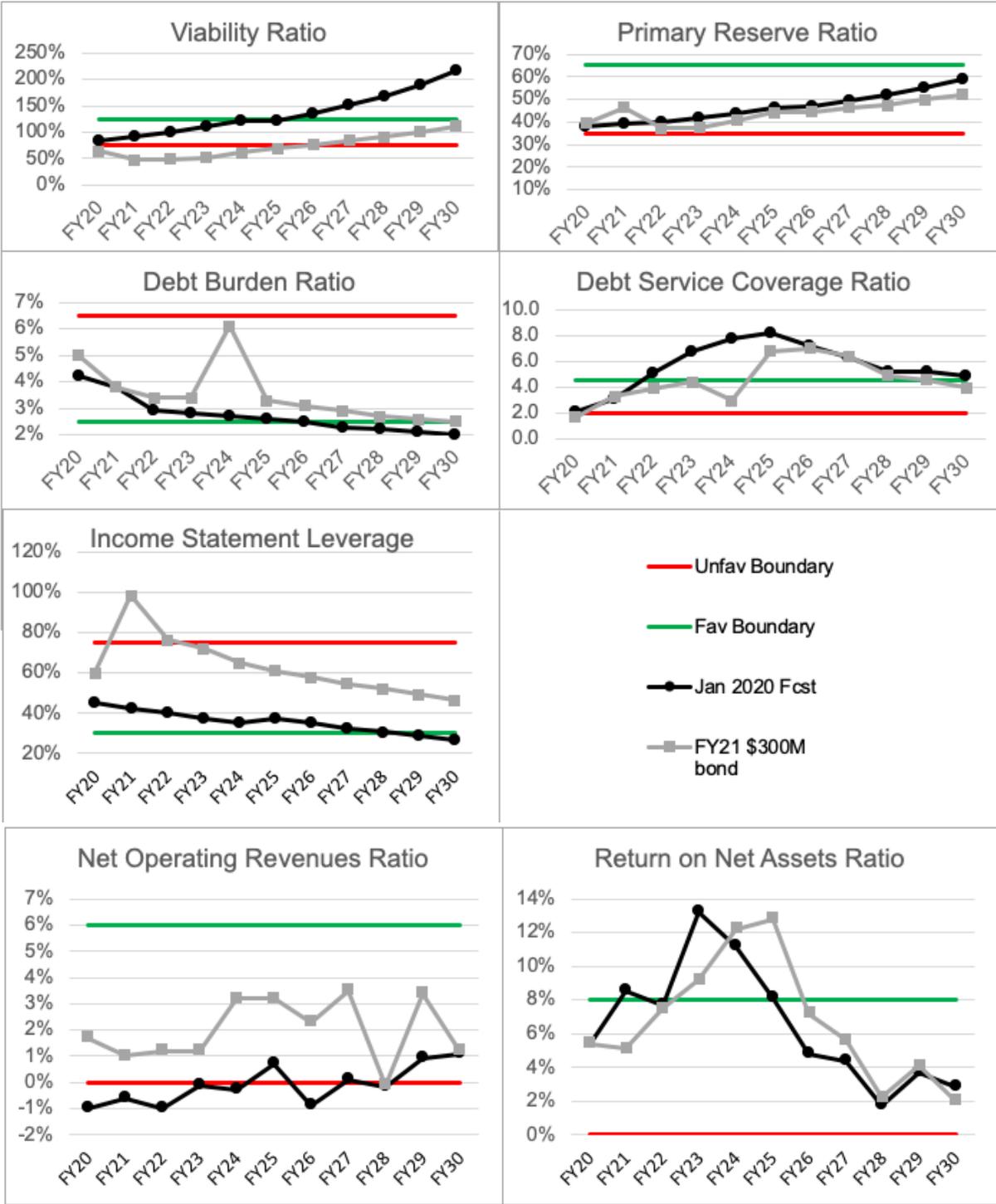
Proposed Timing	Issue Size	Repayment Estimate Annual Interest Cost		
		@3.00%	@3.50%	@4.00%
October 2020	\$300,000,000	\$9,000,000	\$10,500,000	\$12,000,000
Summer 2024	\$120,000,000	\$3,600,000	\$4,200,000	\$4,800,000

Financial Ratios

The Debt Policy requires a review of the impact of any proposed new university-paid debt on the five financial ratios included in the policy prior to issuance. The university also analyzes the impact of new debt on other key financial metrics, such as return on net assets and net operating revenue ratios.

The university updated its financial model to evaluate the impact of the proposed bond issuance on the key financial ratios using forecasted FY2020 results, anticipated adjustments to the Ten-Year Capital Forecast and projected FY2021 budget as reported to the Board in August 2020, along with this proposed bond sale and use of proceeds. The impacts of this analysis on OSU's financial ratios are illustrated in Figure 1.

Figure 1. Impact of debt issuance, updated capital forecast and projected FY2021 budget on Debt policy ratios and other key financial metrics. Metrics assume anticipated adjustments to the Ten-Year Capital Forecast and projected FY2021 budget as reported to the Board in August 2020, along with this proposed bond sale and use of proceeds.



RECOMMENDATION

Staff propose that the Board approve issuance of revenue bonds up to \$366M as described in the Bond Resolution provided in Attachment 1.

RESOLUTION NO. _____

BOARD OF TRUSTEES OF OREGON STATE UNIVERSITY
GENERAL REVENUE BONDS, 2020/2021

A RESOLUTION OF THE BOARD OF TRUSTEES OF OREGON STATE UNIVERSITY, AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF GENERAL REVENUE BONDS OF THE UNIVERSITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$366,000,000 FOR THE PURPOSE OF FINANCING, OR REFINANCING GENERAL REVENUE NOTES ISSUED TO FINANCE, ALL OR A PORTION OF THE COSTS OF UNIVERSITY PROJECTS, FUNDING UNIVERSITY RESERVES, REFUNDING OUTSTANDING UNIVERSITY GENERAL REVENUE BONDS TO ACHIEVE DEBT SERVICE SAVINGS, AND PAYING THE COSTS OF ISSUANCE AND REFUNDING; PROVIDING FOR THE DISPOSITION OF THE PROCEEDS OF SALE OF SUCH BONDS; AND DELEGATING AUTHORITY TO THE AUTHORIZED UNIVERSITY REPRESENTATIVE TO DETERMINE THE METHOD OF SALE, APPROVE THE NUMBER OF SERIES, THE SERIES DESIGNATION, FINAL PRINCIPAL AMOUNTS, DATE OF THE BONDS, DENOMINATIONS, INTEREST RATES, PAYMENT DATES, REDEMPTION PROVISIONS, THE BONDS TO BE REFUNDED, TAX STATUS, AND MATURITY DATES FOR THE BONDS UNDER THE TERMS AND CONDITIONS SET FORTH HEREIN.

ADOPTED: September ____, 2020

PREPARED BY
PACIFICA LAW GROUP LLP
SEATTLE, WASHINGTON

September 17, 2020 Board of Trustees Meetings

RESOLUTION NO. _____

TABLE OF CONTENTS*

	Page
Section 1. Definitions and Interpretation of Terms	10
Section 2. Findings; Authorization of Projects	15
Section 3. Authorization of Bonds and Description of Bonds.....	16
Section 4. Registration, Transfer and Payment of Bonds	16
Section 5. Redemption and Purchase.....	19
Section 6. Form of the Bonds	21
Section 7. Execution of the Bonds.....	21
Section 8. Disposition of Bond Proceeds.....	22
Section 9. Tax Covenants	24
Section 10. Bond Fund.....	25
Section 11. Sources of Security	26
Section 12. Covenant of the University	27
Section 13. Defeasance	27
Section 14. Sale of the Bonds; Official Statement.....	27
Section 15. Undertaking to Provide Ongoing Disclosure.....	30
Section 16. Establishment of Additional Accounts and Subaccounts	30
Section 17. Lost or Destroyed Bonds	30
Section 18. No Recourse Against Individuals	30
Section 19. General Authorization; Ratification of Prior Acts	30
Section 20. Severability	31
Section 21. Amendments	31
Section 22. Benefit of Resolution	32
Section 23. Effective Date	32
Exhibit A: Bond Form	

* This Table of Contents is provided for reference only and does not constitute a part of this Resolution for which it is provided.

RESOLUTION NO. _____

BOARD OF TRUSTEES OF OREGON STATE UNIVERSITY

A RESOLUTION OF THE BOARD OF TRUSTEES OF OREGON STATE UNIVERSITY, AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF GENERAL REVENUE BONDS OF THE UNIVERSITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$366,000,000 FOR THE PURPOSE OF FINANCING, OR REFINANCING GENERAL REVENUE NOTES ISSUED TO FINANCE, ALL OR A PORTION OF THE COSTS OF UNIVERSITY PROJECTS, FUNDING UNIVERSITY RESERVES, REFUNDING OUTSTANDING UNIVERSITY GENERAL REVENUE BONDS TO ACHIEVE DEBT SERVICE SAVINGS, AND PAYING THE COSTS OF ISSUANCE AND REFUNDING; PROVIDING FOR THE DISPOSITION OF THE PROCEEDS OF SALE OF SUCH BONDS; AND DELEGATING AUTHORITY TO THE AUTHORIZED UNIVERSITY REPRESENTATIVE TO DETERMINE THE METHOD OF SALE, APPROVE THE NUMBER OF SERIES, THE SERIES DESIGNATION, FINAL PRINCIPAL AMOUNTS, DATE OF THE BONDS, DENOMINATIONS, INTEREST RATES, PAYMENT DATES, REDEMPTION PROVISIONS, THE BONDS TO BE REFUNDED, TAX STATUS, AND MATURITY DATES FOR THE BONDS UNDER THE TERMS AND CONDITIONS SET FORTH HEREIN.

WHEREAS, Oregon Revised Statutes (“ORS”) 352.087 authorizes Oregon State University (the “University”) to borrow money for the needs of the University in such amounts, at such times, and upon such terms as may be determined by the University acting through its Board of Trustees (the “Board”); and

WHEREAS, ORS 352.408(1)(a) authorizes the University to issue revenue bonds for any lawful purpose of the University in accordance with ORS chapter 287A; and

WHEREAS, ORS 352.408(1)(b) authorizes the University to issue refunding revenue bonds under ORS 287A.360 to 287A.380 of the same character and tenor as the revenue bonds replaced; and

WHEREAS, the University Debt Policy provides that the University may use debt or other financing agreements to meet its strategic objectives and, pursuant to Section V of the Debt Policy, the Board must authorize all new debt issuances; and

WHEREAS, the University has previously issued and has outstanding (i) its General Revenue Bonds, 2015A in the aggregate principal amount of \$41,040,000 and its General Revenue Bonds, 2015B (Federally Taxable) in the aggregate principal amount of \$10,075,000 (collectively,

September 17, 2020 Board of Trustees Meetings

the “2015 Bonds”); (ii) its General Revenue Bonds, 2016A in the aggregate principal amount of \$40,165,000 and its General Revenue Bonds, 2016B (Federally Taxable) in the aggregate principal amount of \$7,095,000 (collectively, the “2016 Bonds”); (iii) its General Revenue Bonds, 2017 (Federally Taxable) in the aggregate principal amount of \$72,705,000 (the “2017 Bonds”); (iv) its General Revenue Bonds, 2019 (Federally Taxable) in the aggregate principal amount of \$140,000,000 (the “2019 Bonds”); and (v) its General Revenue Notes, 2020 in the aggregate principal amount not to exceed \$50,000,000 (the “2020 Notes” and, together with the 2015 Bonds, the 2016 Bonds, the 2017 Notes, and the 2019 Bonds, the “Prior Bonds”); and

WHEREAS, the University now desires to authorize the issuance of one or more series of general revenue bonds on a parity with the pledge securing the payment of the principal of and interest on the Prior Bonds to finance, or refinance General Revenue Notes issued to finance, all or a portion of the costs of University projects, to fund University reserves, and to pay costs of issuance (the “Project Bonds”);

WHEREAS, the 2015 Bonds are subject to optional redemption or prepayment prior to their respective maturities (the “Refunding Candidates”);

WHEREAS, the University has been advised that debt service savings may be obtained by refunding some or all of the Refunding Candidates through the issuance of one or more series of general revenue refunding obligations (the “Refunding Bonds”) also on a parity with the pledge securing the payment of the principal of and interest on the Prior Bonds; and

WHEREAS, the Board wishes to delegate authority to the Vice President for Finance and Administration and Chief Financial Officer of the University, or any designee or any interim officer exercising, or successor to, the functions of such office (each, an “Authorized University Representative”), for a limited time, to select the method of sale that is in the best interest of the University, to approve the number of series, the series designation, the final principal amounts, the dated date(s), the denominations, the interest rates, the payment dates, the tax status, the redemption provisions, the Refunding Candidates to be refunded, and the maturity dates for the bonds as provided by this Resolution;

NOW, THEREFORE, the Board resolves as follows:

Section 1. Definitions and Interpretation of Terms.

(a) *Definitions.* As used in this Resolution, the following words shall have the following meanings, unless a different meaning clearly appears from the context:

Acquired Obligations means the Government Obligations acquired by the University under the terms of this resolution and one or more Escrow Agreements to effect the defeasance and refunding of one or more of the Refunding Candidates.

Additional Bonds means bonds, leases, interest rate swaps, and other contractual obligations issued by the University and expressly secured by a pledge of General Revenues on a parity with the pledge securing the payment of the principal of and interest on the Bonds including without limitation General Revenue Notes.

Approved Bid means the winning bid submitted for the Bonds, if any.

Authorized University Representative means the Vice President for Finance and Administration of the University and Chief Financial Officer, or the Vice President for Finance and Administration of the University and Chief Financial Officer's designee or any interim officer exercising, or any successor to, the functions of such office.

Beneficial Owner means any person that has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediary).

Board means the Board of Trustees of the University.

Bond Act means, together, ORS chapters 287A and 352, in each case as amended from time to time.

Bond Fund means the special fund(s) for the payment of the principal of and interest on the Bonds as required pursuant to Section 10 hereof.

Bond Purchase Contract means the purchase contract(s) for the purchase of all or a portion of the Bonds, if any, between the University and the Underwriter(s).

Bond Register means the registration records for the Bonds maintained by the Registrar.

Bond Registrar means the bank or trust company selected by the Authorized University Representative pursuant to Section 4 of this Resolution for the purposes of registering and authenticating the Bonds, maintaining the Bond Register, effecting transfer of ownership of the Bonds, and paying interest on and principal of the Bonds.

Bonds mean the Project Bonds and the Refunding Bonds authorized to be issued by this Resolution.

Call Date means the first date on which the Refunding Candidates may be called for redemption under the terms of the proceedings pursuant to which they were issued.

Code means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

Commission means the Securities and Exchange Commission.

Continuing Disclosure Certificate means the certificate of the University undertaking to provide ongoing disclosure to assist the Underwriter(s) in complying with the Rule.

Debt Management Agreement means the Restated and Amended Agreement for Debt Management among the University, the State Treasurer, the Higher Education Coordinating

Commission, and Department of Administrative Services dated as of July 1, 2015, as it has been and may be amended from time to time.

DTC means The Depository Trust Company of New York, as depository for the Bonds, or any successor or substitute depository for the Bonds.

Escrow Agent means any escrow agent selected by the Authorized University Representative in accordance with this Resolution.

Escrow Agreement means one or more Escrow Deposit Agreements or Trust Agreements to accomplish the refunding of the Refunded Bonds.

Fair Market Value means the price at which a willing buyer would purchase an investment from a willing seller in a bona fide, arm's-length transaction, except for specified investments as described in Treasury Regulation §1.148-5(d)(6), including United States Treasury obligations, certificates of deposit, guaranteed investment contracts, and investments for yield restricted defeasance escrows. Fair Market Value is generally determined on the date on which a contract to purchase or sell an investment becomes binding, and, to the extent required by the applicable regulations under the Code, the term "investment" will include a hedge.

Federal Tax Certificate means the certification of the University executed and delivered in connection with the issuance of Tax-Advantaged Bonds.

General Revenues means tuition, charges, rents, and other operating revenue of the University, except as specifically excluded below. The following items are excluded:

1. Student Building Fees and Student Incidental Fees;
2. Grant and Contract Revenue;
3. Amounts required to be transferred to the State Treasurer for deposit for University-Paid State Bonds next coming due, and without duplication, amounts required to be paid to the State Treasurer for University-Paid State Bonds next coming due; and
4. Amounts that otherwise are restricted in their use by law, regulation, and contract.

For clarity, the University notes that moneys received by the University from taxes collected by the State and gifts are not operating revenues of the University and are therefore not included in the definition of General Revenue. Unrestricted net assets, to the extent that they were received as **General Revenues**, would be includable and available to pay obligations secured by **General Revenues**. Upon the addition or deletion of any income, revenues, or receipts from General Revenues pursuant to Section 11, this definition of General Revenues shall be deemed to be amended accordingly without further action by the University.

General Revenue Notes means any general revenue note issued pursuant to Resolution No. 20-05 of the Board, including without limitation the 2020 Notes.

Government Obligations means direct obligations of the United States of America, obligations the principal of and interest on which are unconditionally guaranteed by the United

September 17, 2020 Board of Trustees Meetings

States of America and bank certificates of deposit secured by the obligations, and bonds, debentures, notes, certificates of participation or other obligations issued by a federal agency or other instrumentality of the federal government.

Grant and Contract Revenue means revenue from grants and contracts, whether restricted or unrestricted, including for illustrative purposes the following items identified in the University's financial statements: federal grants and contracts, state and local grants and contracts, and nongovernmental grants and contracts.

Letter of Representations means the Blanket Letter of Representations from the University to DTC.

Notice of Sale means any notice of bond sale authorized to be given pursuant to Section 14 of this resolution.

Official Statement means the Official Statement of the University pertaining to the sale of the Bonds, in either preliminary or final form.

ORS means the Oregon Revised Statutes, as now in existence or hereafter amended, or any successor codification of the laws of the State.

Permitted Investments means any permissible investment pursuant to the University Investment Policy.

Prior Bonds means the 2015 Bonds, the 2016 Bonds, the 2017 Bonds, the 2019 Bonds, the 2020 Notes, and any other General Revenue Notes issued prior to the date of the Bonds.

Project Bonds means the Bonds issued to finance all or a portion of the costs of the Projects, to fund deposits to University reserves, to refinance any General Revenue Notes, and for any other lawful University purpose approved by the Board, authorized under this Resolution.

Project Fund means the fund or account designated by the Authorized University Representative for the deposit of Project Bond proceeds, including any account or subaccounts therein authorized to be created pursuant to Section 8 of this Resolution for the purpose of holding a portion of the proceeds of the Bonds.

Projects means one or more projects for the design, acquisition, development, construction, improvement and/or equipping of facilities serving the needs of the University, identified from time to time as a Bond-financed project by the Authorized University Representative.

Refunded Bonds means all or a portion of the Refunding Candidates selected pursuant to Section 14 to be refunded with proceeds of the Refunding Bonds.

Refunding Bonds means the Bonds issued to refund the Refunded Bonds authorized under this Resolution.

Refunding Candidates means the 2015 Bonds.

Registered Owner means the person in whose name a Bond is registered on the Bond Register. For so long as the University utilizes the book-entry system for the Bonds, DTC shall be deemed to be the Registered Owner.

Resolution means this Resolution authorizing the issuance of the Bonds, adopted by the Board.

Rule means the Commission's Rule 15c2-12 under the Securities Exchange Act of 1934, as the same has been amended and as amended from time to time.

State means the State of Oregon.

State Treasurer means the Treasurer of the State.

Student Building Fee means the separate fee charged by the Board to students for the use of buildings, structures and projects under the Board's control. The Student Building Fee is in addition to tuition and other fees charged to students.

Student Incidental Fee means the separate fee charged by the Board to students pursuant to a request by the recognized student government under a process established by the student government. The recognized student government allocates the Student Incidental Fees collected for purposes pursuant to the process established by the student government.

Taxable Bonds means any Bonds determined to be issued on a taxable basis pursuant to Section 14.

Tax-Advantaged Bonds mean any Bonds determined to be issued on a tax-exempt or tax-advantaged basis under the Code pursuant to Section 14.

2015 Bonds means the Oregon State University General Revenue Bonds, 2015A and General Revenue Bonds, 2015B (Federally Taxable).

2016 Bonds means the Oregon State University General Revenue Bonds, 2016A and General Revenue Bonds, 2016B (Federally Taxable).

2017 Bonds means the Oregon State University General Revenue Bonds, 2017 (Federally Taxable).

2019 Bonds means the Oregon State University General Revenue Bonds, 2019 (Federally Taxable).

2020 Notes means the Oregon State University General Revenue Notes, 2020 issued pursuant to Resolution 20-05.

Underwriter(s) means the initial purchaser of the Bonds, as selected by the Authorized University Representative.

University means Oregon State University, a public university of the State, the main campus of which is located at Corvallis, Oregon.

University-Paid State Bonds means the payments to be made by the University representing its share of debt service to be paid when due on bonds or other obligations issued by the State for the benefit of the University established by the schedule of outstanding state bonds prepared under ORS 352.415(3) and evidenced by the Debt Management Agreement entered into pursuant to ORS 352.135(2).

Vice President for Finance and Administration means the Vice President for Finance and Administration and Chief Financial Officer of the University, or the Vice President for Finance and Administration and Chief Financial Officer of the University's designee, or any successor to the functions of such office.

(b) *Interpretation.* In this Resolution, unless the context otherwise requires:

1. The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this Resolution, refer to this Resolution as a whole and not to any particular article, section, subdivision or clause hereof, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the date of this Resolution;

2. Words importing the singular number shall mean and include the plural number and vice versa;

3. Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

4. Any headings preceding the text of the several articles and sections of this Resolution, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Resolution, nor shall they affect its meaning, construction or effect; and

5. All references herein to "articles," "sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof.

Section 2. Findings; Authorization of Projects. The Board hereby finds that it is in the public interest for the University to issue the Project Bonds to finance all or a portion of the costs of the Projects, to fund deposits to University reserves, to refinance any General Revenue Notes, and for any other lawful University purpose approved by the Board. The Board finds that it is in the best interests of the University to issue the Refunding Bonds to defease and redeem the Refunding Candidates, or any portion thereof, to achieve debt service savings upon the terms and conditions set forth in this Resolution. The Board hereby further finds that the Board intends that the Bonds be of the same character and tenor as the General Revenue Notes issued to provide interim financing of capital projects in anticipation of issuance of Bonds for University projects, and that the Refunding Bonds be of the same character and tenor as the Refunding Candidates.

Section 3. Authorization of Bonds and Description of Bonds.

(a) For the purpose financing, or refinancing General Revenue Notes issued to finance, all or a portion of the costs of the Projects and costs of issuance, funding University reserves and for any other lawful University purpose approved by the Board, the Board hereby authorizes the sale and issuance of general revenue bonds (the “Project Bonds”). The Project Bonds shall be special revenue bonds of the University and shall be designated the “Oregon State University General Revenue Bonds, [2020/2021][Federally Taxable],” with such additional series designation or other designation as determined to be necessary by the Authorized University Representative.

(b) For the purpose of achieving debt service savings on an aggregate basis, the Board hereby authorizes the sale and issuance of general revenue refunding bonds (the “Refunding Bonds”). The Refunding Bonds shall be special revenue bonds of the University and shall be designated the “Oregon State University General Revenue Refunding Bonds, [2020/2021][Federally Taxable],” with such additional series designation or other designation as determined to be necessary by the Authorized University Representative. The Refunding Bonds shall be issued in one or more series to defease and redeem or otherwise implement the refinancing of one or more of the Refunding Candidates designated pursuant to Section 14 and to pay costs of issuance and costs of the refunding. Project Bonds and Refunding Bonds may be issued in one or more single series as “Oregon State University General Revenue and Refunding Bonds, [2020/2021][Federally Taxable],” with such additional series designation or other designation as determined to be necessary by the Authorized University Representative.

(c) The Bonds shall be dated as of their date of delivery; shall be fully registered as to both principal and interest; shall be in the denomination of \$1,000 or \$5,000 each as set forth in the Approved Bid or Bond Purchase Contract, or any integral multiple thereof within a series and maturity, provided that no Bond shall represent more than one maturity within a series; shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification; and shall bear interest from their date payable on the dates and at rates set forth in the Approved Bid or Bond Purchase Contract; and shall mature on the dates and in the principal amounts set forth in the Approved Bid or Bond Purchase Contract and as approved by the Authorized University Representative pursuant to Section 14. The Bonds of any of the maturities may be combined and issued as term bonds, subject to mandatory redemption as provided in the Notice of Sale, the Approved Bid or Bond Purchase Contract.

Section 4. Registration, Transfer and Payment of Bonds.

(a) *Bond Registrar/Bond Register.* The Authorized University Representative is hereby authorized to appoint as Bond Registrar a bank or trust company qualified by law to perform the duties described herein. The University shall cause a Bond Register to be maintained by the Bond Registrar. So long as any Bonds remain outstanding, the Bond Registrar shall make all necessary provisions to permit the exchange or registration or transfer of Bonds at its principal corporate trust office. The Bond Registrar may be removed at any time at the option of the Authorized University Representative upon prior notice to the Bond Registrar and a successor Bond Registrar appointed by the Authorized University Representative. No resignation or removal of the Bond Registrar shall be effective until a successor shall have been appointed and until the

successor Bond Registrar shall have accepted the duties of the Bond Registrar hereunder. The Bond Registrar is authorized, on behalf of the University, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of such Bonds and this Resolution and to carry out all of the Bond Registrar's powers and duties under this Resolution. The Bond Registrar shall be responsible for its representations contained in the Certificate of Authentication of the Bonds.

(b) *Registered Ownership.* The University and the Bond Registrar, each in its discretion, may deem and treat the Registered Owner of each Bond as the absolute owner thereof for all purposes (except as provided in any University Continuing Disclosure Certificate), and neither the University nor the Bond Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as described in Section 4(h) hereof, but such Bond may be transferred as herein provided. All such payments made as described in Section 4(h) shall be valid and shall satisfy and discharge the liability of the University upon such Bond to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letters of Representations.* The Bonds initially shall be held in fully immobilized form by DTC acting as depository. To induce DTC to accept the Bonds as eligible for deposit at DTC, the University has executed and delivered to DTC a Blanket Issuer Letter of Representations. Neither the University nor the Bond Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the Bonds in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor depository) or any DTC participant of any amount in respect of the principal of or interest on Bonds, any notice which is permitted or required to be given to Registered Owners under this Resolution (except such notices as shall be required to be given by the University to the Bond Registrar or to DTC (or any successor depository)), or any consent given or other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any Bonds are held in fully-immobilized form hereunder, DTC, its nominee or its successor depository shall be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such Bonds.

If any Bond shall be duly presented for payment and funds have not been duly provided by the University on such applicable date, then interest shall continue to accrue thereafter on the unpaid principal thereof at the rate stated on such Bond until it is paid.

(d) *Use of Depository.*

1. The Bonds shall be registered initially in the name of "Cede & Co.", as nominee of DTC, with one Bond maturing on each of the maturity dates for the Bonds in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such immobilized Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by the Authorized University Representative pursuant

to subsection (2) below or such substitute depository's successor; or (C) to any person as provided in subsection (4) below.

2. Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the Authorized University Representative to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the Authorized University Representative may hereafter appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

3. In the case of any transfer pursuant to clause (A) or (B) of subsection (1) above, the Bond Registrar shall, upon receipt of all outstanding Bonds of a series, together with a written request on behalf of the Authorized University Representative, issue a single new Bond for each maturity then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the Authorized University Representative.

4. In the event that (A) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (B) the Authorized University Representative determines that it is in the best interest of the Beneficial Owners of the Bonds that such owners be able to obtain such bonds in the form of Bond certificates, the ownership of such Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held in fully-immobilized form. The Authorized University Representative shall deliver a written request to the Bond Registrar, together with a supply of definitive Bonds, to issue Bonds as herein provided in any authorized denomination. Upon receipt by the Bond Registrar of all then outstanding Bonds of a series together with a written request on behalf of the Authorized University Representative to the Bond Registrar, new Bonds shall be issued in the appropriate denominations and registered in the names of such persons as are requested in such written request.

(e) *Registration of Transfer of Ownership or Exchange; Change in Denominations.* The transfer of any Bond may be registered and Bonds may be exchanged, but no transfer of any such Bond shall be valid unless it is surrendered to the Bond Registrar with the assignment form appearing on such Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Bond (or Bonds at the option of the new Registered Owner) of the same date, maturity, and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for such surrendered and cancelled Bond. Any Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same date, maturity, and interest rate, in any authorized denomination. The Bond Registrar shall not be obligated to register the transfer or to exchange any Bond during the 15 days preceding any interest payment or principal payment date any such Bond is to be redeemed.

(f) *Bond Registrar's Ownership of Bonds.* The Bond Registrar may become the Registered Owner of any Bond with the same rights it would have if it were not the Bond Registrar, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as member of, or in any other capacity with respect to, any committee formed to protect the right of the Registered Owners of Bonds.

(g) *Registration Covenant.* The University covenants that, until all Bonds have been surrendered and canceled, it will maintain a system for recording the ownership of each Bond that complies with the provisions of Section 149 of the Code.

(h) *Place and Medium of Payment.* Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be calculated on the basis of a year of 360 days and twelve 30-day months. For so long as all Bonds are in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of DTC referred to in the Letter of Representations. In the event that the Bonds are no longer in fully immobilized form, interest on the Bonds shall be paid by check or draft mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register on the fifteenth day of the month preceding the interest payment date, or upon the written request of a Registered Owner of more than \$1,000,000 of Bonds (received by the Bond Registrar at least 15 days prior to the applicable payment date), such payment shall be made by the Bond Registrar by wire transfer to the account within the continental United States designated by the Registered Owner. Principal of the Bonds shall be payable upon presentation and surrender of such Bonds by the Registered Owners at the principal office of the Bond Registrar.

Section 5. Redemption and Purchase.

(a) *Mandatory Redemption of Term Bonds and Optional Redemption, if any.* The Bonds of a series shall be subject to optional redemption on the dates, at the prices and under the terms set forth in the Notice of Sale, Approved Bid or Bond Purchase Contract approved by the Authorized University Representative pursuant to Section 14 of this Resolution. The Bonds of a series shall be subject to mandatory redemption to the extent, if any, set forth in the Notice of Sale, Approved Bid or Bond Purchase Contract and as approved by the Authorized University Representative pursuant to Section 14 of this Resolution.

(b) *Purchase of Bonds.* The University reserves the right to purchase any of the Bonds offered to it at any time at a price deemed reasonable by the Authorized University Representative.

(c) *Selection of Bonds for Redemption.* For as long as the Bonds are held in book-entry only form, the selection of particular Bonds within a series and maturity to be redeemed shall be made in accordance with the operational arrangements then in effect at DTC. If the Bonds are no longer held in book-entry only form, the selection of such Bonds to be redeemed and the surrender and reissuance thereof, as applicable, shall be made as provided in the following provisions of this subsection (c) or otherwise as provided in the Notice of Sale, Approved Bid or Bond Purchase Contract. Except as otherwise provided in the Notice of Sale, Approved Bid or Bond Purchase Contract (e.g. to provide for selection based on pass through of principal distribution for Taxable Bonds), if the University redeems at any one time fewer than all of the Bonds having the same

September 17, 2020 Board of Trustees Meetings

series and maturity date, the particular Bonds or portions of Bonds of such series and maturity to be redeemed shall be selected by lot (or in such manner determined by the Bond Registrar). In the event that only a portion of the principal sum of a Bond is redeemed, upon surrender of such Bond at the principal office of the Bond Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum thereof, at the option of the Registered Owner, a Bond or Bonds of like maturity and interest rate in any of the denominations herein authorized.

(d) *Notice of Redemption.*

1. Official Notice. For so long as the Bonds are held in book-entry only form, notice of redemption (which notice may be conditional on the receipt of sufficient funds for redemption or otherwise) shall be given in accordance with the operational arrangements of DTC as then in effect, and neither the University nor the Bond Registrar will provide any notice of redemption to any Beneficial Owners. Thereafter (if the Bonds are no longer held in book-entry only form), notice of redemption shall be given in the manner hereinafter provided. Unless waived by any owner of Bonds to be redeemed, official notice of any such redemption (which redemption may be conditioned by the Bond Registrar on the receipt of sufficient funds for redemption or otherwise) shall be given by the Bond Registrar on behalf of the University by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar.

All official notices of redemption shall be dated and shall state:

- (A) the redemption date;
- (B) the redemption price;
- (C) if fewer than all outstanding Bonds are to be redeemed, the identification by maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed;
- (D) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date;
- (E) any conditions to redemption; and
- (F) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Bond Registrar.

On or prior to any redemption date, unless such redemption has been rescinded, the University shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date. The University retains the right to rescind any redemption notice and the related optional redemption

of Bonds by giving notice of rescission to the affected registered owners at any time on or prior to the scheduled redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and the Bonds for which the notice of optional redemption has been rescinded shall remain outstanding.

2. Effect of Notice; Bonds Due. If an unconditional notice of redemption has been given as aforesaid, or if the conditions to redemption have been satisfied or waived, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. All Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

3. Additional Notice. In addition to the foregoing notice, further notice shall be given by the University as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the Bonds as originally issued; (C) the rate of interest borne by each Bond being redeemed; (D) the maturity date of each Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Bonds being redeemed. Each further notice of redemption may be sent at least 20 days before the redemption date to each party entitled to receive notice pursuant to any University Continuing Disclosure Certificate and to the Underwriter(s) and with such additional information as the University shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Bonds.

4. Amendment of Notice Provisions. The foregoing notice provisions of this Section 5, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended without the consent of owners of the Bonds in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

Section 6. Form of the Bonds. The Bonds shall be in substantially the form set forth at Exhibit A, with appropriate or necessary insertions, depending upon the omissions and variations as permitted or required hereby.

Section 7. Execution of the Bonds. The Bonds of each series shall be executed on behalf of the University with the manual or facsimile signature of the Chair of the Board and shall be attested by the manual or facsimile signature of either the Secretary of the Board or the Vice President for Finance and Administration and Chief Financial Officer of the University.

Only Bonds that bear a Certificate of Authentication substantially in the form set forth in Exhibit A, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution. Such Certificate of Authentication shall be conclusive

September 17, 2020 Board of Trustees Meetings

evidence that the Bonds so authenticated have been duly executed, authenticated and delivered and are entitled to the benefits of this Resolution.

In case either of the officers of the University who shall have executed the Bonds shall cease to be such officer or officers of the University before the Bonds so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the University, such Bonds may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the University as though those who signed the same had continued to be such officers of the University. Any Bond may also be signed and attested on behalf of the University by such persons as at the actual date of execution of such Bond shall be the proper officers of the University although at the original date of such Bond any such person shall not have been such officer.

Section 8. Disposition of Bond Proceeds.

(a) *Project Bonds.* The Authorized University Representative is hereby authorized and directed to designate Projects to be funded with proceeds of the Project Bonds, the University reserves to be funded with proceeds of the Project Bonds, and to complete any allocation of Project Bond proceeds consistent with the Federal Tax Certificate in the case of Tax-Advantaged Bonds. In addition to the Projects and reserve funding designated by the Authorized University Representative, the Board may approve the use of Bond proceeds for any other lawful University purpose, consistent with the Federal Tax Certificate in the case of Tax-Advantaged Bonds. The Authorized University Representative is hereby authorized and directed to create one or more special funds or accounts of the University to be used to pay Project costs (collectively the “Project Fund”). A portion of the proceeds of the Project Bonds shall be paid into the Project Fund. The money on deposit in the Project Fund shall be utilized to finance, or refinance General Revenue Notes issued to finance, all or portion of the costs of the Projects, to pay or reimburse the University for costs of the Projects and costs incidental thereto, including without limitation capitalizing interest on the Project Bonds, and for costs of issuance of the Project Bonds, to the extent designated by the Authorized University Representative, and for any other lawful University purpose approved by the Board. A portion of the proceeds of the Project Bonds may fund University reserves, to the extent designated by the Authorized University Representative. Such reserves shall be invested in accordance with the University investment policy, as the policy may be amended from time to time. Except as otherwise provided by the Board, such reserves (including earnings thereon) will serve as a reserve for the payment of University **taxable** debt obligations over the long term.

All or part of the proceeds of the Project Bonds may be temporarily invested in Permitted Investments. Except as otherwise provided in the Federal Tax Certificate, the University covenants that all investments of amounts deposited in the Project Fund, or otherwise containing gross proceeds of the Tax-Advantaged Bonds will be acquired, disposed of, and valued (as of the date that valuation is required by the Code) at Fair Market Value.

In the event that it shall not be possible or practicable to accomplish all of the Projects, the University may apply the proceeds of the Project Bonds to pay the costs of such portion thereof as

the Authorized University Representative shall determine to be in the best interests of the University, subject to any applicable limitations set forth in the Federal Tax Certificate.

Any part of the proceeds of the Project Bonds remaining in the Project Fund after all costs referred to in this section have been paid may be transferred to the Bond Fund for the uses and purposes therein provided, subject to any applicable limitations set forth in the Federal Tax Certificate.

(b) *Refunding Bonds.* The Authorized University Representative may, pursuant to Section 14, select all or a portion of the Refunding Candidates to be refunded with the proceeds of the Refunding Bonds. In such event, the proceeds of the Refunding Bonds shall be deposited with the Escrow Agent pursuant to the Escrow Agreement to be used immediately upon receipt to defease the Refunded Bonds to their Call Date, and to redeem the Refunded Bonds on their Call Date, as authorized by the resolution of the Board adopted on March 19, 2015 authorizing the issuance of the Refunded Bonds (the “2015 Bond Resolution”), and to pay costs of issuance of the Refunding Bonds and the costs of the refunding, as provided in this Section (collectively, the “Refunding Plan”).

The proceeds of the Refunding Bonds deposited with the Escrow Agent shall be used to defease the Refunded Bonds and discharge the obligations thereon by the purchase of Acquired Obligations bearing such interest and maturing as to principal and interest in such amounts and at such times that, together with any necessary beginning cash balance, will provide for the payment of the interest on the Refunded Bonds when due on and prior to the Call Date and the redemption price (100 percent of the principal amount) of the Refunded Bonds on the Call Date. The Acquired Obligations shall be purchased at a yield not greater than the yield permitted by the Code and regulations relating to acquired obligations in connection with refunding bond issues.

If the University issues the Refunding Bonds, a beginning cash balance, if any, and the Acquired Obligations shall be deposited irrevocably with the Escrow Agent in an amount sufficient to defease the Refunded Bonds. In order to carry out this Refunding Plan, the Authorized University Representative is authorized and directed to execute and deliver to the Escrow Agent, one or more Escrow Agreements providing for such defeasance. If the University issues the Refunding Bonds, the University will call the Refunded Bonds for redemption on their Call Date in accordance with the provisions of the 2015 Bond Resolution. The defeasance and call for redemption of the Refunded Bonds shall be irrevocable after the issuance of the Refunded Bonds and delivery of the Acquired Obligations to the Escrow Agent.

The Escrow Agreement shall authorize and direct the Escrow Agent to provide notice of the defeasance and/or redemption of the Refunded Bonds in accordance with the 2015 Bond Resolution. The Escrow Agreement shall authorize and direct the Escrow Agent to pay to the paying agent for the Refunded Bonds, sums sufficient to pay, when due, the payments specified in this Section. All such sums shall be paid from the moneys and Acquired Obligations deposited with the Escrow Agent, and the income therefrom and proceeds thereof. All moneys and Acquired Obligations deposited with the Escrow Agent and any income therefrom shall be held, invested and applied in accordance with the provisions of this Resolution and the Escrow Agreement and with the laws of the State for the benefit of the University and owners of the Refunded Bonds. The

Escrow Agreement will provide for the payment of costs of issuance and the costs of the refunding as part of the Refunding Plan. Any proceeds of the Refunding Bonds remaining after the accomplishment of the Refunding Plan shall be applied to pay interest on the Refunding Bonds.

Section 9. Tax Covenants. The University will take all actions necessary to assure the exclusion of interest on the Tax-Advantaged Bonds issued on a tax-exempt basis from the gross income of the Owners of the Tax-Exempt Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Tax-Advantaged Bonds, including but not limited to the following:

(a) The University will assure that the proceeds of such Tax-Advantaged Bonds are not used so as to cause such Tax-Advantaged Bonds to satisfy the applicable private business use tests of Section 141(b) of the Code or the applicable private loan financing test of Section 141(c) of the Code.

(b) The University will not sell or otherwise transfer or dispose of (i) any personal property components of the Project financed or refinanced with such Tax-Advantaged Bonds other than in the ordinary course of an established government program under Treasury Regulation 1.141-2(d)(4) or (ii) any real property components of the Project financed or refinanced with the Tax-Advantaged Bonds, unless it has received an opinion of nationally recognized bond counsel to the effect that such disposition will not adversely affect the treatment of interest on the Tax-Advantaged Bonds as excludable from gross income for federal income tax purposes.

(c) The University will not take any action or permit or suffer any action to be taken if the result of such action would be to cause any of such Tax-Advantaged Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(d) The University will take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to such Tax-Advantaged Bonds.

(e) The University will not take, or permit or suffer to be taken, any action with respect to the proceeds of such Tax-Advantaged Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Tax-Advantaged Bonds would have caused the Tax-Advantaged Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(f) The University will maintain a system for recording the ownership of each Tax-Advantaged Bond that complies with the provisions of Section 149 of the Code until all Tax-Advantaged Bonds have been surrendered and canceled.

(g) The University will retain its records of all accounting and monitoring it carries out with respect to the Tax-Advantaged Bonds for at least three years after the Tax-Advantaged Bonds mature or are redeemed (whichever is earlier); however, if the Tax-Advantaged Bonds are redeemed and refunded, the University will retain its records of accounting and monitoring at least

three years after the earlier of the maturity or redemption of the obligations that refunded the Tax-Advantaged Bonds.

(h) In the event the University issues one or more series of Tax-Advantaged Bonds eligible for federal tax credits, a federal interest subsidy, or other subsidy, the University will comply with the provisions of the Federal Tax Certificate setting forth or incorporating applicable requirements.

(i) The University will comply with the provisions of the Federal Tax Certificate with respect to the Tax-Advantaged Bonds, which are incorporated herein as if fully set forth herein. In the event of any conflict between this Section and the Federal Tax Certificate, the provisions of the Federal Tax Certificate will prevail.

The covenants of this Section will survive payment in full or defeasance of the Tax-Advantaged Bonds.

Section 10. Bond Fund. The Bonds shall be general revenue obligations of the University, payable from General Revenues and secured as provided herein. The University hereby establishes a special fund of the University designated as the General Revenue Bond Fund, 2020 (the “Bond Fund”), which may consist of one or more funds or account established or maintained for this purpose. The University covenants to deposit into the Bond Fund from General Revenues on or prior to each interest payment date, redemption date and maturity date an amount sufficient, taking into account amounts on deposit therein, to pay the interest on the Bonds then coming due and the principal of the Bonds maturing or subject to redemption and redemption premium, if any. Such payments shall be made in sufficient time to enable the Bond Registrar to pay interest on and/or principal of and redemption price of the Bonds to the Registered Owners, when due. The University may deposit other amounts legally available for this purpose to the Bond Fund in its sole discretion and without obligation.

Net income earned on investments in the Bond Fund, if any, shall be deposited in the Bond Fund. Amounts in the Bond Fund may be temporarily invested in Permitted Investments. Except as otherwise provided in the Federal Tax Certificate, the University covenants that all investments of amounts deposited in the Bond Fund, or otherwise containing gross proceeds of the Tax-Advantaged Bonds (within the meaning of Section 148 of the Code) will be acquired, disposed of, and valued (as of the date that valuation is required by the Code) at Fair Market Value.

Section 11. Sources of Security.

(a) *Pledge of General Revenues.* The Bonds shall be payable solely from and secured by a pledge of General Revenues and the money and investments deposited into the Bond Fund. The Bonds shall not constitute an indebtedness or obligation of the State, and are not a charge upon revenue or property of the State. The Registered Owners of the Bonds shall have no right to require the State, nor has the State any obligation or legal authorization, to levy any taxes or appropriate or expend any of its funds for the payment of the principal thereof or the interest or any premium thereon. The University has no taxing power.

The University hereby pledges General Revenues and the money and investments deposited into the Bond Fund to the payment of the principal of and interest on the Bonds when due. The Prior Bonds, the Bonds and any Additional Bonds shall be equally and ratably payable from and secured by a pledge of General Revenues, and the money and investments deposited into the Bond Fund, without preference, priority or distinction because of date of issue or otherwise.

Pursuant to ORS 287A.310, this pledge shall be valid and binding from the time of the adoption of this Resolution. The amounts so pledged and hereafter received by the University shall immediately be subject to the lien of this pledge without any physical delivery, filing or any other act. Except as provided in this Resolution, the lien of this pledge shall be superior to all other claims and liens whatsoever to the fullest extent permitted by ORS 287A.310.

(b) *Pari Passu with University-Paid State Bonds.* The Bond Act provides for full payment of State debt obligations evidenced by the University's obligations to make payments on University-Paid State Bonds from legally available funds. On and after the date that amounts are transferred to the State Treasurer for deposit to be credited against the University-Paid State Bonds next coming due, and on and after the date amounts, if any, are paid to the State Treasurer to pay without duplication University-Paid State Bonds next coming due, such amounts are no longer part of the definition of General Revenues available to pay the principal of and interest on the Bonds. Until such date, the University-Paid State Bonds are payable on a *pari passu* basis with the Prior Bonds and the Bonds subject to and to the extent provided in the Bond Act.

(c) *All Bonds Have Equal Claim on General Revenues.* The Bonds, the Prior Bonds and any Additional Bonds shall be equally and ratably payable, without preference, priority or distinction because of date of issue or otherwise from General Revenues.

(d) *Additions to General Revenues.* The University reserves the right to include in General Revenues, at its sole option, in the future, other sources of revenue or income excluded in the definition of General Revenues. The addition of General Revenues shall be evidenced by a certificate executed by the Authorized University Representative identifying the items to be added. To the extent required under the Continuing Disclosure Certificate of the University, the University will file notice regarding any addition of General Revenues consistent with the requirements of Rule 15c2-12 and the applicable Continuing Disclosure Certificate.

(e) *Deletions from General Revenues.* The University reserves the right to remove, at its sole option, in the future, any revenues from General Revenues, so long as no more than 10%

of General Revenues (based on the University's most recent audited financial statements) are removed in any fiscal year. The removal of General Revenues shall be evidenced by a certificate executed by the Authorized University Representative identifying the items to be deleted. To the extent required under the Continuing Disclosure Certificate of the University, the University will file notice regarding any removal of General Revenues consistent with the requirements of Rule 15c2-12 and the applicable Continuing Disclosure Certificate.

(f) *Additional Bonds.* The University shall have the right to issue one or more series of Additional Bonds for University purposes as permitted under the Bond Act or otherwise under State law. The University reserves the right to issue obligations payable from or secured by a pledge of General Revenues that is subordinate to the pledge and lien on General Revenues as set forth in Section 11(a) of this Resolution for the Bonds, the Prior Bonds and any Additional Bonds to the extent permitted under the Bond Act or otherwise under State law. Nothing herein shall restrict the University's right to enter into obligations in connection with University-Paid State Bonds or any other obligations that are not secured by a pledge of General Revenues.

(g) *Refunding Bonds.* The University shall have the right to issue bonds, including Additional Bonds, to refund or advance refund any Prior Bonds, the Bonds or other obligations as permitted under the Bond Act or otherwise under State law.

Section 12. Covenant of the University. So long as any Bonds are outstanding, the University covenants to pay or cause to be paid the principal of and the interest on all outstanding Bonds on the dates, at the places, from the sources of funds and in the manner, all as provided herein.

Section 13. Defeasance. In the event that the University, in order to effect the payment, retirement or redemption of any Bond, sets aside in the Bond Fund or in another special account, cash or noncallable Government Obligations, or any combination of cash and/or noncallable Government Obligations, in amounts and maturities which, together with the known earned income therefrom, are sufficient to redeem or pay and retire such Bond in accordance with its terms and to pay when due the interest and redemption premium, if any, thereon, and such cash and/or noncallable Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Fund for the payment of the principal of and interest on such Bond. The owner of a Bond so provided for shall cease to be entitled to any lien, benefit or security of this Resolution except the right to receive payment of principal, premium, if any, and interest from the Bond Fund or such special account, and such Bond shall be deemed to be not outstanding under this Resolution.

The University shall give written notice of defeasance to the owners of all Bonds so provided for within 20 days of the defeasance and to each party entitled to receive notice in accordance with any related Continuing Disclosure Certificate.

Section 14. Sale of the Bonds; Official Statement. The Board has determined that it would be in the best interest of the University to delegate to the Authorized University Representative for a limited time the authority to determine the method of sale and to approve the final interest rates, maturity dates, redemption terms, the Refunding Candidates to be refunded,

and principal maturities for the Bonds. The Authorized University Representative may also determine whether the Bonds shall be issued in one or more series and to determine whether the Bonds (or the Bonds of a series) shall be issued as Taxable Bonds or Tax-Advantaged Bonds.

(a) *Competitive Bond Sale.* If the Authorized University Representative determines that all or a portion of the Bonds are to be sold at a competitive public sale, the Authorized University Representative or the Authorized University Representative's designee shall: (1) establish the date of the public sale; (2) establish the criteria by which the successful bidder will be determined; (3) request that a good faith deposit in the amount determined to be necessary, if any, accompany each bid; (4) cause notice of the public sale to be given (the "Notice of Sale"); and (5) provide for such other matters pertaining to the public sale as he or she deems necessary or desirable. The Authorized University Representative shall cause the Notice of Sale to be given and provide for such other matters pertaining to the public sale as he or she deems necessary or desirable.

Upon the date and time established for the receipt of bids for Bonds, the Authorized University Representative or the Authorized University Representative's designee shall open the bids and shall cause the bids to be mathematically verified. Such Bonds shall be sold to the bidder offering to purchase them at the lowest true interest cost to the University; *provided, however*, that the Authorized University Representative may reserve the right to reject any and all bids for Bonds and also may waive an irregularity or informality in any bid.

Subject to the terms and conditions set forth in this Section 14, the Authorized University Representative is hereby authorized to accept one or more Approved Bid for the Bonds in one or more series upon the Authorized University Representative's approval of the final interest rates, maturity dates, aggregate principal amounts, principal maturities, Refunding Candidates to be refunded, and redemption rights set forth therein in accordance with the authority granted by this section so long as:

1. the aggregate principal amount of the Bonds does not exceed \$366,000,000;
2. the final maturity date for the Project Bonds is no later than 40 years after their date of issuance;
3. the aggregate debt service to be paid on any Refunding Bonds shall be less than the aggregate debt service on the Refunding Candidate to be refunded;
4. the final maturity date of any Refunding Bonds shall not be later than the end of the fiscal year that includes the final maturity date of the Refunding Candidate to be refunded with the proceeds of such bonds; and
5. the true interest cost for any series of the Bonds (in the aggregate) does not exceed 4.25%.

(b) *Negotiated Bond Sale.* If the Authorized University Representative determines that all or a portion of the Bonds are to be sold by negotiated sale, the Authorized University Representative shall solicit bond underwriting proposals and shall select the Underwriter(s) that submits the proposal that he or she determines is in the best interest of the University. The Bonds shall be sold to the Underwriter(s) pursuant to the terms of one or more Bond Purchase Contracts.

Subject to the terms and conditions set forth in this Section 14, the Authorized University Representative is hereby authorized to enter into such Bond Purchase Contracts for the issuance and sale of the Bonds in one or more series upon the approval by the Authorized University Representative of the final interest rates, maturity dates, aggregate principal amounts, Refunding Candidates to be refunded, principal maturities, and redemption rights set forth therein for the Bonds in accordance with the authority granted by this section so long as:

1. the aggregate principal amount of the Bonds does not exceed \$366,000,000;
2. the final maturity date for the Project Bonds is no later than 40 years after their date of issuance;
3. the aggregate debt service to be paid on any Refunding Bonds shall be less than the aggregate debt service on the Refunding Candidate to be refunded;
4. the final maturity date of any Refunding Bonds shall not be later than the end of the fiscal year that includes the final maturity date of the Refunding Candidate to be refunded with the proceeds of such bonds; and
5. the true interest cost for any series of the Bonds (in the aggregate) does not exceed 4.25%.

(c) *Report to Board; Expiration of Authority.* Following the sale of the Bonds, the Authorized University Representative shall provide a report to the Board, describing the final terms of the Bonds approved pursuant to the authority delegated in this section.

The authority granted to the Authorized University Representative by this Section 14 shall expire June 30, 2021. If an Approved Bid or Bond Purchase Contract has not been accepted by such date, the authorization for the issuance of the Bonds shall be rescinded, and the Bonds shall not be issued nor their sale approved unless such Bonds shall have been re-authorized by resolution of the Board. The resolution re-authorizing the issuance and sale of such Bonds may be in the form of a new resolution repealing this Resolution in whole or in part or may be in the form of an amendatory resolution approving a bond purchase contract or establishing terms and conditions for the authority delegated under this Section 14.

(d) *Delivery of Bonds; Documentation.* Upon the passage and approval of this Resolution, the proper officials of the University, including the Authorized University Representative, are authorized and directed to undertake all action necessary for the prompt execution and delivery of the Bonds to the Underwriter(s) and further to execute and deliver all closing certificates and documents required to effect the closing and delivery of the Bonds. Add insurance.

(e) *Preliminary and Final Official Statements.* The Authorized University Representative is authorized to ratify and to approve for purposes of the Rule, including compliance with Section (b)(1) of the Rule, on behalf of the University, an Official Statement for each series (and any preliminary Official Statement) and any supplement thereto relating to the issuance and sale of each series of the Bonds and the distribution of each series of the Bonds pursuant thereto with such changes, if any, as may be deemed by him or her to be appropriate.

(f) *Bond Insurance.* The Authorized University Representative is hereby further authorized to solicit proposals from municipal bond insurance companies for the issuance of a

bond insurance policy. In the event that the Authorized University Representative receives multiple proposals in response to a solicitation, the Authorized University Representative may select the proposal having the lowest cost and resulting in an overall lower interest cost with respect to the Bonds to be insured. The Authorized University Representative may execute a commitment received from the insurer selected by the Authorized University Representative. The Board further authorizes all proper officers, agents, attorneys and employees of the University to cooperate with the insurer in preparing such additional agreements, certificates, and other documentation on behalf of the University as shall be necessary or advisable in providing for the bond insurance policy.

Section 15. Undertaking to Provide Ongoing Disclosure. The Authorized University Representative is authorized to, in the Authorized University Representative's discretion, execute and deliver one or more Continuing Disclosure Certificates in order to assist the Underwriter(s) for Bonds in complying with Section (b)(5) of the Rule.

Section 16. Establishment of Additional Accounts and Subaccounts. The University reserves the right, to be exercised in its sole discretion, to establish such additional accounts within the funds established pursuant to this Resolution, and subaccounts within such accounts, as it deems necessary or useful for the purpose of identifying more precisely the sources of payments herein and disbursements therefrom; provided that the establishment of any such account or subaccount does not alter or modify any of the requirements of this Resolution with respect to a deposit or use of money or result in commingling of funds not permitted hereunder.

Section 17. Lost or Destroyed Bonds. If any Bonds are lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new Bond or Bonds of like amount, maturity and tenor to the Registered Owner upon the owner paying the expenses and charges of the Bond Registrar and the University in connection with preparation and authentication of the replacement Bond or Bonds and upon the owner filing with the Bond Registrar and the University evidence satisfactory to both that such Bond or Bonds were actually lost, stolen or destroyed and of the owner's ownership, and upon furnishing the University and the Bond Registrar with indemnity satisfactory to both.

Section 18. No Recourse against Individuals. No Registered Owner shall have any recourse for the payment of any part of the principal of, premium, if any, or redemption price, if any, of or interest on the Bonds, or for the satisfaction of any liability arising from, founded upon, or existing by reason of, the issuance or ownership of such Bonds against any past, present or future officer, director, trustee, employee or agent of the University or any past, present or future officer, director, trustee or member of the Board in their individual capacities.

Section 19. General Authorization; Ratification of Prior Acts. The Chair of the Board and Authorized University Representative, and other appropriate officers of the University are authorized to take any actions and to execute and deliver documents as in their judgment may be necessary or desirable in order to carry out the terms of, and complete the transactions contemplated by, this Resolution. All acts taken pursuant to the authority of this Resolution but prior to its effective date are hereby ratified.

Section 20. Severability. If any provision in this Resolution is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provisions of this Resolution and shall in no way affect the validity of the other provisions of this Resolution or of the Bonds.

Section 21. Amendments. This Resolution may be amended or supplemented by a supplemental resolution without the consent of any Beneficial Owner or Registered Owner for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in this Resolution;
- (b) To add to the covenants and agreements of the University in this Resolution, other covenants and agreements to be observed by the University that are not contrary to or inconsistent with this Resolution as in effect;
- (c) To authorize issuance of Additional Bonds or subordinate obligations payable from or secured by General Revenues;
- (d) To modify, amend or supplement this Resolution or any supplemental resolution to qualify under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of any Bonds for sale under the securities laws of any of the states of the United States of America;
- (e) To make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Tax-Advantaged Bonds;
- (f) To confirm, as further assurance, any pledge or lien created under this Resolution;
- (g) To make any change that, in the reasonable judgment of the University, does not materially and adversely affect the rights of the Beneficial Owners or Registered Owners of any outstanding Bonds; or
- (h) To modify any of the provisions of the Bond Authorization or any supplemental resolution in any other respect whatever, as long as the modification shall take effect only after all affected outstanding Bonds cease to be outstanding.

This Resolution may be amended or supplemented for any other purpose only upon consent of the Registered Owners of not less than fifty one percent (51%) in aggregate principal amount of the Bonds outstanding; provided, however, that no amendment shall be valid without the consent of the Registered Owners of 100 percent (100%) of the aggregate principal amount of the Bonds outstanding that: extends the maturity of any Bond, reduces the rate of interest upon any Bond, extends the time of payment of interest on any Bond, reduces the amount of principal payable on any Bond, or reduces any premium payable on any Bond, without the consent of the affected Registered Owner; or reduces the percent of Registered Owners required to approve amendments to the Resolution.

Section 22. Benefit of Resolution. The covenants and agreements in this Resolution regarding the Bonds are made for the benefit of the Beneficial Owners of the Bonds and shall be enforceable by those Beneficial Owners.

Section 23. Effective Date. This Resolution shall take effect immediately upon adoption by the Board.

Moved by _____

Seconded by _____

Dated this [____] day of _____, 2020.

Exhibit A

Bond Form

[DTC LANGUAGE]

UNITED STATES OF AMERICA

NO. _____

\$ _____

OREGON STATE UNIVERSITY
GENERAL REVENUE [REFUNDING] BONDS, [2020/2021][_____] [FEDERALLY
TAXABLE]

INTEREST RATE: % MATURITY DATE: CUSIP NO.:

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

Oregon State University (the “University”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount specified above, unless redeemed prior thereto as provided herein, together with interest on such Principal Amount from _____, 20____, or the most recent date to which interest has been paid or duly provided for, at the Interest Rate set forth above payable _____ 1, 20____, and semiannually thereafter on each _____ 1 and _____ 1 until payment of the principal sum has been made or duly provided for. Both principal of and interest on this bond are payable in lawful money of the United States of America. For so long as the bonds of this issue are held in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company (“DTC”) referred to in the Blanket Issuer Letter of Representations (the “Letter of Representations”) from the University to DTC.

This bond is one of an authorized issue of general revenue bonds of the University of like date and tenor, except as to number, interest rate and date of maturity, in the aggregate principal amount of \$_____, issued pursuant to Resolution No. _____ of the University, passed on _____, 2020 (the “Bond Resolution”), [to finance or refinance all or a portion of the costs of University projects, to fund University reserves and to pay costs of issuance of the Bonds, as further provided in the Bond Resolution][to refund certain outstanding University general revenue bonds and pay costs of issuance and of the refunding]. [Pursuant to the Bond Resolution, the University also has authorized the issuance of its General Revenue [Refunding] Bonds,

[2020/2021][____][(Federally Taxable)] in the aggregate principal amount of \$_____ for this purpose.]

The bonds of this issue are subject to redemption prior to their stated maturities as provided in the Bond Resolution.

This bond is payable solely from and secured by a pledge of General Revenues and the money and investments deposited into the Bond Fund, and the University does hereby pledge and bind itself to set aside from such General Revenues, and to pay into the Bond Fund described in the Bond Resolution the various amounts required by the Bond Resolution to be paid into and maintained in such Bond Fund, all within the times provided by the Bond Resolution. Bonds issued pursuant to the Bond Resolution, the University's General Revenue Bonds, 2015A and General Revenue Bonds, 2015B (Federally Taxable), the University's General Revenue Bonds, 2016A and General Revenue Bonds, 2016B (Federally Taxable), the University's General Revenue Bonds, 2017 (Federally Taxable), the University's General Revenue Bonds, 2019 (Federally Taxable), General Revenue Notes, and additional bonds issued on a parity therewith, shall be equally and ratably payable from and secured by a pledge of General Revenues, and the money and investments deposited into the Bond Fund, without preference, priority or distinction because of date of issue or otherwise.

Reference is made to the Bond Resolution as more fully describing the covenants with and the rights of Registered Owners of the bonds or registered assigns and the meanings of capitalized terms appearing on this bond which are defined in such Resolution.

The issuance of the Bonds has been authorized by the Bond Resolution duly adopted by the University pursuant to the laws of the State of Oregon. This Bond shall not constitute or become an indebtedness, or a debt or liability of the State of Oregon, the Legislative Assembly of the State of Oregon, or any county or city, or other subdivision or body corporate and politic within the State of Oregon or of any other political subdivision or body corporate and politic within the State of Oregon (other than the University, but only to the extent provided in the Bond Resolution) and neither the State of Oregon, the Legislative Assembly of the State of Oregon, nor any county or city or other subdivision of the State of Oregon (other than the University, but only to the extent provided in the Bond Resolution), shall be liable hereon; nor shall this Bond constitute the giving, pledging or loaning of the faith and credit of the State of Oregon, the Legislative Assembly of the State of Oregon, or any county or city, or other subdivision of the State of Oregon or of any other political subdivision or body corporate and politic within the State of Oregon but shall be payable solely from the funds pledged herefor. Neither the State of Oregon, the Legislative Assembly of the State of Oregon, any political subdivision or body corporate and politic within the State of Oregon other than the University shall in any event be liable for the payment of the principal of, premium, if any, or interest on this Bond or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever undertaken by the University. No breach of any such pledge, obligation or agreement shall impose any pecuniary liability upon the State of Oregon or any charge upon its general credit or against its taxing power. The University has no taxing powers. The issuance of this Bond shall not, directly or indirectly or contingently, obligate the

September 17, 2020 Board of Trustees Meetings

State of Oregon, or any political subdivision of the State of Oregon, nor empower the University to levy or collect any form of taxes or assessments therefor or to create any indebtedness payable out of taxes or assessments or make any appropriation for the payment of this Bond and such appropriation or levy is prohibited. Nothing in the Bond Act shall be construed to authorize the University to create a debt of the State of Oregon within the meaning of the Constitution or statutes of the State of Oregon.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by the Bond Registrar.

It is hereby certified, recited and represented that the issuance of this bond and the Bonds of this issue is duly authorized by law; that all acts, conditions and things required to exist and necessary to be done or performed precedent to and in the issuance of this bond and the Bonds of this issue to render the same lawful, valid and binding have been properly done and performed and have happened in regular and due time, form and manner as required by law; that all acts, conditions and things necessary to be done or performed by the University or to have happened precedent to and in the execution and delivery of the Bond Resolution have been done and performed and have happened in regular and due form as required by law; that due provision has been made for the payment of the principal of and premium, if any, and interest on this bond and the Bonds of this issue and that the issuance of this bond and the Bonds of this issue does not contravene or violate any constitutional or statutory limitation.

IN WITNESS WHEREOF, Oregon State University has caused this bond to be executed on behalf of the University with the manual or facsimile signature of the Chair of the Board and to be attested by the manual or facsimile signature of either the Secretary of the Board or the Vice President for Finance and Administration and Chief Financial Officer of the University.

OREGON STATE UNIVERSITY

By _____
Chair, Board of Trustees

Attested:

By _____
Secretary, Board of Trustees or
Vice President for Finance
and Administration and Chief Financial
Officer

The Certificate of Authentication for the Bonds shall be in substantially the following form and shall appear on each Bond:

AUTHENTICATION CERTIFICATE

This bond is one of the Oregon State University General Revenue [Refunding] Bonds, [2020/2021][__] described in the within-mentioned Bond Resolution.

Registrar

By _____
Authorized Signatory

Date _____

CERTIFICATE

I, the undersigned, Secretary of the Board of Trustees (the “Board”) of Oregon State University (the “University”) and keeper of the records of the Board of the University, DO HEREBY CERTIFY:

1. That the attached resolution is a true and correct copy of Resolution No. _____ of the University (herein called the “Resolution”), as finally passed at a regular meeting of the Board of the University held on the [__] day of September, 2020, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a quorum of the Board was present throughout the meeting and a legally sufficient number of members of the Board voted in the proper manner for the passage of said Resolution; that all other requirements and proceedings incident to the proper adoption or passage of said Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the University this [__] of September, 2020.

Secretary

JANUARY 2020 TEN-YEAR CAPITAL FORECAST

For context, the full Ten-Year Capital Forecast approved by the Board in January 2020 is included below. When OSU conducted its financial analysis for the proposed bond sale, it included updated information about specific projects for planning purposes, such as the following details:

- During its August special session, the Oregon Legislature approved funding for the Arts and Education Complex (AEC) for the \$35M requested. However, the legislature did not approve the \$12.7M request for the OSU-Cascades Student Success Center. State funding for higher education capital projects for the 2021-23 biennium remains uncertain given the state's focus on balancing the budget to the lower economic forecast.
- OSU's 2021-23 capital funding request includes completing the Cordley Hall renovation for \$86M, the Collaborative Innovation Complex (CIC) Phase 1 for \$50M and the OSU-Cascades Land Development II project for \$18M. Cordley Hall is prioritized second overall in the Higher Education Coordinating Commission (HECC) rubric and is expected to be funded, though staff anticipate that the legislature will award an amount less than \$86M. The CIC and Land Development projects were not prioritized as highly and staff does not have confidence that those projects will be funded by the state.

FY2019-2029 OSU Capital Forecast											
OSU Corvallis/Newport Major Capital Projects											
Project name	Project type	GKSF	FCA	DM removed (\$M)	Total forecasted budget (\$M)	Sources of funds (\$M)					
						State-paid Bonds	State-paid CIR	OSU-paid bonds	Pledged gift funds	E&G CIR	Gifts, Partnerships, Other
2019-2021 Biennium											
Cordley Hall Phase II	Renovation	101	2.70	49.00	59.70	28.00	3.70	-	-	28.00	-
Burt Hall II Reconstruction	Renovation	22	2.95	8.00	8.80	-	-	-	-	-	8.80
Arts and Education Complex	Renovation/new	60	N/A	N/A	70.00	35.00	-	-	25.00	-	10.00
Campus Operations Center(Shops Demo/Restore)	Infrastructure	70	2.24	9.60	26.50	-	3.00	23.50	-	-	-
PacWave	New/infrastructure	N/A	N/A	N/A	40.00	-	-	-	-	-	40.00
Washington Way Rebuild/Improvement	Infrastructure	N/A	N/A	3.00	24.00	-	-	24.00	-	-	-
Cascade Hall	Renovation	15		5.50	6.50	-	3.50	3.00	-	-	-
Total				75.10	235.50	63.00	10.20	50.50	25.00	28.00	58.80
2021-2023 Biennium											
Cordley Hall Phase III	Renovation	134	2.67	49.00	78.00	30.00	8.00	25.00	-	15.00	-
Collaborative Innovation Complex Phase I (STEM I)	New	100	N/A	N/A	100.00	25.00	-	-	-	-	75.00
Collaborative Innovation Complex Phase II (STEM II)	New	100	N/A	N/A	50.00	-	-	-	-	-	50.00
Ship Ops Dock Replacement (\$5M)	Renovation	N/A	N/A	3.00	5.00	-	-	-	-	-	5.00
Withycombe Hall East (Oregon Dairy Products) Renovation	New	45	2.58	9.00	24.00	3.00	1.00	-	-	17.00	3.00
Total				61.00	257.00	58.00	9.00	25.00	-	32.00	133.00
2023-2025 Biennium											
Collaborative Innovation Complex Phase II (STEM II) (continued)	New	100	N/A	N/A	50.00	50.00	-	-	-	-	-
Withycombe Hall West	Renovation	36	2.58	8.00	20.00	5.00	-	-	-	15.00	-
Kerr Admin Seismic Upgrade	Renovation	88	2.96	7.00	11.00	-	-	-	-	11.00	-
HMSC Sea Water Infrastructure Renewal	Renovation	N/A	N/A	2.00	5.00	-	-	-	-	-	5.00
Snell Demolition/Site Restore	Demolition	88	2.05	43.00	6.00	-	-	-	-	6.00	-
Langton Hall Renovation	Renovation	96	2.64	27.00	20.00	-	-	-	-	20.00	-
Total				87.00	112.00	55.00	-	-	-	52.00	5.00
2025-2027 Biennium											
Community Hall or Gladys Renovation	Renovation	24	2.56	6.70	15.00	8.00	-	-	-	7.00	-
Langton Hall Renovation (continued)	Renovation	96	2.64	27.00	25.00	-	5.00	-	-	20.00	-
Gilbert Hall Repurpose	Renovation	83	2.68	37.00	50.00	25.00	-	-	-	25.00	-
Research Building Renovation	Renovation	TBD	TBD	20.00	44.00	22.00	-	-	-	22.00	-
Total				90.70	134.00	55.00	5.00	-	-	74.00	-
2027-2029 Biennium											
Research Building Renovation	Renovation	TBD	TBD	18.00	42.00	27.00	-	-	-	15.00	-
Research Building Renovation	Renovation	TBD	TBD	18.00	42.00	27.00	-	-	-	15.00	-
Community Hall or Gladys Renovation	Renovation	24	2.56	6.70	15.00	-	-	-	-	15.00	-
Plant Science Innovation Center (East GH Repl)	Renovation	28	2.00	20.00	24.00	-	-	-	-	-	24.00
Dairy Center Modernization (\$12M)	Renovation	N/A	N/A	5.00	18.00	-	-	-	-	-	18.00
Weniger Hall Demolition	Renovation	211	2.62	55.00	16.00	-	-	-	-	-	16.00
Total				122.70	157.00	54.00	-	-	-	45.00	58.00
* Cost are escalated at 5% per year based on 2019 estimates											

GKSF: gross thousand square feet; FCA: facility condition assessment; DM: deferred maintenance; CIR: capital improvement and renewal funds

FY2019-2029 OSU Capital Forecast											
University Housing and Dining Services & Student Affairs											
Project name	Project type	GKSF	FCA	DM removed (\$M)	Total forecasted budget (\$M)	Sources of funds (\$M)					
						State-paid Bonds	State-paid CIR	OSU-paid bonds	Pledged gift funds	E&G CIR	Gifts, Partnerships, Other
2019-2021 Biennium											
Upper Division/Grad Housing	New	N/A	N/A	N/A	50.00	*project approved in prior biennium					
Newport (MSI) Housing	New	TBD	N/A	N/A	27.18	*project approved in prior biennium					
GEM Housing	Buyout/renovation	N/A	N/A	N/A	20.00	-	-	20.00	-	-	-
Memorial Union Deferred Maintenance Project	Renovation	N/A	N/A	N/A	5.00	-	-	-	-	-	5.00
Rec Sports Deferred Maintenance Project	Renovation	N/A	N/A	N/A	5.00	-	-	-	-	-	5.00
Student Health Center Deferred Maintenance Project	Renovation	N/A	N/A	N/A	5.00	-	-	-	-	-	5.00
Total				0.00	35.00	-	-	20.00	-	-	15.00
2021-2023 Biennium											
Residence Hall Replacement #1	New	N/A	N/A	N/A	106.60	-	-	-	-	-	106.60
Total				0.00	106.60	-	-	-	-	-	106.60
2023-2025 Biennium											
Residence Hall/Dining Center Complex #2	New	N/A	N/A	N/A	151.10	-	-	-	-	-	151.10
Total				0.00	151.10	-	-	-	-	-	151.10
2025-2027 Biennium											
None Programmed											
Total				0.00	-	-	-	-	-	-	-
2027-2029 Biennium											
None Programmed											
Total				0.00	-	-	-	-	-	-	-
* Cost are escalated at 5% per year based on 2019 estimates											

GKSF: gross thousand square feet; FCA: facility condition assessment; DM: deferred maintenance; CIR: capital improvement and renewal funds

FY2019-2029 OSU Capital Forecast											
Athletics						Sources of funds (\$M)					
Project name	Project type	GKSF	FCA	DM removed (\$M)	Total forecasted budget (\$M)	State-paid Bonds	State-paid CIR	OSU-paid bonds	Pledged gift funds	E&G CIR	Gifts, Partnerships, Other
2019-2021 Biennium											
Gymnastics Building Purchase and Renovation	Renovation	21	N/A	N/A	12.15	-	-	-	-	-	12.15
Total				0.00	12.15	-	-	-	-	-	12.15
2021-2023 Biennium											
Reser Stadium West Grandstands	Replace	TBD	N/A	N/A	175.00	-	-	30.00	-	-	145.00
Total				0.00	175.00	-	-	30.00	-	-	145.00
2023-2025 Biennium											
Field Sports Building	New	N/A	N/A	N/A	14.50	-	-	-	14.50	-	-
Leadership Center	New	N/A	N/A	N/A	20.40	-	-	-	20.40	-	-
Total				0.00	34.90	-	-	-	34.90	-	-
2025-2027 Biennium											
Gill Coliseum Basement	Renovation	N/A	N/A	N/A	10.00	-	-	-	10.00	-	-
Gill Coliseum Concourse	Renovation	N/A	N/A	N/A	12.90	-	-	-	12.90	-	-
Total				0.00	22.90	-	-	-	22.90	-	-
2027-2029 Biennium											
Softball Build-Out	Renovation	N/A	N/A	N/A	8.00				8.00		
Goss Stadium Addition	Renovation	N/A	N/A	N/A	14.00				14.00		
Total				0.00	22.00	-	-	-	22.00	-	-

* Cost are escalated at 5% per year based on 2019 estimates

GKSF: gross thousand square feet; FCA: facility condition assessment; DM: deferred maintenance; CIR: capital improvement and renewal funds

FY2019-2029 OSU Capital Forecast											
Minor Capital											
Minor projects budget allocation category	Project type	GKSF	FCA	DM removed (\$M)	Total forecasted budget (\$M)	Sources of funds (\$M)					
						State-paid Bonds	State-paid CIR	OSU-paid bonds	Pledged gift funds	E&G CIR	Gifts, Partnerships, Other
2019-2021 Biennium											
E&G	Renovation	N/A	N/A	12.80	12.80	-	9.80	-	-	3.00	-
E&G AES (State Wide)	Renovation	N/A	N/A	1.70	1.70	-	1.70	-	-	-	-
UHDS	Renovation	N/A	N/A	N/A	13.00	-	-	-	-	-	13.00
Student Affairs	Renovation	N/A	N/A	N/A	7.60	-	-	-	-	-	7.60
Athletics	Renovation	N/A	N/A	N/A	5.00	-	-	-	1.80	-	3.20
Total				14.50	40.10	-	11.50	-	1.80	3.00	23.80
2021-2023 Biennium											
E&G	Renovation	N/A	N/A	28.10	28.10	-	9.10	-	-	19.00	-
E&G AES (State Wide)	Renovation	N/A	N/A	1.90	1.90	-	1.90	-	-	-	-
UHDS	Renovation	N/A	N/A	N/A	7.00	-	-	-	-	-	7.00
Student Affairs	Renovation	N/A	N/A	N/A	9.60	-	-	-	-	-	9.60
Pride Center	Renovation	N/A	N/A	N/A	4.00	-	-	-	-	-	4.00
Athletics	Renovation	N/A	N/A	N/A	5.80	-	-	-	5.80	-	-
Total				30.00	56.40	-	11.00	-	5.80	19.00	20.60
2023-2025 Biennium											
E&G	Renovation	N/A	N/A	38.90	38.90	-	19.90	-	-	19.00	-
E&G AES (State Wide)	Renovation	N/A	N/A	2.10	2.10	-	2.10	-	-	-	-
UHDS	Renovation	N/A	N/A	N/A	7.00	-	-	-	-	-	7.00
Student Affairs	Renovation	N/A	N/A	N/A	7.00	-	-	-	-	-	7.00
Athletics	Renovation	N/A	N/A	N/A	2.05	-	-	-	2.05	-	-
Total				41.00	57.05	-	22.00	-	2.05	19.00	14.00
2025-2027 Biennium											
E&G	Renovation	N/A	N/A	31.90	31.90	-	19.90	-	-	12.00	-
E&G AES (State Wide)	Renovation	N/A	N/A	2.10	2.10	-	2.10	-	-	-	-
UHDS	Renovation	N/A	N/A	N/A	7.00	-	-	-	-	-	7.00
Student Affairs	Renovation	N/A	N/A	N/A	7.00	-	-	-	-	-	7.00
Athletics	Renovation	N/A	N/A	N/A	4.90	-	-	-	4.90	-	-
Total				34.00	52.90	-	22.00	-	4.90	12.00	14.00
2027-2029 Biennium											
E&G	Renovation	N/A	N/A	64.00	64.90	-	19.90	-	-	45.00	-
E&G AES (State Wide)	Renovation	N/A	N/A	2.10	2.10	-	2.10	-	-	-	-
UHDS	Renovation	N/A	N/A	N/A	8.00	-	-	-	-	-	8.00
Student Affairs	Renovation	N/A	N/A	N/A	8.00	-	-	-	-	-	8.00
Athletics	Renovation	N/A	N/A	N/A	5.00	-	-	-	5.00	-	-
Total				66.10	88.00	-	22.00	-	5.00	45.00	16.00

* Cost are escalated at 5% per year based on 2019 estimates

GKSF: gross thousand square feet; FCA: facility condition assessment; DM: deferred maintenance; CIR: capital improvement and renewal funds

FY2019-2029 OSU Capital Forecast OSU Cascades Education and General Fund							Sources of funds (\$M)					
Project name	Project type	GKSF	FCA	DM removed (\$M)	Total forecasted budget (\$M)	State-paid Bonds	State-paid CIR	OSU-paid bonds	Pledged gift funds	E&G CIR	Gifts, Partnerships, Other	
2019-2021 Biennium												
Student Success Center	New	18	N/A	N/A	17.90	12.90	-	5.00	-	-	-	
Land Development - Area 2	New	N/A	N/A	N/A	17.51	16.67	-	0.84	-	-	-	
Total				0.00	35.41	29.57	-	5.84	-	-	-	
2021-2023 Biennium												
Campus Maintenance and Engineering	New	N/A	N/A	N/A	2.40	-	-	2.40	-	-	-	
Land Development - Innovation 2025	New	N/A	N/A	N/A	26.00	-	-	-	-	-	26.00	
Total				0.00	28.40	-	-	2.40	-	-	26.00	
2023-2025 Biennium												
Academic Building 3	New	55	N/A	N/A	61.00	51.70	-	-	9.30	-	-	
Total				0.00	61.00	51.70	-	-	9.30	-	-	
2025-2027 Biennium												
None Currently Programmed	N/A	N/A	N/A	N/A	-	-	-	-	-	-	-	
Total				0.00	-	-	-	-	-	-	-	
2027-2029 Biennium												
Academic Building 4	New	28	N/A	N/A	37.00	31.40	-	-	5.60	-	-	
Total				0.00	37.00	31.40	-	-	5.60	-	-	
* Cost are escalated at 5% per year based on 2019 estimates												

GKSF: gross thousand square feet; FCA: facility condition assessment; DM: deferred maintenance; CIR: capital improvement and renewal funds

FY2019-2029 OSU Capital Forecast											
OSU Cascades Auxiliaries											
Project name	Project type	GKSF	FCA	DM removed (\$M)	Total forecasted budget (\$M)	Sources of funds (\$M)					
						State-paid Bonds	State-paid CIR	OSU-paid bonds	Pledged gift funds	E&G CIR	Gifts, Partnerships, Other
2019-2021 Biennium											
None Currently Programmed	N/A	N/A	N/A	N/A	-	-	-	-	-	-	-
Total				0.00	-	-	-	-	-	-	-
2021-2023 Biennium											
None Currently Programmed	N/A	N/A	N/A	N/A	-	-	-	-	-	-	-
Total				0.00	-	-	-	-	-	-	-
2023-2025 Biennium											
Health and Recreation Center Phase I	New	N/A	N/A	N/A	34.80	-	-	30.45	-	-	4.35
Early Learning Center + K-5 School	New	N/A	N/A	N/A	37.00	-	-	-	-	-	37.00
Innovation District - Row Housing	New	N/A	N/A	N/A	15.20	-	-	-	-	-	15.20
Total				0.00	87.00	-	-	30.45	-	-	56.55
2025-2027 Biennium											
Innovation District - Partner Buildings	New	N/A	N/A	N/A	91.20	-	-	-	-	-	91.20
Total				0.00	91.20	-	-	-	-	-	91.20
2027-2029 Biennium											
None Currently Programmed	N/A	N/A	N/A	N/A	-	-	-	-	-	-	-
Total				0.00	-	-	-	-	-	-	-
* Cost are escalated at 5% per year based on 2019 estimates											

GKSF: gross thousand square feet; FCA: facility condition assessment; DM: deferred maintenance; CIR: capital improvement and renewal funds