



## Virginia Commonwealth University Board of Visitors Retreat

### Minutes

Date: April 15, 2013  
Time: 8:30 a.m. – 4:30 p.m.  
Location: Kingsmill Resort, Williamsburg, Virginia  
Tazwell Room

Present: Dr. John C. Doswell II, Rector  
Dr. Kamlesh N. Dave  
Mr. Thomas F. Farrell II  
Mr. Michael D. Fraizer  
Mrs. Kay Coles James  
Mrs. Teresa H. Carlson  
Mr. William M. Ginther, Vice Rector  
Dr. Robert H. Holsworth  
Ms. Lillian L. Lambert  
Mr. Alexander B. McMurtrie, Jr.  
Mr. William A. Royall, Jr.  
Mr. Stuart C. Siegel  
Ms. Jacquelyn E. Stone  
Dr. Michael Rao  
Staff from VCU and VCUHS

Unavailable: Dr. W. Baxter Perkinson, Jr.  
Mr. John A. Luke, Jr.  
Mr. Sudhakar Shenoy

The meeting was called to order at 8:35 a.m. The Rector welcomed everyone to the meeting.

The Report of the President was presented. The primary focus of governance was outlined along with the some of the achievements and challenges.

On motion made and seconded the following priority agenda action items were approved:

1. The Resolution Authorizing the Financing of the Richmond Glass Property was presented for approval.

**RESOLUTION**  
**BOARD OF VISITORS**  
**VIRGINIA COMMONWEALTH UNIVERSITY**  
**(RICHMOND GLASS PROPERTY)**

**Recitals**

A. Virginia Commonwealth University (the “University”) and the Virginia Commonwealth University Real Estate Foundation (the “Foundation”) have developed plans to acquire, renovate, equip and furnish (1) a two-story, approximately 18,000 square foot building constructed circa 1907 and (2) a multi-bay garage and two warehouses, to provide space for the University’s School of Arts (collectively, the “Project”).

B. The Board of Visitors of the University has determined to finance the Project through the issuance of one or more series of general revenue pledge bonds of the University (the “Bonds”).

C. The Project will be constructed and owned by the Foundation and the Foundation and the University expect to enter into a Financing and Support Agreement obligating the Foundation to pay debt service on the Bonds from the revenues of the Project in a manner substantially identical to previous financings where a project used by the University is owned by a related Foundation.

D. It is in the interest of the University to have the option of selling the Bonds in one or more series, either in combination with other general revenue pledge bonds of the University or alone, either through a private placement with a financial institution, a competitive public sale or a negotiated public sale with one or more underwriters.

E. There has been presented to the Board of Visitors a plan of finance describing the proposed issuance of the Bonds and related undertakings and various options under consideration.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF VISITORS OF VIRGINIA COMMONWEALTH UNIVERSITY:

1. The Board of Visitors (the “Board”) approves the plan of finance presented and authorizes the issuance and delivery of the Bonds as General Revenue Pledge Bonds. To accomplish such issuance, the Board of Visitors hereby adopts and authorizes the execution and delivery of a bond resolution or resolutions (the “Bond Resolution”) in substantially the form utilized in previous issuances of General Revenue Pledge Bonds by the University with such changes and additions as may be approved by any Designated Officer consistent with prior practice of the University so that the Bond Resolution may reflect the final terms and conditions of the Bonds. Each Designated Officer is

authorized to approve the final form of the Bond Resolution and to evidence such approval in writing.

2. The Designated Officers shall be the University's (a) President, (b) Vice President for Finance and Administration and (c) Associate Vice President for Finance and Administration. Any Designated Officer may undertake any of the actions and give any of the approvals authorized in this Resolution.

3. The final terms and forms of the Bonds, including maturities, interest rates and redemption provisions, shall be as approved by a Designated Officer; provided that the principal amount of the Bonds shall not exceed \$8,200,000, the final maturity shall not be later than December 31, 2044, no redemption price may exceed 102%, and, if the Bonds bear interest at a fixed rate, the true interest cost thereon shall not exceed 5.5%.

4. The Board hereby approves the following terms for the sale of the Bonds:

(a) The Bonds shall be sold in one or more series, separately or together, through a private placement, a competitive sale or a negotiated sale as any Designated Officer, in collaboration with Public Financial Management, the University's financial advisor (the "Financial Advisor"), determines to be in the best interests of the University. Any Designated Officer, in collaboration with the Financial Advisor, is authorized and directed to determine, subject to Section 3, the aggregate principal amount of the Bonds and their dated date, the interest rates, maturity schedule and optional redemption provisions, and the price to be paid for the Bonds by the purchaser or underwriter (as applicable), all as any Designated Officer determines to be in the best interests of the University.

(b) If any Designated Officer determines to sell the Bonds (or portion thereof) in a private placement, such Designated Officer is hereby authorized, in collaboration with the Financial Advisor, to choose one or more financial institutions as the purchaser of the Bonds and to negotiate with such financial institution the final terms of the Bonds, subject to the limitations set forth in Section 3.

(c) If any Designated Officer determines to sell the Bonds (or a portion thereof) in a competitive sale, such Designated Officer is hereby authorized to receive bids for such Bonds and award such Bonds to the bidder providing the lowest “true” or “Canadian” interest cost, subject to the limitations set forth in Section 3. Following a competitive sale, the applicable Designated Officer shall file a certificate with the Secretary of the Board setting forth the final terms of such Bonds. The actions of any Designated Officer in selling the Bonds in a competitive sale shall be conclusive, and no further action with respect to the sale and issuance of the Bonds shall be necessary on the part of the Board.

(d) If any Designated Officer determines to sell the Bonds (or portion thereof) in a negotiated sale, such Designated Officer is hereby authorized, in collaboration with the Financial Advisor, to choose one or more investment banks or firms to serve as the underwriter for the Bonds and to negotiate with such underwriter the final terms of the Bonds, subject to the limitations set forth in Section 3. The Designated Officers are hereby authorized to execute and deliver to the underwriter a bond purchase agreement (the “Bond Purchase Agreement”) setting forth the final terms of such Bonds. Following a negotiated sale, the applicable Designated Officer shall file a copy of the Bond Purchase Agreement with the Secretary of the Board. The actions of any Designated

Officer in selling the Bonds in a negotiated sale shall be conclusive, and no further action with respect to the sale and issuance of the Bonds shall be necessary on the part of the Board.

5. If the Bonds are sold by competitive bid, the officers of the University, in collaboration with the Financial Advisor, are authorized and directed to take all proper steps to advertise the Bonds for sale in accordance with a notice of sale containing terms consistent with this Resolution and as otherwise approved by a Designated Officer.

6. If the Bonds are sold through a public offering, the officers of the University are hereby authorized to prepare, in collaboration with the Financial Advisor and the University's counsel, an Official Statement of the University (the "Official Statement") in preliminary and final forms. The Designated Officers are hereby authorized and directed to execute the Official Statement in final form and deliver it to the purchasers of the Bonds. The officers of the University shall arrange for the delivery to the underwriter of the Bonds of a reasonable number of copies of the final Official Statement, within seven business days after the Bonds have been sold, for delivery to each potential investor requesting a copy of the Official Statement and to each person to whom the underwriter initially sells any Bond. The Designated Officers are hereby authorized, on behalf of the University, to deem each of the preliminary Official Statement and the final Official Statement to be "final" as of its respective date within the meaning of Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission, except for the omission from the preliminary Official Statement of certain pricing and other information permitted to be omitted pursuant to the Rule. The distribution of the preliminary Official Statement and

the execution of the final Official Statement by any Designated Officer shall be conclusive evidence that each has been deemed “final” as of its date by the University.

7. If the Bonds are sold through a public offering, the Designated Officers are hereby authorized and directed to execute a continuing disclosure agreement (the “Continuing Disclosure Agreement”) setting forth the reports and notices to be filed by the University and containing such covenants as may be necessary to assist the underwriter(s), if any, in complying with the provisions of the Rule. The Continuing Disclosure Agreement shall be in a form approved by any Designated Officer.

8. The officers of the University are authorized to execute and deliver (a) lease and similar agreements under which the University will have use of space in the Project in return for payments appropriate to permit the Foundation to have adequate revenues for payments of the Bonds and (b) a Financing and Support Agreement with the Foundation providing for the construction of the Project by the Foundation and obligating the Foundation to pay debt service on the Bonds.

9. The officers of the University are authorized and directed to hold a public hearing after public notice with respect to the issuance of the Bonds as required by Section 147 of the Internal Revenue Code of 1986 (the “Code”) and to forward the report of such hearing to the Governor of the Commonwealth with a request that the Governor give the approval of the issuance of the Bonds as required by Section 147 of the Code.

10. The Designated Officers and all other officers of the University are authorized to take all steps necessary or desirable in connection with the issuance of the Bonds,

including the execution of certificates and agreements with respect to preserving the tax-exempt status of the Bonds.

2. The Resolution Authorizing the Financing of the West Grace Street Office Building was presented for approval.

**RESOLUTION**  
**BOARD OF VISITORS**  
**VIRGINIA COMMONWEALTH UNIVERSITY**  
**(WEST GRACE STREET OFFICE BUILDING)**

**Recitals**

A. Virginia Commonwealth University (the “University”) and the Virginia Commonwealth University Real Estate Foundation (the “Foundation”) have developed plans to acquire, construct, equip and furnish approximately 60,000 square feet of office space, 7,700 square feet of retail space, and underground parking to provide office space to the University as well as retail space for lease by the Foundation to retail establishments (collectively, the “Project”).

B. The Board of Visitors of the University has determined to finance the Project through the issuance of one or more series of general revenue pledge bonds of the University (the “Bonds”).

C. The Project will be constructed and owned by the Foundation and the Foundation and the University expect to enter into a Financing and Support Agreement obligating the Foundation to pay debt service on the Bonds from the revenues of the Project in a manner substantially identical to previous financings where a project used by the University is owned by a related Foundation.

D. It is in the interest of the University to have the option of selling the Bonds in one or more series, either in combination with other general revenue pledge bonds of the University or alone, either through a private placement with a financial institution, a competitive public sale or a negotiated public sale with one or more underwriters.

E. There has been presented to the Board of Visitors a plan of finance describing the proposed issuance of the Bonds and related undertakings and various options under consideration.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF VISITORS OF VIRGINIA COMMONWEALTH UNIVERSITY:

1. The Board of Visitors (the “Board”) approves the plan of finance presented and authorizes the issuance and delivery of the Bonds as General Revenue Pledge Bonds. To accomplish such issuance, the Board of Visitors hereby adopts and authorizes the execution and delivery of a bond resolution or resolutions (the “Bond Resolution”) in substantially the form utilized in previous issuances of General Revenue Pledge Bonds by the University with such changes and additions as may be approved by any Designated Officer consistent with prior practice of the University so that the Bond Resolution may reflect the final terms and conditions of the Bonds. Each Designated Officer is

authorized to approve the final form of the Bond Resolution and to evidence such approval in writing.

2. The Designated Officers shall be the University's (a) President, (b) Vice President for Finance and Administration and (c) Associate Vice President for Finance and Administration. Any Designated Officer may undertake any of the actions and give any of the approvals authorized in this Resolution.

3. The final terms and forms of the Bonds, including maturities, interest rates and redemption provisions, shall be as approved by a Designated Officer; provided that the principal amount of the Bonds shall not exceed \$15,000,000, the final maturity shall not be later than December 31, 2044, no redemption price may exceed 102%, and, if the Bonds bear interest at a fixed rate, the true interest cost thereon shall not exceed 5.5%.

4. The Board hereby approves the following terms for the sale of the Bonds:

(a) The Bonds shall be sold in one or more series, separately or together, through a private placement, a competitive sale or a negotiated sale as any Designated Officer, in collaboration with Public Financial Management, the University's financial advisor (the "Financial Advisor"), determines to be in the best interests of the University. Any Designated Officer, in collaboration with the Financial Advisor, is authorized and directed to determine, subject to Section 3, the aggregate principal amount of the Bonds and their dated date, the interest rates, maturity schedule and optional redemption provisions, and the price to be paid for the Bonds by the purchaser or underwriter (as applicable), all as any Designated Officer determines to be in the best interests of the University.

(b) If any Designated Officer determines to sell the Bonds (or portion thereof) in a private placement, such Designated Officer is hereby authorized, in collaboration with the Financial Advisor, to choose one or more financial institutions as the purchaser of the Bonds and to negotiate with such financial institution the final terms of the Bonds, subject to the limitations set forth in Section 3.

(c) If any Designated Officer determines to sell the Bonds (or a portion thereof) in a competitive sale, such Designated Officer is hereby authorized to receive bids for such Bonds and award such Bonds to the bidder providing the lowest “true” or “Canadian” interest cost, subject to the limitations set forth in Section 3. Following a competitive sale, the applicable Designated Officer shall file a certificate with the Secretary of the Board setting forth the final terms of such Bonds. The actions of any Designated Officer in selling the Bonds in a competitive sale shall be conclusive, and no further action with respect to the sale and issuance of the Bonds shall be necessary on the part of the Board.

(d) If any Designated Officer determines to sell the Bonds (or portion thereof) in a negotiated sale, such Designated Officer is hereby authorized, in collaboration with the Financial Advisor, to choose one or more investment banks or firms to serve as the underwriter for the Bonds and to negotiate with such underwriter the final terms of the Bonds, subject to the limitations set forth in Section 3. The Designated Officers are hereby authorized to execute and deliver to the underwriter a bond purchase agreement (the “Bond Purchase Agreement”) setting forth the final terms of such Bonds. Following a negotiated sale, the applicable Designated Officer shall file a copy of the Bond Purchase Agreement with the Secretary of the Board. The actions of any Designated

Officer in selling the Bonds in a negotiated sale shall be conclusive, and no further action with respect to the sale and issuance of the Bonds shall be necessary on the part of the Board.

5. If the Bonds are sold by competitive bid, the officers of the University, in collaboration with the Financial Advisor, are authorized and directed to take all proper steps to advertise the Bonds for sale in accordance with a notice of sale containing terms consistent with this Resolution and as otherwise approved by a Designated Officer.

6. If the Bonds are sold through a public offering, the officers of the University are hereby authorized to prepare, in collaboration with the Financial Advisor and the University's counsel, an Official Statement of the University (the "Official Statement") in preliminary and final forms. The Designated Officers are hereby authorized and directed to execute the Official Statement in final form and deliver it to the purchasers of the Bonds. The officers of the University shall arrange for the delivery to the underwriter of the Bonds of a reasonable number of copies of the final Official Statement, within seven business days after the Bonds have been sold, for delivery to each potential investor requesting a copy of the Official Statement and to each person to whom the underwriter initially sells any Bond. The Designated Officers are hereby authorized, on behalf of the University, to deem each of the preliminary Official Statement and the final Official Statement to be "final" as of its respective date within the meaning of Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission, except for the omission from the preliminary Official Statement of certain pricing and other information permitted to be omitted pursuant to the Rule. The distribution of the preliminary Official Statement and

the execution of the final Official Statement by any Designated Officer shall be conclusive evidence that each has been deemed “final” as of its date by the University.

7. If the Bonds are sold through a public offering, the Designated Officers are hereby authorized and directed to execute a continuing disclosure agreement (the “Continuing Disclosure Agreement”) setting forth the reports and notices to be filed by the University and containing such covenants as may be necessary to assist the underwriter(s), if any, in complying with the provisions of the Rule. The Continuing Disclosure Agreement shall be in a form approved by any Designated Officer.

8. The officers of the University are authorized to execute and deliver (a) lease and similar agreements under which the University will have use of space in the Project in return for payments appropriate to permit the Foundation to have adequate revenues for payments of the Bonds and (b) a Financing and Support Agreement with the Foundation providing for the construction of the Project by the Foundation and obligating the Foundation to pay debt service on the Bonds.

9. The officers of the University are authorized and directed to hold a public hearing after public notice with respect to the issuance of the Bonds as required by Section 147 of the Internal Revenue Code of 1986 (the “Code”) and to forward the report of such hearing to the Governor of the Commonwealth with a request that the Governor give the approval of the issuance of the Bonds as required by Section 147 of the Code.

10. The Designated Officers and all other officers of the University are authorized to take all steps necessary or desirable in connection with the issuance of the Bonds,

including the execution of certificates and agreements with respect to preserving the tax-exempt status of the Bonds.

3. The Amended BOV Bylaws and Committee Structure were presented for approval with two noted changes. In the BOV Bylaws, section 3.02 appointments, “in consultation with Rector-Elect” would be added. In the Bylaws standing committee’s Risk would be replaced with Integrity and the official name would be Audit, Integrity and Compliance Committee.

Dr. Doswell presented the appointment of the following Committee Chairs:

Academic and Health Affairs Committee: Mrs. Kay Coles James

Audit, Integrity and Compliance Committee: Mr. John A. Luke, Jr.

University Resources Committee: Ms. Jacquelyn E. Stone

Finance, Budget and Investments Committee: Mr. Thomas F. Farrell II

Governance and Compensation Committee: To be determined

Nominating Committee: To be determined

On motion made and seconded, the Board convened into closed session to discuss certain personnel matters and matters relating to the appointment, promotion, performance and salaries of identifiable employees and faculty of VCU, including the Faculty Appointments and Changes in Status and other Personnel Actions and to discuss matters relating to gifts, bequests, and fund-raising activities, including consideration of the Named Funds Report and an update on the development activities, as authorized as authorized by Section 2.2-3711 A(1) and A(8) of the Virginia Freedom of Information Act.

Following closed session, on motion made and seconded, the following resolution was approved by roll call vote:

The Chair will entertain a motion of certification that the Board of Visitors of Virginia Commonwealth University hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed session meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed session meeting were heard, discussed or considered by the Board of Visitors of Virginia Commonwealth University.

<u>Roll Call Vote</u>	<u>Ayes</u>	<u>Nays</u>
Dr. John C. Doswell II	X	
Mrs. Teresa H. Carlson	X	
Dr. Kamlesh N. Dave	X	
Mr. Thomas F. Farrell II	X	
Mr. Michael D. Fraizer	X	
Mr. William M. Ginther	X	
Dr. Robert H. Holsworth	X	
Mrs. Kay Coles James	X	
Ms. Lillian L. Lambert	X	
Mr. John A. Luke, Jr.	absent	
Mr. Alexander B. McMurtrie, Jr.	X	
Dr. W. Baxter Perkinson, Jr.	absent	
Mr. William A. Royall, Jr.	X	
Mr. Sudhakar V. Shenoy	absent	
Mr. Stuart C. Siegel	X	
Ms. Jacquelyn E. Stone	X	

Vote:

Ayes: 13

Nays: 0

ABSENT DURING MEETING: 3

ABSENT DURING VOTING: 3

On motion made and seconded, the following items were approved:

- Approve the Appointment of Mr. Burke as the– Executive Director, VCU Foundation and Associate Vice President for Development and Alumni Relations to Executive Director, VCU Foundation and Interim Vice President for Development and Alumni Relations on a Temporary Basis Effective 03/10/2013 with a Salary of \$193,451 – Proposed End Date 06/24/2013
- Approve the renaming of the Herbert T. Watson fund to the Herbert T. Watson professorship.

The following priority agenda information items were presented:

- Committee Review by Dr. Steve Portch
- Committee Chairs by Dr. Steve Portch
- Committee Goal Setting by Dr. Steve Portch
- Board Profile/Operations by Dr. Steve Portch
- VCU Health System Orientation by Dr. Sheldon Retchin

The meeting was adjourned at 4:17 p.m.