

RESOLUTION OF THE
CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY
REGARDING ITS ISSUANCE OF A REVENUE BOND
AND THE LOAN OF THE PROCEEDS THEREOF TO
VIRGINIA WESLEYAN UNIVERSITY

WHEREAS, there has been described to the City of Virginia Beach Development Authority (the “Authority”) the plan of finance of Virginia Wesleyan University, a Virginia nonstock corporation (the “University”), whose address is 5817 Wesleyan Drive, Virginia Beach, Virginia 23455, for the issuance by the Authority of its tax-exempt revenue bond in the principal amount of up to \$10,000,000 (the “Bond”), to assist the University in (1) financing or refinancing all or a portion of the costs of acquiring, planning, designing, constructing, improving, renovating and/or equipping related to (a) the refurbishment of certain existing University buildings on the campus (which is located in and around the address stated above), including but not limited to roof and HVAC replacements and library and residence hall renovations, (b) the reconstruction of existing pavement surfaces on such campus, and (c) the acquisition of information technology systems and vehicles for use on such campus; and (2) financing amounts required for reserves, working capital, capitalized interest, costs of issuance and other financing expenses related to the issuance of the Bond (collectively, the “Plan of Finance”);

WHEREAS, the University has advised the Authority of its intention to proceed immediately with implementing the Plan of Finance and has provided to the Authority the form of a Bond Purchase and Loan Agreement (the “Loan Agreement”), among the Authority, the University and TowneBank, as lender (the “Lender”), together with the form of the Bond and the form of the University’s promissory note (the “Note”) payable to the Authority and the instrument of assignment thereof from the Authority to the Lender (collectively, the “Authority Documents”);

WHEREAS, a public hearing with respect to the Authority’s issuance of the Bond was properly noticed pursuant to the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2 of the Code of Virginia of 1950, as amended, as incorporated by Chapter 643 of the Acts of Assembly of 1964, as amended (collectively, the “Act”), and the Internal Revenue Code of 1986, as amended (the “Code”), and was held by the Authority on the date hereof prior to the adoption of this Resolution;

WHEREAS, representatives of the University have (a) represented that the University is an organization described in Section 501(c)(3) of the Code which is exempt from federal income taxation pursuant to Section 501(a) of the Code, for which the Authority may issue “qualified 501(c)(3) bonds” as defined in Section 145 of the Code, (b) described the benefits to be derived by residents of the City of Virginia Beach, Virginia (the “City”) from such issuance of the Bond, and (c) requested that the Authority agree to issue the Bond as a conduit issuer under the Act and to loan to the University the proceeds from the sale of the Bond to the Lender to assist the University in effecting the Plan of Finance;

WHEREAS, Section 147(f) of the Code provides that the highest elected governmental officials of the governmental units having jurisdiction over (a) the issuer of the private activity bonds and (b) the area where any facility financed with the proceeds of such bonds is located shall approve the issuance of such bonds;

WHEREAS, the Authority issues its bonds on behalf of the City and the members of the City Council of the City of Virginia Beach, Virginia (the “City Council”) constitute the highest elected government officials of the City; and

WHEREAS, the Act provides that the City Council shall within one (1) year from the public hearing with respect to any private activity bonds either approve or disapprove the issuance of such bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY:

1. It is hereby found and determined that the issuance of the Bond and the use of the proceeds thereof to undertake the Plan of Finance will serve the purposes of the Act by (a) promoting the safety, health, welfare, convenience and prosperity of the inhabitants of the City and the Commonwealth of Virginia by enhancing the ability of the University to support its academic mission, and (b) financing and refinancing “authority facilities” as defined in Section 15.2-4902 of the Act, namely, facilities for private, accredited and nonprofit institutions of collegiate education in the Commonwealth of Virginia whose primary purpose is to provide collegiate education and not to provide religious training or theological education, such facilities being for use as academic or administration buildings or any other structure or application usual and customary to a college campus other than chapels and their like.

2. The Bond shall be issued in an aggregate principal amount not to exceed \$10,000,000, shall have a maximum initial interest rate of not more than 8.0%, shall mature no later than twenty (20) years from its issuance, and shall be substantially in the form attached as an exhibit to the Loan Agreement and shall be issued upon the terms and conditions set forth in the Loan Agreement.

3. The Authority hereby recommends to the City Council that it approve the issuance of the Bond as required by the Code and the Act. The Authority hereby directs the Chair or Vice Chair of the Authority, either of whom may act, to submit to the City Council a reasonably detailed summary of the comments expressed at the public hearing held at this meeting as required by Section 15.2-4906 of the Act, and a copy of this Resolution.

4. The Chair or Vice Chair, either of whom may act, is hereby authorized and directed to execute and deliver the Authority Documents other than the Bond, in substantially the forms presented to the Authority, with such completions, omissions, insertions and changes as may be approved by the Chair or Vice Chair upon advice of counsel to the Authority, the execution thereof to constitute conclusive evidence of such approval.

5. The Chair or Vice Chair of the Authority is hereby authorized and directed to execute, the Secretary or Assistant Secretary is authorized and directed to affix and attest the seal of the Authority, and either is authorized and directed to deliver the Bond to the Lender upon the terms provided in the Authority Documents; provided, however, that delivery of the Bond shall not occur until the issuance of the Bond has been approved by the City Council.

6. The officers of the Authority are hereby authorized and directed to execute and deliver all certificates and instruments, including Internal Revenue Service Form 8038, and to take all such

further actions as they may consider necessary or desirable in connection with the issuance of the Bond and the undertaking of the Plan of Finance.

7. All fees, costs and expenses in connection with the Plan of Finance described herein, including the fees and expenses of the Authority and the fees and expenses of bond counsel, counsel for the Authority, counsel for the University and counsel for the Lender, shall be paid from the proceeds of the Bond to the extent permitted by law or from funds provided by the University. If for any reason the Bond is not issued, it is understood that all such fees and expenses shall be paid by the University and that the Authority shall have no responsibility therefor. If the Bond is issued, the University shall also pay to the Authority on each anniversary date of the issuance of the Bond an administrative fee equal to one-eighth of one percent (1/8 of 1%) of the then outstanding principal amount of the Bond.

8. The Bond shall be payable solely from the revenues, receipts and other funds provided by the University for payment of the Bond. The Bond shall not be deemed to constitute a debt or a pledge of the faith or credit of the Commonwealth of Virginia or any political subdivision thereof, including the Authority and the City, and neither the Commonwealth of Virginia nor any political subdivision thereof, including the Authority and the City, shall be obligated to pay the principal of, premium, if any, or interest on the Bond, or other costs incident thereto, except from the revenues, receipts and other funds provided by the University. Neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision thereof, including the Authority and the City, will be pledged to the payment of the principal of, premium, if any, or interest on the Bond or other costs incident thereto. The Authority has no taxing power. No covenant, condition or agreement contained in the Bond or in any financing instrument executed and delivered in connection with the Bond shall be deemed to be a covenant, agreement or obligation of any past, present or future commissioners, officer, employee or agent of the Authority in his or her individual capacity, and neither the commissioners of the Authority nor any officer or employee thereof executing the Bond or any other financing document or instrument shall be personally liable thereon or subject to any personal liability or accountability by reason of the issuance or execution thereof.

9. The Loan Agreement provides that the University shall indemnify and save harmless the Authority, its officers, commissioners, employees, agents and attorneys from and against all liabilities, obligations, claims, damages, penalties, fines, losses, costs and expenses in any way connected with the Bond.

10. The Authority's role in issuing the Bond shall not constitute an endorsement to any prospective owner of the Bond as to the creditworthiness of the University or an approval by the Authority of the University, its policies or its management.

11. The Authority hereby agrees to the recommendation of the Borrower that Kaufman & Canoles, a Professional Corporation, be appointed as bond counsel and hereby appoints such firm to supervise the proceedings and approve the issuance of the Bond.

12. All other acts of the officers of the Authority which are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bond are hereby ratified, approved and confirmed.

13. This Resolution shall take effect immediately upon its adoption and shall expire one year from the date of its adoption unless some or all of the Bond are issued within such time.

* * *

The undersigned hereby certifies that the above Resolution was duly adopted by the commissioners of the City of Virginia Beach Development Authority, at a meeting duly called and held on April 8, 2025, and that such Resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect on the date hereof.

Dated: April 08, 2025



Assistant Secretary, City of Virginia
Beach Development Authority

APPROVED AS TO CONTENT:



Economic Development

APPROVED AS TO LEGAL SUFFICIENCY



City Attorney