

Revised Authorizations for Resolution on University Lines of Credit

FINANCE AND RESOURCE MANAGEMENT COMMITTEE

October 20, 2023

The Board of Visitors adopted a Resolution on University Lines of Credit at its June 2018 meeting granting the authority to establish lines of credit in an aggregate principal amount of up to \$200,000,000. The approved resolution is included as Attachment A.

The purpose of this Revised Authorization Resolution is to 1) update the titles of the authorized officers that negotiate, execute and deliver all necessary documents related to establishing the lines of credit as the President, Executive Vice President and Chief Operating Officer, or Vice President for Finance (collectively, the "Authorized Officers"); and 2) authorize further delegation for the maintenance, execution of transactions, and utilization of the lines of credit established by the Authorized Officers to the Assistant Vice President for Finance and Associate Treasurer, the Associate Vice President for Finance and University Controller, or the Treasury Analyst.

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FINANCE AND RESOURCE MANAGEMENT COMMITTEE

October 20, 2023

WHEREAS, the Board of Visitors adopted a Resolution on University Lines of Credit at its June 2018 meeting granting the authority to establish lines of credit in an aggregate principal amount of up to \$200,000,000 as seen in Attachment A; and

WHEREAS, the purpose of this Revised Authorization Resolution is to 1) update the titles of the authorized officers that negotiate, execute and deliver all necessary documents related to establishing the lines of credit as the President, Executive Vice President and Chief Operating Officer, or Vice President for Finance (collectively, the "Authorized Officers"); and 2) authorize further delegation for the maintenance, execution of transactions, and utilization of the lines of credit established by the Authorized Officers to the Assistant Vice President for Finance and Associate Treasurer, the Associate Vice President for Finance and University Controller, or the Treasury Analyst.

NOW, THEREFORE, BE IT RESOLVED, that the Board authorizes the President of the University, the Executive Vice President and Chief Operating Officer of the University, or the Vice President for Finance (collectively, the "Authorized Officers") to negotiate, execute, and deliver all certificates, documents, and instruments related to the Lines of Credit with one or more financial institutions. The Board authorizes the Authorized Officers to enter into extensions of and amendments to the Lines of Credit and new Lines of Credit with other financial institutions from time to time (including to increase the aggregate principal amount thereof), so long as such extensions and amendments and new Lines of Credit are not inconsistent with the intent of the Resolution approved in June 2018 and the aggregate principal amount of the Lines of Credit does not exceed the greater of (1) the amount authorized in paragraph (1) and (2) 45 days of operating expenditures of the University, based on the then Board-approved operating budget.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the Board authorizes further delegation for the maintenance, execution of transactions, and utilization of the lines of credit established by the Authorized Officers to the Assistant Vice President for Finance and Associate Treasurer, the Associate Vice President for Finance and University Controller, or the Treasury Analyst.

This Resolution shall take effect immediately upon adoption.

RECOMMENDATION:

That the Revised Authorizations for Resolution on University Lines of Credit be approved.

November 6, 2023

Resolution on University Lines of Credit**FINANCE AND RESOURCE MANAGEMENT COMMITTEE****May 5, 2018**

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

WHEREAS, by Chapter 10, Title 23.1 of the Virginia Code (the "Act"), the University entered into a management agreement with the Commonwealth of Virginia, which was enacted as Chapter 1 of Chapter 933 of the 2006 Virginia Acts of Assembly, as amended, pursuant to which the University is (a) classified as a public institution of higher education and (b) granted the authority, pursuant to the Act, to issue bonds, notes, or other obligations that are consistent with debt capacity and management policies and guidelines established by the Board and without (i) obtaining the consent of any legislative body, elected official, commission, board, bureau, political subdivision, or agency of the Commonwealth, (ii) the approval required by the provisions of Article 8 of Chapter 24 of Title 2.2 of the Virginia Code, or (iii) any regulation or procedure, including a review or approval procedure, adopted pursuant to Chapter 11 of Title 23.1 of the Virginia Code; and

WHEREAS, the Act further authorizes the University to provide for the payment of the principal of and the interest on such bonds, notes, or other obligations from any one or more of the following sources: (a) its revenues generally; (b) income and revenues derived from the operation, sale, or lease of a particular project or projects, whether or not they are financed or refinanced from the proceeds of such bonds, notes, or other obligations; (c) funds realized from the enforcement of security interests or other liens or obligations securing such bonds, notes, or other obligations; (d) proceeds from the sale of bonds, notes, or other obligations; (e) payments under letters of credit, policies of municipal bond insurance, guarantees, or other credit enhancements; (f) any reserve or sinking funds created to secure such payment; (g) accounts receivable of the University; or (h) other available funds of the University; and

WHEREAS, the University has determined that it would be in the best interest of the University to enter into one or more lines of credit (the "Lines of Credit") as a source of liquidity to support the general operations of the University; and

WHEREAS, it is anticipated that the Lines of Credit will (a) be revolving lines of credit, the principal amount of which may be borrowed, repaid, and re-borrowed and (b) be secured by the University's general revenue pledge and not be in any way a debt of the Commonwealth of Virginia (the "Commonwealth") and shall not create or constitute any indebtedness or obligation of the Commonwealth, either legal, moral, or otherwise; and

WHEREAS, the University has solicited proposals from various financial institutions to provide the Lines of Credit, including proposals from Branch Banking and Trust Company, The First Bank and Trust Company, and Wells Fargo Bank, National Association (collectively, the "Proposals"), the terms of which Proposals were presented to the Board; and

WHEREAS, under the terms of the Proposals, the University will enter into one or more credit agreements or similar agreements that set forth the terms and conditions of the applicable Line of Credit, in substantially the form presented to the Board (each a "Credit Agreement"); and

WHEREAS, to evidence its obligations under a Credit Agreement, the University will execute a promissory note in favor of the applicable financial institution, in substantially the form attached as an exhibit to the applicable Credit Agreement (each a "Note"); and

WHEREAS, the Board intends (a) to authorize the Lines of Credit, (b) approve the terms of the Proposals, the form of the Credit Agreement, which includes a form of the Note, and (c) take such other actions as are authorized in this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF VISITORS OF VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY:

1. Authorization of Credit. For the purpose of providing a source of back-up liquidity to support the general operations of the University, the Board authorizes the Lines of Credit in an aggregate principal amount of up to \$200,000,000. The Lines of Credit shall bear interest on a taxable basis, and the payment of principal of and interest on the Lines of Credit shall be from one or more of the sources authorized by the Act, all as more particularly described in the applicable Proposal and Credit Agreement. The Board hereby approves the terms of the Proposals, the form of the Credit Agreement and the form of the Note.

2. Delegation and Execution. The Board authorizes the President of the University, the Chief Financial Officer of the University, or the University Treasurer (collectively, the "Authorized Officers") to negotiate, execute, and deliver all certificates, documents, and instruments related to the Lines of Credit with one or more financial institutions; provided that the initial closing of all such Lines of Credit must occur on or before January 31, 2019. The final approval of the terms and conditions of the Lines of Credit and the final selection of the financial institutions shall be evidenced by the execution and delivery of the Credit Agreements by one or more Authorized Officers. The Board authorizes all University officers and staff to take such other actions as may be necessary or desirable in connection with entering into and maintaining the Lines of Credit. The Board authorizes the Authorized Officers to enter into extensions of and amendments to the Lines of Credit and new Lines of Credit with other financial institutions from time to time (including to increase the aggregate principal amount thereof), so long as such extensions and amendments and new Lines of Credit are not inconsistent with the intent of this Resolution and the aggregate principal amount of the Lines of Credit does not exceed the greater of

(1) the amount authorized in paragraph (1) and (2) 45 days of operating expenditures of the University, based on the then Board-approved operating budget.

3. Other Acts. All other acts of the Authorized Officers and other officers and staff of the University that are in conformity with the purpose and intent of this Resolution are hereby approved, ratified and confirmed.

4. Not a Debt of the Commonwealth. The Lines of Credit shall not be in any way a debt of the Commonwealth and shall not create or constitute any indebtedness or obligation of the Commonwealth, either legal, moral, or otherwise.

5. Effective Date. This Resolution shall take effect immediately upon adoption.

RECOMMENDATION:

That the resolution identifying the authorized officers; approving the terms of the proposals and the form of the credit agreement; authorizing the authorized officers to enter into extensions of, and amendments to, the lines of credit and new lines of credit so long as such extensions and amendments and new lines of credit are consistent with the intent of this resolution and do not exceed the greater of \$200 million or 45 days of operating expenditures, be approved.

June 4, 2018