

Approval of Resolution to Debt Finance the Building Envelope Repairs Project**FINANCE AND RESOURCE MANAGEMENT COMMITTEE**

The Building Envelope Improvements Project completes envelope improvements to Hahn Hall, Torgersen Hall, and the Inn at Virginia Tech. These three buildings exceed the capabilities of the in-house stonemasons and require a third-party contractor due to construction complexity and/or height of the structure. The total project cost of \$47.2 million will be funded by \$13.6 million of private funds from settlement payments, at least \$5.3 million of excess nonresident capital fee, and bond proceeds not to exceed \$28.339 million. Additional revenue may become available to lower the total bond proceeds necessary to support the project. Debt will be serviced by the excess nonresident capital fee.

The debt will be issued as a general revenue pledge bond issued directly by the University or through a pooled financing with the Virginia College Building Authority (VCBA). The resolution authorizes (1) the Executive Vice President and Chief Operating Officer, (2) the Vice President for Finance and Chief Financial Officer, and the (3) Assistant Vice President for Finance and Associate Treasurer ("Authorized Officer") to execute and deliver all certificates and instruments and to take all such further action as may be considered necessary or desirable in connection with the sale and issuance of the bonds subject to the following parameters: (a) the principal amount to be paid under the bonds for any "new money" financing shall not exceed \$28.339 million in the aggregate plus amounts needed to fund issuance costs, original issue discount, other financing expenses and any other increase permitted by law; (b) the final maturity on any bonds shall not exceed 50 years from their date of issuance; and (c) subject to the foregoing, the actual amount, interest rates, principal maturities, and date of the bonds or notes shall be approved by an Authorized Officer, as evidenced by the execution thereof.

**RESOLUTION OF THE BOARD OF VISITORS OF
VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY
FINANCING AUTHORIZATION FOR THE BUILDING ENVELOPE IMPROVEMENTS
PROJECT**

WHEREAS, Chapter 26, Title 23.1 of the Code of Virginia of 1950, as amended, establishes a public institution of higher education under the name and style of Virginia Polytechnic Institute and State University ("University") which is governed by a Board of Visitors ("Board"); and

WHEREAS, by Chapter 10, Title 23.1 of the Virginia Code ("Restructuring Act"), the University entered into a management agreement with the Commonwealth of Virginia ("Management Agreement"), which was enacted as Chapters 933 and 943 of the 2006 Virginia Acts of Assembly, pursuant to which the University is empowered with the authority to issue bonds for any purposes that is consistent with its institutional mission; and

WHEREAS, the Restructuring Act further authorizes the University to provide for the payment of the principal of and the interest on any bonds from, among other things, its revenues generally or from the income and revenues derived from the operation, sale, or lease of a particular project or projects; and

WHEREAS, pursuant to and in furtherance of Chapter 12, Title 23.1 of the Code of Virginia of 1950, as amended, the Virginia College Building Authority ("Authority") developed a program ("Program") to purchase debt instruments issued by public institutions of higher education in the Commonwealth of Virginia ("Participating Institutions" and each a "Participating Institution") to finance or refinance projects of capital improvement ("Capital Projects" and each a "Capital Project") included in a bill passed by a majority of each house of the General Assembly of Virginia ("General Assembly"); and

WHEREAS, under the Program the Authority from time to time issues its Educational Facilities Revenue Bonds (Public Higher Education Financing Program) ("VCBA Pooled Bonds") to finance the purchase or refunding of debt instruments issued by Participating Institutions to finance or refinance Capital Projects; and

WHEREAS, if a Participating Institution desires to finance or refinance a Capital Project through the Program it must enter into a loan agreement with the Authority, under which: (i) the Participating Institution will issue its promissory note pursuant to Chapter 11, Title 23.1 of the Code of Virginia of 1950, as amended, to evidence a loan to it by the Authority; (ii) the Authority will agree to issue VCBA Pooled Bonds and use proceeds thereof to purchase the promissory note; (iii) the Participating Institution will agree to use proceeds of VCBA Pooled Bonds, loaned to it and received in exchange for its promissory note, to finance or refinance the Capital Project and to not take actions that may jeopardize any federal tax-exempt status of interest on VCBA Pooled Bonds allocable to financing or refinancing the Capital Project; and (iv) the Participating Institution will agree to make payments under the promissory note in sums sufficient to pay, together with certain

administrative and arbitrage rebate payments, the principal of, premium, if any, and interest due on such VCBA Pooled Bonds; and

WHEREAS, the Board periodically desires to finance, on more than one occasion, projects for the University with financing pursuant to the Restructuring Act and the Management Agreement ("Restructuring Act Financing") or as a Participating Institution under the Program ("VCBA Pooled Financing") (or both); and

WHEREAS, the Board desires to authorize Restructuring Act Financings by the issuance of general revenue pledge bonds, in one or more series and on more than one occasion ("Bonds") for the purposes of (1) financing all or a portion of the costs of the Building Envelope Repairs Project, and (2) financing if and as needed, capitalized interest, working capital and the costs of issuing the Bonds, all subject to the limitations and parameters set forth in this resolution ("Project"); and

WHEREAS, each series of Bonds will be issued under a bond resolution (each a "Bond Resolution") the form of which will be determined in accordance with this resolution; and

WHEREAS, the Board desires to authorize VCBA Pooled Financings by the issuance of its promissory note or notes ("Note") to be sold to the Authority in accordance with a loan agreement or loan agreements between the University and the Authority ("Loan Agreement"), under which proceeds of VCBA Pooled Bonds will be loaned to and received by the University in exchange for the Note, to finance all or a portion of the costs of the Project, to the extent that it is a Capital Project approved by the General Assembly; and

WHEREAS the Board desires to designate certain University officers (i) delegated authority to approve the forms of and to execute and deliver the Bonds, the Bond Resolutions, the Loan Agreement, the Note and any amendments thereto, and any other documents necessary or desirable in connection with foregoing ("Financing Documents"); and (ii) responsible for monitoring post-issuance compliance with covenants of the University related to maintaining any federal tax-exempt status of interest on VCBA Pooled Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD:

Section 1. The Project is hereby designated to be undertaken and financed by the Authority (if determined in accordance with Section 2) or the University (as applicable) and, accordingly, the Executive Vice President and Chief Operating Officer, the Vice President for Finance and Chief Financial Officer, and the Assistant Vice President for Finance and Associate Treasurer ("Authorized Officers") are each hereby delegated and invested with full power and authority to approve the forms of the Financing Documents, and any pledge to the payment of the Bonds or Note (or both) and any amendment thereto of total gross University-sponsored overhead, unrestricted endowment income, tuition and fees, indirect cost recoveries, auxiliary enterprise revenues, general and nongeneral fund appropriations, and other revenues not required by law or previous binding contract to be devoted to some other purpose, restricted by a gift instrument for another purpose

or excluded from such pledge as provided in the Financing Documents, subject to the provisions of Section 3 hereof.

Section 2. The Authorized Officers are authorized and directed to determine whether to finance the Project and whether that financing will be undertaken as a Restructuring Act Financing or as a VCBA Pooled Financing (or both). Subject to the provisions of Section 3 hereof, the Authorized Officers are each hereby delegated and invested with full power and authority to execute, deliver and issue, on behalf of the University, (a) the Financing Documents, with approval of such documents in accordance with Section 1 hereof evidenced conclusively by the execution and delivery of the respective document, and (b) any other documents, instruments, or certificates as may be deemed necessary or desirable to finance costs of the Project through and participate in the Program, and to further carry out the purposes and intent of this resolution. The Authorized Officers are authorized and directed to take such steps and deliver such certificates in connection with delivery of the Financing Documents, and any amendment thereto, as may be required under any existing obligations, including bond resolutions relating to any outstanding general revenue pledge bonds, and to notify Virginia Department of Treasury representatives serving as Authority staff at least 60 days in advance of a pledge of any amounts pledged to the payment of the Note in accordance with Section 1 hereof to, or as security for, the payment of any other University obligations issued or entered into after the date hereof for so long as the Note and any amendments thereto remain outstanding.

Section 3. The authorizations given above as to the approval, execution, delivery, and issuance of the Financing Documents are subject to the following parameters: (a) the principal amount to be financed for the Project shall not exceed \$28.339 million in the aggregate plus amounts needed to fund issuance costs, original issue discount, other financing expenses and any other increase permitted by law (provided that for any VCBA Pooled Financing the maximum principal amount shall be limited to the amount approved by the General Assembly); (b) the final maturity on any Bonds shall not exceed 50 years from their date of issuance; and (c) subject to the foregoing, the actual amount, interest rates, principal maturities, and date of the Bonds shall be approved by an Authorized Officer, as evidenced by the execution thereof.

All officers of the University are authorized and directed to take all such further actions, including without limitation the designation of underwriters, paying agents, remarketing agents, trustees, and liquidity providers for the Bonds, and to execute all such instruments, agreements, documents, and certificates as they shall deem necessary or desirable to carry out the terms of the financing plans presented to this meeting, including without limitation any liquidity facilities, swap or other interest rate management agreements associated with the Bonds.

The authorizations given above as to the approval, execution, delivery and issuance of the Financing Documents are subject to the following parameters: (a) the principal amount to be paid under the Note allocable to any component of the Project, together with the principal amount of any other indebtedness with respect to such component, shall not be greater than the amount authorized for such component by the General Assembly plus amounts needed to fund issuance costs, original issue discount,

other financing expenses and any other increase permitted by law; (b) the aggregate interest rate payable on the Note shall not exceed the rate established and approved by the Treasury Board of the Commonwealth which is required by Section 2.2-2416 of the Code of Virginia of 1950, as amended, to approve the terms and structure of financing arrangements for Participating Institutions; (c) the weighted average maturity of the principal payments due under the Note shall not exceed 30 years after the original issue date of the Note; (d) the last principal payment date under the Note shall not extend beyond the reasonably expected weighted economic life of the Project; and (e) subject to the foregoing, the actual amount, interest rates, principal maturities, and date of the Note shall be approved by an Authorized Officer, as evidenced by the execution thereof.

Section 4. The Board acknowledges that if there is a failure to make, as and when due, any payment of the principal of, premium (if any), and interest on any promissory note issued by the University as a Participating Institution to the Authority under the Program, including without limitation the Note and any amendments thereto, the State Comptroller is authorized under the Program and Section 23.1-1211 of the Code of Virginia of 1950, as amended, to charge against appropriations available to the University all future payments of principal of, premium (if any), and interest on such promissory note when due and payable and to make such payments to the Authority or its designee, so as to ensure that no future default will occur on such promissory note.

Section 5. The Board agrees that if the Authority determines the University as a Participating Institution shall be subject to continuing disclosure obligations under Rule 15c2-12 of the federal Securities and Exchange Commission with respect to any VCBA Pooled Bonds, (a) an Authorized Officer shall, and is hereby authorized and directed to, enter into a continuing disclosure undertaking in form and substance reasonably satisfactory to the Authority, and (b) the University will comply with the provisions and disclosure obligations contained therein.

Section 6. The Board designates the Vice President for Finance and Chief Financial Officer to be responsible for implementing procedures to monitor post-issuance compliance with covenants in any loan agreement between the University as a Participating Institution and the Authority, including the Loan Agreement and any amendments thereto, related to maintaining tax-exempt status for federal income tax purposes of interest on any VCBA Pooled Bonds, including without limitation monitoring the use of any portion of all Capital Projects for the University financed or refinanced with such VCBA Pooled Bonds and compliance with any applicable federal income tax remedial action requirements in connection with certain changes in such use. Such officer shall review such post-issuance compliance at least annually for so long as such VCBA Pooled Bonds remain outstanding.

Section 7. All acts of all officers of the University which are in conformity with the purposes and intent of this resolution and in carrying out the financing plans presented to this meeting are ratified, approved and affirmed. This resolution shall take effect immediately upon its adoption.

RECOMMENDATION:

That the above resolution authorizing the issuance of bonds for the Improve Building Envelopes Repair Project be approved.

November 18, 2025