

June 10, 2025

City Council of the City of Harrisonburg, Virginia
409 S. Main Street
Harrisonburg, Virginia

**Economic Development Authority of the City of Harrisonburg, Virginia
Approval of Proposed Revenue Bond Financing
for Eastern Mennonite University**

Eastern Mennonite University, a Virginia nonstock corporation (the "Organization"), whose principal place of business is 1200 Park Road, Harrisonburg, Virginia 22802, has requested that the Economic Development Authority of the City of Harrisonburg, Virginia (the "Authority") issue up to \$30,000,000 of the Authority's revenue bonds, in one or more tax-exempt or taxable series at one time or from time to time (the "Bonds").

The Authority will loan the proceeds of the Bonds to the Organization to finance and refinance all or a portion of the costs associated with the projects described below:

(1) the financing of certain capital improvements at the Organization's main campus, which consists of approximately 97 total acres with a street address of 1200 Park Road, Harrisonburg, Virginia 22802 (the "Main Campus"), including but not limited to, (a) renovating, replacing and installing new HVAC, roofs, plumbing, electrical, (b) expansion, renovation and equipping of dining facilities, (c) expansion, renovation, and equipping of various academic buildings, dormitories and athletic facilities and (d) construction, installation and equipping of a new approximately 6,000 square foot academic building (the "New Money Projects");

(2) the refinancing of certain indebtedness incurred for the acquisition, improvement, installation and equipping of certain capital improvements at the Main Campus, including renovations to the University Commons building, track and field and athletic facility improvements;

(3) the refunding of the outstanding principal amount of the Industrial Development Authority of the Town of Broadway, Virginia Educational Facilities Revenue Bond (Eastern Mennonite University), Series 2008 (Bank Qualified) (the "Series 2008 Bond"), that originally financed (a) the demolishing of Oakwood Hall and acquisition, construction and equipping of a new residence hall on the Main Campus to replace Oakwood Hall, (b) the renovation, construction, reconstruction, expansion and equipping of existing residence halls, including Elmwood Hall, Maplewood Hall, and Parkwood Apartments, (c) the refunding in full of those certain \$6,870,000 Industrial Development Authority of the Town of Bridgewater, Virginia, Higher Education Facilities Revenue Refunding Bonds (Eastern Mennonite University), Series 1998 (Bank Qualified), (d) the refunding in full of existing obligations of the Organization on the purchase

money loans that financed the acquisition of the President's residence, and (e) the costs of issuance and other costs incident to the issuance of the Series 2008 Bond;

(4) the refunding of the outstanding principal amount of the Industrial Development Authority of the Town of Broadway, Virginia Educational Facilities Revenue Bond (Eastern Mennonite University), Series 2010 (Bank Qualified) (the "Series 2010 Bond"), that originally financed (a) the renovation, construction, reconstruction, expansion and equipping of existing residence halls at the Main Campus, including Elmwood and Maplewood Halls, and (b) the costs of issuance and other costs incident to the issuance of the Series 2010 Bond;

(5) the refunding of the outstanding principal amount of the Virginia Small Business Financing Authority Taxable Qualified Energy Conservation Bond (Direct Pay) (Virginia SAVES Green Community Program – Eastern Mennonite University Project), Series 2016 (the "Series 2016 Bond"), that originally financed (a) the acquisition, development, construction, installation and equipping of energy efficiency improvements and related infrastructure at various facilities on the Main Campus and (b) the costs of issuance and other costs incident to the issuance of the Series 2016 Bond; and

(6) the financing of amounts required for reserves, costs of issuance, capitalized interest, working capital and other financing expenses related to the issuance of the Bonds (collectively (1) through (6), the "Plan of Finance").

As set forth in the inducement resolution of the Authority attached hereto (the "Resolution"), the Authority has provided initial approval of the Bonds. The Authority has conducted a public hearing on the Plan of Finance and has recommended that you approve the Plan of Finance and the issuance of the Bonds by the Authority as required by Section 147(f) of the Internal Revenue Code of 1986, as amended, and Section 15.2-4906 of the Code of Virginia of 1950, as amended (the "Virginia Code").

Attached hereto is (1) a certificate evidencing (A) the conduct of the public hearing, and (B) the resolution adopted by the Authority regarding the Plan of Finance, and (2) the form of resolution suggested to evidence your approval.

Secretary, Economic Development Authority of the
City of Harrisonburg, Virginia

CERTIFICATE

The undersigned Secretary of the Economic Development Authority of the City of Harrisonburg, Virginia (the "Authority"), hereby certifies as follows:

1. A meeting of the Authority was duly called and held on Tuesday, June 10, 2025, at 12:30 p.m. before the Authority, at 409 S. Main Street, Harrisonburg, Virginia 22801, pursuant to proper notice given to each Director of the Authority before such meeting. The meeting was open to the public. The time of the meeting and the place at which the meeting was held provided a reasonable opportunity for persons of differing views to appear and be heard.

2. The Chair announced the commencement of a public hearing on the request of Eastern Mennonite University, a Virginia nonstock corporation organized under the laws of the Commonwealth of Virginia, and that a notice of the hearing was published once in a newspaper having general circulation in the City of Harrisonburg, Virginia (the "Notice"), with the publication appearing not less than seven days prior to the hearing date. A copy of the Notice has been filed with the minutes of the Authority and is attached as **Exhibit A**.

3. A summary of the statements made at the public hearing is attached as **Exhibit B**.

4. Attached as **Exhibit C** is a true, correct and complete copy of the inducement resolution (the "Resolution") adopted at such meeting of the Authority by a majority of the Directors present at such meeting. The Resolution constitutes all formal action taken by the Authority at such meeting relating to matters referred to in the Resolution. The Resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on this date.

WITNESS my hand and the seal of the Authority, as of June 10, 2025.

Secretary, Economic Development Authority of the
City of Harrisonburg, Virginia

[SEAL]

Exhibits:

A – Notice of Public Hearing
B – Summary of Statements
C – Inducement Resolution

EXHIBIT A

NOTICE OF PUBLIC HEARING

(See Attached)

EXHIBIT B

SUMMARY OF STATEMENTS

[[[Representatives of Eastern Mennonite University and McGuireWoods LLP appeared before the Authority to describe the project and the proposed bond issue. No one appeared in opposition to the proposed bond issue.]]]

EXHIBIT C
INDUCEMENT RESOLUTION

(See Attached)

[Proposed form of City Council Resolution]

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HARRISONBURG,
VIRGINIA REGARDING THE APPROVAL OF ISSUANCE OF BONDS BY THE
ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF HARRISONBURG,
VIRGINIA FOR THE BENEFIT OF EASTERN MENNONITE UNIVERSITY**

WHEREAS, the Economic Development Authority of the City of Harrisonburg, Virginia (the "Authority") is empowered by the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2 of the Code of Virginia of 1950, as amended (the "Act") issue its revenue bonds to finance facilities for the Commonwealth of Virginia (the "Commonwealth") and its agencies, and governmental and nonprofit organizations to promote the health, welfare, convenience or prosperity of the Commonwealth's inhabitants, that are exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), thereby promoting the safety, health, welfare, convenience, and prosperity of the residents of the Commonwealth;

WHEREAS, the Authority has approved the application of Eastern Mennonite University, a Virginia nonstock corporation (the "Organization"), whose primary business address is 1200 Park Road, Harrisonburg, Virginia 22802, requesting that the Authority issue up to \$30,000,000 of its revenue bonds in one or more tax-exempt or taxable series at one time or from time to time (the "Bonds");

WHEREAS, the Authority will loan the proceeds of the Bonds to the Organization to finance and refinance all or a portion of the costs associated with the projects described below:

(1) the financing of certain capital improvements at the Organization's main campus, which consists of approximately 97 total acres with a street address of 1200 Park Road, Harrisonburg, Virginia 22802 (the "Main Campus"), including but not limited to, (a) renovating, replacing and installing new HVAC, roofs, plumbing, electrical, (b) expansion, renovation and equipping of dining facilities, (c) expansion, renovation, and equipping of various academic buildings, dormitories and athletic facilities and (d) construction, installation and equipping of a new approximately 6,000 square foot academic building (the "New Money Projects");

(2) the refinancing of certain indebtedness incurred for the acquisition, improvement, installation and equipping of certain capital improvements at the Main Campus, including renovations to the University Commons building, track and field and athletic facility improvements;

(3) the refunding of the outstanding principal amount of the Industrial Development Authority of the Town of Broadway, Virginia Educational Facilities Revenue Bond (Eastern Mennonite University), Series 2008 (Bank Qualified) (the "Series 2008 Bond"), that originally financed (a) the demolishing of Oakwood Hall and acquisition, construction and equipping of a new residence hall on the Main Campus to replace Oakwood Hall, (b) the renovation, construction, reconstruction, expansion and equipping of existing residence halls, including Elmwood Hall, Maplewood Hall, and Parkwood Apartments, (c) the refunding in full of those certain \$6,870,000 Industrial Development Authority of the Town of Bridgewater, Virginia, Higher Education Facilities Revenue Refunding Bonds (Eastern Mennonite University), Series 1998 (Bank

Qualified), (d) the refunding in full of existing obligations of the Organization on the purchase money loans that financed the acquisition of the President's residence, and (e) the costs of issuance and other costs incident to the issuance of the Series 2008 Bond;

(4) the refunding of the outstanding principal amount of the Industrial Development Authority of the Town of Broadway, Virginia Educational Facilities Revenue Bond (Eastern Mennonite University), Series 2010 (Bank Qualified) (the "Series 2010 Bond"), that originally financed (a) the renovation, construction, reconstruction, expansion and equipping of existing residence halls at the Main Campus, including Elmwood and Maplewood Halls, and (b) the costs of issuance and other costs incident to the issuance of the Series 2010 Bond;

(5) the refunding of the outstanding principal amount of the Virginia Small Business Financing Authority Taxable Qualified Energy Conservation Bond (Direct Pay) (Virginia SAVES Green Community Program – Eastern Mennonite University Project), Series 2016 (the "Series 2016 Bond"), that originally financed (a) the acquisition, development, construction, installation and equipping of energy efficiency improvements and related infrastructure at various facilities on the Main Campus and (b) the costs of issuance and other costs incident to the issuance of the Series 2016 Bond; and

(6) the financing of amounts required for reserves, costs of issuance, capitalized interest, working capital and other financing expenses related to the issuance of the Bonds (collectively (1) through (6), the "Plan of Finance");

WHEREAS, following notice given as required by Section 147(f) of the Code and Section 15.2-4906 of the Act, the Authority held a public hearing on June 10, 2025, regarding the Plan of Finance and issuance of the Bonds as required by Section 147(f) of the Code and Section 15.2-4906 of the Act;

WHEREAS, Section 147(f) of the Code provides that the governmental unit having jurisdiction over the issuer of private activity bonds and over the area in which any facility financed with the proceeds of private activity bonds is located must approve the issuance of the bonds and Section 15.2-4906 of the Act sets forth the procedure for such approval;

WHEREAS, the Authority issues its bonds on behalf of the City of Harrisonburg, Virginia (the "City"), and the facilities to be financed and refinanced with the proceeds of the Bonds are located in the City and the City Council of the City (the "City Council"), constitutes the highest elected governmental unit of the City;

WHEREAS, in accordance with Section 15.2-4906 of the Act, the Authority has recommended that the City Council approve the Plan of Finance and the issuance of the Bonds, solely to the extent required by Section 147(f) of the Code and Section 15.2-4906 of the Act; and

WHEREAS, a copy of the Authority's inducement resolution approving the issuance of the Bonds, subject to the terms to be agreed upon, and a certificate of the public hearing have been filed with the City Council.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HARRISONBURG, VIRGINIA AS FOLLOWS:

1. Subject to paragraph (2) below, the City Council hereby approves the issuance of the Bonds, in one or more tax-exempt or taxable series from time to time, in an aggregate principal amount up to \$30,000,000, by the Authority for the benefit of the Organization, solely to the extent required by Section 147(f) of the Code and Section 15.2-4906 of the Act, to permit the Authority to assist in accomplishing the Plan of Finance.

2. The approval of the issuance of the Bonds by the City Council does not constitute an endorsement to a prospective purchaser of the Bonds of the creditworthiness of the Plan of Finance or the Organization, the economic viability of the facilities to be financed or refinanced as part of the Plan of Finance, or any other matters relating to the Bonds, the facilities to be financed or refinanced with the proceeds of the Bonds, or the Plan of Finance. The Bonds shall not constitute a debt, liability or obligation of the City. In accordance with the Act, the Bonds shall not be deemed to constitute a debt or a pledge of the faith and credit or taxing power of the Commonwealth or any political subdivision thereof, including the Authority and the City. The Bonds shall provide that neither the Commonwealth, nor any political subdivision thereof, including the City and the Authority, shall be obligated to pay the principal of or interest on the Bonds or other costs incident thereto except from the revenues and moneys pledged therefor by the Organization.

3. This resolution shall take effect immediately upon its adoption.

[SEAL]

Clerk, City Council, City of Harrisonburg, Virginia