



Budget and Finance Committee

March 8, 2023

Minutes

The meeting was called to order at 9:04 a.m. by Governor Barnhill in the Student Center Ballroom. Secretary Miller called the roll. A quorum was present.

Committee Members Present: Governors Barnhill, Gaffney, Kelly, Kumar and Stancato; Linda Beale, Faculty Representative and Jane Fitzgibbon, Faculty Alternate Representative; Ibrahim Ahmad, Student Representative and Cordelia Krawjewski, Student Alternate Representative

Also Present: Governors Atkinson, Busuito, Land; and President Wilson; Provost Kornbluh, Vice Presidents Ezzeddine, Lindsey, Massaron, Poterala, Ripple, Schweitzer, Stemmler, and Wright; and Secretary Miller

APPROVAL OF MINUTES, JANUARY 26, 2023

ACTION: Upon motion made by Governor Kelly and supported by Governor Stancato, the minutes of the January 26, 2023, Budget and Finance Committee were approved as presented. The motion carried.

CONTINGENCY RESERVE

The contingency reserve had no activity to report.

AUTHORIZATION FOR GRANT AGREEMENT AUTHORIZATION TO SELL BONDS

Governor Barnhill asked VP Massaron for a report on the next two items for consideration. VP Massaron began with a short summary of information on these two items that had been discussed in recent meetings, which are being brought forward for action today. He added that there is some urgency in moving forward now to authorize the grant agreement, because the State is in the process of finishing the budget for this year and if those funds remain available to the State, they could be reallocated to be used in the next fiscal year. He confirmed that the administration has committed to providing regular project updates on the new building to the board. Work has begun with the Provost, VPR and the Dean of the Medical School to determine project scope, sizing, and they will shortly be taking the first steps with consultants for work on the final design, and in the selection of the architect and construction firm.

With no further questions from the committee, Governor Barnhill asked for one motion to consider both the Authorization for Grant Agreement and the Authorization to Sell Bonds, together. The following action was then taken:

ACTION: Upon motion made by Governor Kumar and supported by Professor Beale, the Budget and Finance Committee recommended that the Board of Governors:

1. Authorize the grant agreement between the State of Michigan Department of Labor and Economic Opportunity and Wayne State University for the receipt of a grant totaling \$100,000,000 in capital funding from the State of Michigan included in Public Act 166 of 2022 for a facility dedicated to medical education, cancer research, and community health;
2. Adopt the Resolution (included at the end of these minutes) authorizing the issuance of Wayne State University tax-exempt General Revenue Bonds in the aggregate principal amount necessary to produce proceeds of \$150 million for new money projects plus the amount necessary to accomplish any refunding transaction depending on market conditions at the time of pricing. At least \$100 million of bond proceeds will be combined with the \$100 million the University is scheduled to receive from the State of Michigan as part of the one-time capital funding included in Public Act 166 of 2022. The bond proceeds will be used to fund a portion of the cost of the School of Medicine & Karmanos Cancer Institute building project, in addition to other campus building and infrastructure projects, including, but not limited to roof replacements; elevator and HVAC systems upgrades; and road, walkway and parking improvements. The bond issuance will have a term of up to 36 years. The administration is committed to continued efforts to pursue philanthropic and other funding for the School of Medicine & Karmanos Cancer Institute building project, and in the event sufficient funds are raised, will reduce the amount of bond proceeds allocated to this project.

The motion carried.

FIVE-YEAR CAPITAL RENEWAL PLAN

VP Massaron advised that the purpose of the renewal plan is to provide an answer to the question of how capital project decisions are made. How those decisions are made is part of the 5-year capital plan the university submits to the State each fall. He added that there has not been a strategic approach to capital renewal or investment in existing facilities. The framework is to utilize the capital renewal plan, philanthropic fund raising, and new facilities requests to the State to make up the 5-year capital plan. The largest piece that informs the new facilities and the investment in the old facilities is the master plan. Post-pandemic, the use of offices and parking has changed and is the driver for an

update to the master plan. A consulting firm will be retained to work with constituency groups on campus to get a better idea of what the campus should look like going forward. Separate from this work, Mr. Davenport along with Ashley Flintoff, director of planning and space management, will begin to update to the capital plan. He then called on Rob Davenport for the presentation and discussion.

Mr. Davenport began with an overview of the campus facilities, which are comprised of 124 occupied buildings, 106 buildings of which are owned, 18 of which are leased. There is a lot of detail, cost information, and facilities issues explained in the slides, and he'll provide highlights of that information during the presentation.

The consultant they worked with on this project, Guardian, toured the campus and collected data on all of the mechanical, electrical, and plumbing assets and assessed the building envelopes and interiors. The strategic capital plan highlights those needs that are to be addressed and specific time frames.

He then summarized the plan of work areas. With the MEP and building envelope, the timing of these asset replacements is based on age, the condition and the critical nature of those assets. When the mechanical, electrical, and plumbing equipment gets old it is then replaced. Metrics include industry standards and manufacturer's recommendations. Nearly \$13 million has been put into the elevator renovations over the last 3 years. There is \$21 million going into the student experience including campus beautification, elevator maintenance, the building envelope, and roofs. These efforts are part of a full right-sizing effort, which may include closing some buildings around campus.

In response to a question from Professor Beale about improvements to drinking water fountains, Mr. Davenport advised that there are some instances where that will be addressed sooner than later, such as in the renovated State Hall building, but there is no carved-out plan to address water fountains specifically. Professor Beale asked that it be considered.

Governor Barnhill asked whether lighting retrofits are expected to reduce lighting costs moving forward. Mr. Davenport advised that there is a partnership with DTE which provides a ROI in rebates that impact capital outlay. An ROI, return on the investment, for light and retrofits is typically less than 5 years and often depends on the kind and style of lighting. A more comprehensive plan to address lighting across the campus is being developed.

Mr. Ahmad asked for additional details of the Manoogian repurpose Mr. Davenport explained that programming in Manoogian will move to State Hall, leaving that building as an opportunity for repurpose. From a master planning perspective, both Manoogian and General Lectures can be closed. He added that Manoogian has a good infrastructure and the best use for that building will be considered.

In terms of other buildings that may be identified for either repurposing or demolition, Mr. Davenport advised that 6000 Cass Avenue is one such location. It has been used as a pickup location for minimal radioactive waste, which a contractor picks up and disposes

of properly. After review with appropriate personnel, the university can do without this process, by keeping waste at strategic locations around campus and picked up from those locations. The building at 5959 on Woodward is vacant, and not in good shape.

Governor Stancato asked if there was any discussion around leasing out some of these buildings. Mr. Davenport advised that anything and everything is on the table. VP Massaron advised that some buildings are not useable, and there are ongoing efforts to activate campus through leases. A number of different facilities throughout campus have been leased and are generating revenue.

Governor Barnhill asked how the 18 buildings being leased were being considered in the overall context of the plan's consolidation strategy. Mr. Davenport noted that some of those may be incorporated in the School of Medicine relationship. From a business case perspective, those opportunities are also on the table.

Governor Gaffney asked for clarification of the funding sources found on the last page of the presentation. He asked about the potential of developing a Student Success Center and taking some of the space in the Adamany Undergraduate Library, noting that it is a retrofit and not a capital project. VP Massaron advised that there are meetings with members of the Board, the Academic Senate and constituencies that confirmed this is important. As part of this renewal, there was a decision to allocate some funding to the UGL Academic support space, and added to this project. He agreed that it is not a capital project but it is an important priority from Board members, from the Provost and his team and across the board. There is current use of that facility so the project will be phased so it will not interrupt operations. Mr. Davenport noted that there will be plenty of space to consolidate libraries.

Provost Kornbluh commented that from the perspective of students, the most important thing in the master plan is upgrading and concentrating on general classrooms, and that more modern and better classrooms result in students doing better in the classes and that there's quantitative evidence to show that.

In looking at the Student Center Building, there is a plan to focus this building much more on student extracurricular life. It currently holds a lot of offices that are not directly related to students. Some work has already taken place, as the 7th floor has been repurposed, and now holds the Center for Latino/Latina and Latin American Studies, a new African American Success Center, and a greater space for OMSE. The 6th floor is in the process of adding the new Center for Sexual Violence Education and Prevention and a new Center for Gender and Sexuality Studies that will support our LGBTQ students. The plan is to use the undergraduate library as the focal point of student academic support.

Mr. Davenport then reviewed the summary of funding sources for this initiative, and indicated that they include some carryover funds from the 2020 bonds to use for capital endeavors. Preventative maintenance, campus infrastructure and reducing deferred maintenance, along with a preventative maintenance approach, will stabilize campus from a user-experience perspective and stabilize operating expenses.

VP Massaron advised that he is confident the University will be able to identify funds over the next 5 years to exceed this level of investment and continue to build out a managed deferred maintenance plan. He added that he will regularly report to this committee on their progress.

Professor Beale noted the plan is to grow the budget allocation to \$15 million by 2027 and asked if the plan will be workable even if that was not met. VP Davenport advised that the 5-year plan is very malleable and will address equipment that is most in need of replacement or areas that are in most need. Something may fail sooner and there could be a need to escalate a particular project. It is a dynamic that will have to be worked through over the next 5 years.

VP Massaron added that it is a question about prioritization and noted that through the Presidential Search meetings and public forums, the University community wants to see the facilities in a better state.

APPROVAL OF ALL CAPITAL PROJECTS

VP Massaron brought a large number of capital projects forward for the committee's consideration at this time. With the permission of the chair, they will discuss each of the projects, and ask for approval in one action at the conclusion of the discussion.

- **Elevator Modernizations/Replacement Program**

The first set of actions are consideration of elevator modernizations and replacements. Mr. Davenport advised that in terms of the Art Building, the project is to rebuild the elevator, which was a subject of the 2021 flood. It is the only elevator in the building. The existing elevator hoist goes only to the 2nd floor, making the 3rd floor inaccessible for those with disabilities. The new elevator will extend to the third floor, bringing it into compliance with ADA requirements. The University will receive a rebate from the insurance carrier, FM Global for what would have been a repair of the existing elevator, but this project is for the construction of a new elevator to service the full building.

In response to a question about an overall review of elevators across the campus, Mr. Davenport advised that an elevator consultant visited the University 2 years ago and assessed the university's entire elevator plant. After that visit, a 5-year plan was created, and those units that needed either modernization or potentially replacement were prioritized.

VP Massaron advised that in the future, outside consultants will be used on new elevator projects, such as the Anthony Wayne Drive apartments. Anthony Wayne Apartments elevator service issues have been addressed with several interventions to modernize what was a brand-new elevator system so that it can become more reliable. He noted that outside counsel was engaged regarding recompense from either the contract architect or the elevator designer for that project, and asked for patience during the process. Modernization of elevators in Parking Structures 5 and 6 is long overdue.

- **Matthaei Comprehensive Cooling**

Mr. Davenport advised that the rooftop units on the north side of the building will be replaced and the electrical infrastructure and the existing cooling plant will be stabilized.

- **Bioscience Building Automation System Replacement**

Mr. Davenport reported that the 1991 building automation system, which provides temperature normalization, is not operating. The building contains labs and hoods, and the base building HVAC plant is competing with the need to remove air from the building with the hoods. Further, the boilers are competing with the chillers on a daily basis. VP Massaron also noted that this project will reduce the building's carbon footprint by decreasing energy usage.

- **George L. Beecher House HVAC Improvements**

Mr. Davenport noted that there have been pandemic related delays, labor, supply chain and equipment procurement issues that have changed the dynamics of the project and increased the scope and the funding for this project. To stabilize the situation, additional funding is needed to complete this project.

- **STEM Innovation Learning Center**

VP Massaron advised that the Board has already approved initial funding for this project but there are further improvements necessary to the building, and funds available from the initial allocation. The scope of this proposal will complete the project.

- **PS 5 Parking Structure Repairs and Maintenance**

The focus of this project is on maintenance and ensuring it is in proper repair. All the parking structures are subject to salt, rain, snow, expansion and contraction, and Mr. Davenport advised that this is a typical project.

- **Freer House Exterior Envelope**

Mr. Davenport advised that this project is necessary to prevent water infiltration into the facility. The 1892 building has inferior mortar that is preventing it from being watertight and this is an ongoing project around the exterior of the building. In response to a question from Professor Fitzgibbon, Mr. Davenport advised that the building houses the Merrill, Palmer, Skillman and DLAR offices and research teams.

Further discussion and questions on these recommendations ensued. Governor Gaffney asked if there an assessment was done on the future needs for parking spaces in light of post pandemic work and study habits, and whether fewer surface lots would be needed in the near future. Mr. Davenport advised that all the parking structures are currently needed but the University could do without several of the surface lots, especially south of campus. There was an opportunity to right-size parking and the master plan addresses that.

Governor Kumar asked whether an endowment could be built-in, either through donation or trust, especially for new buildings, that would offset the expense per year. Mr.

Davenport advised that there are some buildings that have such endowments, but not every building does, and those types of relationships should be cultivated. In follow-up, Governor Kumar asked about the opportunity for naming rights for the buildings that are not endowed. VP Ripple noted that there are opportunities for naming facilities throughout the campus.

Mr. Ahmad asked, regarding the elevators, whether energy efficient infrastructures and reliability can go hand in hand, so that students will not continue to deal with consistently malfunctioning elevator systems as well as other infrastructure equipment. Mr. Davenport agreed, and discussed different types of elevator mechanisms and the pros and cons of each. He believes that traction elevators provide opportunities for efficiencies, both in the energy and reliability.

With no further discussion, Governor Barnhill asked for one motion to approve all of the remaining capital projects.

ACTION: Upon motion made by Governor Kelly and supported by Governor Stancato, the Budget & Finance Committee recommended that the Board of Governors authorized the following capital projects. The language of each action is detailed as a record for these minutes:

1. Authorized the President, or his designee, to execute contracts for the design and construction of the replacement of the freight elevator in the Art Building for a total project cost of \$2,050,000. Funding will be provided from the Series 2020 Bond Funds.
2. Authorized the President, or his designee, to proceed with conducting a detailed survey, producing construction documents for bidding purposes, solicitation of bids, and the award of contracts for the modernization of elevators (FAB 1,2,3) at a cost not to exceed \$870,000. Funding will be provided from series 2020 Bond Funds.
3. Authorized the President, or his designee, to proceed with the design, solicitation of bids, and the award of contracts for the modernization of elevators (Parking Structure 5, elevators 1, 2) at a cost not to exceed \$774,000. The Parking Auxiliary Fund will provide funding for his project.
4. Authorized the President, or his designee, to proceed with conducting a detailed survey, producing construction documents for bidding purposes, solicitation of bids, and the award of contracts for the modernization of elevators (Parking Structure 6, elevators 1, 2, 3) at a cost not to exceed \$750,000. Funding will be provided from the Series 2020 Bond Funds.

5. Authorized the President, or his designee, to approve spending to design, solicit bids, and award contracts for Matthaei Comprehensive Cooling, located at 5101 John C Lodge, with a project cost not to exceed \$2,700,000. The Series 2020 Bond Funds will provide funding for this project.
6. Authorized the President, or his designee, to approve spending to design, solicit bids, and award contracts for the Biological Sciences Building located at 5047 Gullen Mall with a project cost not to exceed \$2,850,000. Funding for this project will be provided by the Series 2020 Bond Fund.
7. Authorized the President, or his designee, to approve additional funds of \$170,175 due to the increased scope of work for the Beecher House HVAC Improvements, located on 5475 Woodward Avenue. Previously approved funding was \$908,050 for a total project cost of \$1,078,225. The 2020 Bond Funds will provide funding for this project.
8. Authorized the President, or his designee, to approve spending to design, solicit bids, and award contracts for the STEM Innovation Learning Center with a project cost not to exceed \$1,750,000. Funding for this project will be provided by 2018 Bond Funds.
9. Authorized the President, or his designee, to approve spending to design, solicit bids, and award contracts for the 2023 Parking Structure Repairs and Maintenance with a project cost not to exceed \$900,000. Funding for this project will be provided by the Parking Auxiliary.
10. Authorized the President, or his designee, to approve financing of \$550,000 utilizing the Series 2020 Bond Funds to make necessary repairs to the exterior envelope of the Northeast Portion of the Freer House to ensure weather tightness. The previous leaking has caused damage to the interior.

The motion carried and all 10 projects were authorized.

INFORMATIONAL REPORT: MAJOR CAPITAL PROJECTS SUMMARY

Mr. Davenport focused on two of the projects in this summary. With regard to State Hall, he advised that the project is on time and within budget. The second project, the Gateway Hilberry project, is approaching the finish line, and they are working with the contractors to make the scheduled performance opening for April the 7th. No questions were raised on the report.

PURCHASING EXCEPTIONS

There were no questions on purchasing exceptions.

ADJOURNMENT

There being no further business, the meeting adjourned at 10:07 am.

Respectfully submitted,



Julie H. Miller
Secretary to the Board of Governors

DRAFT

RESOLUTION OF THE BOARD OF GOVERNORS OF WAYNE STATE UNIVERSITY
AUTHORIZING THE ISSUANCE AND DELIVERY OF GENERAL REVENUE BONDS AND
PROVIDING FOR OTHER MATTERS RELATING THERETO

WHEREAS, the Board of Governors of Wayne State University (the "Board") is a constitutional body corporate established pursuant to Article VIII, Section 5 of the Michigan Constitution of 1963, with general supervision of Wayne State University (the "University") and the control and direction of all expenditures from the University's funds; and

WHEREAS, in the exercise of its constitutional duties and in order to properly serve the needs of students attending the University, the Board has determined that it is appropriate and in the best interests of the University to finance all or a portion of the costs of certain capital projects of the University as described in Exhibit A attached hereto (all of such capital projects described in Exhibit A being collectively referred to herein as the "Projects"); and

WHEREAS, the administration has committed to continue to pursue philanthropic and other funding for the School of Medicine building and in the event sufficient funding is raised, the administration intends to reduce the amount of funding applied to the School of Medicine Building; and

WHEREAS, the Board has previously issued and has outstanding certain series of General Revenue Bonds payable from and secured by a lien on General Revenues (as hereinafter defined) (collectively, the "Prior Bonds"); and

WHEREAS, it may be appropriate and in the best interests of the University to refund all or portions of the outstanding Prior Bonds as shall be determined by an Authorized Officer (as hereinafter defined) (the portions of the Prior Bonds to be refunded, if any, as determined by an Authorized Officer, is referred to herein as the "Bonds to be Refunded"); and

WHEREAS, in the exercise of its constitutional duties, and in order to prudently control and direct expenditures from the University's funds, the Board determines it is necessary and desirable to authorize the issuance and delivery of General Revenue Bonds of the Board, in one or more series (the "Bonds"), to be payable from and secured by a pledge of General Revenues, in order to provide funds that, together with other available funds, will be used to pay all or part of the costs of the Projects and to pay all or part of the costs of refunding the Bonds to be Refunded, if any, and to pay costs incidental to the issuance of the Bonds and the refunding; and

WHEREAS, one or more trust indentures (collectively, the "Trust Indenture") must be entered into by and between the Board and a trustee (the "Trustee") to be designated by an Authorized Officer, pursuant to which the Bonds will be issued and secured; and

WHEREAS, it is necessary to authorize the Authorized Officers, or either of them

individually, to negotiate the sale of the Bonds with one or more underwriters or groups of underwriters to be selected by an Authorized Officer (collectively, the "Underwriter") and to enter into one or more bond purchase agreements with the Underwriter (collectively, the "Bond Purchase Agreement") setting forth the terms and conditions upon which the Underwriter will agree to purchase the Bonds and the interest rates thereof and the purchase price therefor; and

WHEREAS, in order to be able to market the Bonds at the most opportune time, it is necessary for the Board to authorize the President and the Chief Financial Officer and Senior Vice President for Finance and Business Operations (each, an "Authorized Officer"), or either of them individually, to negotiate the terms of and to execute and deliver on behalf of the Board the Trust Indenture, the Bond Purchase Agreement, one or more remarketing agreements with the Underwriter or other remarketing agent selected by an Authorized Officer (collectively, the "Remarketing Agreement"), and other related documents, to establish the specific terms of the Bonds, and to accept the offer of the Underwriter to purchase the Bonds, and undertake such other actions and make such other determinations on behalf of the Board as authorized hereby, all within the limitations set forth herein; and

WHEREAS, the issuance of the Bonds for the purposes described herein will serve proper and appropriate public purposes; and

WHEREAS, the Board has full power under its constitutional authority for supervision of the University, and control and direction of expenditures from the University's funds, to acquire, construct, furnish and equip the Projects, to refund the Bonds to be Refunded, if any, and to issue the Bonds to provide funds to pay all or a portion of the costs of the Projects and to pay all or part of the costs of refunding the Bonds to be Refunded, if any, and to pledge General Revenues for payment of the Bonds, as provided for herein.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF GOVERNORS OF WAYNE STATE UNIVERSITY, AS FOLLOWS:

1. The Board hereby approves the definition of the term "Projects" as set forth in Exhibit A attached hereto, and authorizes the Authorized Officers, or either of them individually, to determine the components of the Projects to be financed, in whole or in part, from the proceeds of the Bonds, and to determine the specific amount of the cost of each such component of the Projects to be financed from the proceeds of the Bonds, and to fund, as appropriate, the remaining costs of the Projects from other available funds. Subject to the Board's policies regarding approval of capital projects, either Authorized Officer may subsequently approve additional capital projects of the University and specify that such additional capital projects shall be financed in whole or in part from the proceeds of the Bonds, upon which occurrence such capital projects shall thereupon become components of the Projects hereunder. The Board further approves the refunding of all or any portion of the Prior Bonds, and authorizes the Authorized Officers, or either of them, to select the portion of the Prior Bonds, if any, to constitute the Bonds to be Refunded, in order to produce interest or other cost savings or a more favorable debt service structure, to provide for more favorable terms or covenants, or to reduce or

eliminate unfavorable covenants or restrictions applicable to the Prior Bonds, as shall be

determined by an Authorized Officer, and to fund, if deemed appropriate, a portion of the costs of the refunding from available funds of the Board and the balance of such costs from the proceeds of the Bonds, and to proceed with the refunding.

2. The Board hereby authorizes the issuance, execution and delivery of the Bonds of the Board, in one or more series, to be designated GENERAL REVENUE BONDS, with appropriate series designations, in the aggregate original principal amount to be established by an Authorized Officer, but not to exceed the aggregate principal amount necessary to produce proceeds of ONE HUNDRED SIXTY-ONE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS (\$161,250,000) for the payment of the costs of the Projects and for the payment of the costs of issuance of the Bonds, *plus* the amount necessary, if any, to accomplish the refunding of the Bonds to be Refunded and to pay costs related thereto, as determined by an Authorized Officer. The Bonds shall be dated as of the date or dates established by an Authorized Officer, and shall be issued for the purpose of providing funds which, together with other available funds, will be used to: (a) pay all or a portion of the costs of the Projects, including, if determined to be appropriate by an Authorized Officer, capitalized interest related to all or any portion of the Projects for a period specified by an Authorized Officer; (b) pay all or a portion of the costs of refunding the Bonds to be Refunded, if any; and (c) pay costs related to the issuance of the Bonds and the refunding, including the costs of bond insurance premiums, if an Authorized Officer determines such insurance to be appropriate. The Bonds shall be serial bonds or term bonds, which may be subject to redemption requirements, or both, as shall be established by an Authorized Officer, but the first maturity or mandatory redemption date of any Bonds shall be no earlier than November 1, 2023, and the final maturity date of any Bonds shall be not later than thirty-six (36) years from the date of issuance of such Bonds. The Bonds may be issued as federally tax-exempt bonds or as federally taxable bonds, or any combination thereof, as shall be determined by an Authorized Officer. The Bonds may bear interest at stated fixed rates for the respective maturities thereof as shall be established by an Authorized Officer, but the weighted average yield of the Bonds (computed using the stated coupons and the stated original offering price) shall not exceed 6.00% per annum for tax-exempt bonds and 9.00% per annum for taxable bonds. Alternatively, all or part of the Bonds may bear interest at a variable rate of interest for all or a portion of their term, determined on the basis of an index or a spread to an index or through market procedures, or both, and the variable rate of interest shall not exceed the lesser of 25% per annum, the maximum rate permitted by law or the maximum rate, if any, specified in the Trust Indenture. The Bonds may be subject to redemption or call for purchase prior to maturity at the times and at the prices (which may be expressed as a percentage of the principal amount being redeemed or be based on a "make-whole" formula, or both) as shall be established by an Authorized Officer. Interest on the Bonds shall be payable at such times as shall be specified by an Authorized Officer. The Bonds shall be issued in fully-registered form in the denominations, shall be payable as to principal and interest in the manner, shall be subject to transfer and exchange, and shall be executed and authenticated, and may be issued in book-entry-only form, all as shall be provided in the Trust Indenture. The Bonds shall be sold to the

Underwriter for a price to be established by an Authorized Officer (but the Underwriter's discount, exclusive of original issue discount, shall not exceed 1.00% of the principal amount thereof) plus accrued interest, if any, from the dated date of the Bonds to the date of delivery thereof.

Any or all of the Bonds may be made subject to tender for purchase at the option of the holder thereof or to mandatory tender for purchase. The obligation of the Board to purchase any Bonds subject to tender for purchase may be limited to remarketing proceeds of such Bonds, or may be made payable from General Revenues (as defined in Section 3 below), from available cash reserves of the University, subject to such limitations as may be specified in the Trust Indenture, or from, directly or as support for the cash reserves of the University, a letter of credit, line of credit, standby bond purchase agreement or other liquidity device, or one or more of the same, or any combination thereof (collectively, the "Liquidity Device"), all as shall be determined by an Authorized Officer. Any reimbursement obligation for draws under the Liquidity Device shall be a limited and not a general obligation of the Board, payable from, and may be secured by a pledge of, General Revenues. Each Authorized Officer is individually authorized to execute and deliver at any time, for and on behalf of the Board, any agreements or instruments necessary to obtain, maintain, renew or replace, and provide for repayments under, any Liquidity Device deemed by such officer to be required for the purposes of this Resolution.

In relation to the debt service on all or any portion of the Bonds, or in relation to debt service on all or any portion of the Prior Bonds, either Authorized Officer may, at any time, on behalf of and as the act of the Board, enter into or modify an interest rate swap, cap, forward starting swap, option, swaption, rate lock or similar agreement or agreements (collectively, the "Swap Agreement") with a counterparty or counterparties selected or to be selected by the Authorized Officer. Such Swap Agreement shall provide for payments between the Board and the counterparty related to interest on all or any portion of the Bonds or the Prior Bonds, at indexed or market established rates. If the Swap Agreement is entered into at approximately the same time as the issuance of the Bonds and is related to the Bonds, the expected effective interest rates on the Bonds to which the Swap Agreement relates, taking into account the effect of the Swap Agreement, shall be within the limitations set forth herein. Any Swap Agreement may, if determined necessary or appropriate by an Authorized Officer, be subsequently terminated, in whole or in part, which may result in termination payments due by the Board. Any such required termination payments and other costs of termination may be funded from available funds of the Board or the proceeds of the Bonds or other indebtedness of the Board, as shall be determined by an Authorized Officer.

3. The Bonds, and the obligations of the Board under any Swap Agreement or Liquidity Device, if either or both is entered into, shall be limited and not general obligations of the Board, payable from and, except as provided below in this Section 3, secured by a lien on, the General Revenues of the Board (as shall be defined in the Trust Indenture in a manner generally consistent with the definition thereof contained in the trust indentures pursuant to which the Prior Bonds were issued). For the avoidance of

doubt, General Revenues do not include "Gross Revenues" of the University's housing facilities that are controlled and operated by Corvias Campus Living – WSU, LLC or its successors, as concessionaire (the "Concessionaire"), under that certain Service Concession Agreement for the Operation and Management of Student Housing, dated November 30, 2017, as the same may be supplemented or amended from time to time (the "Concession Agreement"), between the Board and the Concessionaire, and which "Gross Revenues" the Concessionaire has the right to receive and retain under the Concession Agreement. Except as otherwise determined by an Authorized Officer, as provided below in this Section 3, the lien on General Revenues securing the Bonds, the Swap Agreement and the Liquidity Device, if any, shall be on a parity basis with the liens on General Revenues securing the Prior Bonds and other previously issued obligations of the Board secured by a first lien on General Revenues. The Bonds, and the obligations of the Board under the Swap Agreement, if any, and the Liquidity Device, if any, may also be payable from and secured by a lien on moneys, securities or other investments from time to time on deposit in certain funds created pursuant to the Trust Indenture or the agreements entered into in connection with the Swap Agreement or Liquidity Device.

No recourse shall be had for the payment of the principal amount of or interest or premium on the Bonds, or for the payment of any amounts owing under the Swap Agreement, if any, or the Liquidity Device, if any, or for any claim based thereon, against the State of Michigan, or any member or agent of the Board (including, without limitation, any officer or employee of the University), as individuals, either directly or indirectly, nor, except as specifically provided in the Trust Indenture or the agreements entered into in connection with the Swap Agreement, if any, or the Liquidity Device, if any, against the Board, nor shall the Bonds and interest and premium with respect thereto, or any obligations of the Board in connection with the Swap Agreement, if any, or the Liquidity Device, if any, become a lien on or be secured by any property, real, personal or mixed, of the State of Michigan or the Board, other than the General Revenues and the moneys, securities or other investments from time to time on deposit in certain funds established as pledged pursuant to the Trust Indenture or pursuant to the agreements entered into in connection with the Swap Agreement, if any, or the Liquidity Device, if any.

Any pledge of General Revenues, and funds specified in the Trust Indenture or in agreements entered into in connection with the Swap Agreement, if any, or Liquidity Device, if any, shall be valid and binding from the date of the issuance and delivery of the Bonds or such agreements, and all moneys or properties subject thereto that are thereafter received shall immediately be subject to the lien of the pledge without physical delivery or further act. The lien of said pledge shall be valid and binding against all parties (other than the holders of any other bonds, notes or other obligations secured by a parity first lien on General Revenues) having a claim in tort, contract or otherwise against the Board, irrespective of whether such parties have notice of the lien.

Notwithstanding anything herein to the contrary, any obligations of the Board under the Swap Agreement or the Liquidity Device may, if determined appropriate by an Authorized Officer, be payable and secured on a subordinated basis to the Bonds and other General Revenue obligations of the Board or may be payable from General Revenues but be unsecured.

4. The right is reserved to issue additional bonds, notes or other obligations payable from General Revenues and secured on a parity or subordinated basis with the Bonds, the Prior Bonds and other obligations of the Board so secured by a lien on General Revenues, upon compliance with the terms and conditions therefor as shall be set forth in the Trust Indenture.

5. Either Authorized Officer is hereby authorized and directed, in the name and on behalf of the Board, and as its corporate act and deed, to select the Trustee, and to negotiate, execute and deliver the Trust Indenture in the form as an Authorized Officer may approve upon recommendation of legal counsel, which approval shall be conclusively evidenced by the execution of the Trust Indenture by an Authorized Officer. The Trust Indenture may contain such covenants on behalf of the Board and terms as either Authorized Officer deems appropriate, including, but not limited to, covenants with respect to the establishment of General Revenues at levels expressed as a percentage of debt service on the Bonds or all General Revenue obligations of the Board, and with respect to the issuance of additional bonds, notes or other obligations payable from and secured by General Revenues. In addition, either Authorized Officer is hereby authorized, empowered and directed to negotiate, if deemed appropriate by an Authorized Officer in connection with the issuance of the Bonds, for the acquisition of bond insurance and to execute and deliver an insurance commitment or other documents or instruments required in connection with such insurance.

6. Either Authorized Officer is hereby authorized and directed, in the name and on behalf of the Board, and as its corporate act and deed, to select the Underwriter and to negotiate, execute and deliver the Bond Purchase Agreement with the Underwriter setting forth the terms of the Bonds and the sale thereof, and containing such other covenants and agreements of the Board as may be required by the Underwriter in connection therewith, in the form as an Authorized Officer may approve, all within the limitations set forth herein. Either Authorized Officer is further individually authorized and directed, in the name and on behalf of the Board and as its corporate act and deed, to negotiate, execute and deliver the Remarketing Agreement, if any, with the Underwriter or other remarketing agent selected by the Authorized Officer.

7. Either Authorized Officer is hereby authorized, empowered and directed, in the name and on behalf of the Board, and as its corporate act and deed, to execute the Bonds by manual or facsimile signature, and to deliver the Bonds to the Underwriter in exchange for the purchase price therefor.

8. Either Authorized Officer is authorized to solicit ratings on the Bonds from any national rating services that the Authorized Officer deems appropriate and to cause the preparation of a Preliminary Official Statement and an Official Statement with respect

to each series of the Bonds, to deem such official statements "final" in accordance with applicable law, and to execute and deliver the Official Statements. Either Authorized Officer, or the Underwriter or the University's financial advisor, as appropriate, is authorized to circulate and use, in accordance with applicable law, the Preliminary Official Statements and the Official Statements in connection with the offering, marketing and sale of the Bonds.

9. Each Authorized Officer, the Secretary to the Board, and any other appropriate officer or representative of the Board or the University are each hereby authorized to perform all acts and deeds and to execute and deliver, for and on behalf of the Board, all instruments and documents required by this Resolution, the Trust Indenture, the Bond Purchase Agreement, the Remarketing Agreement, the Swap Agreement and the Liquidity Device, or necessary, expedient and proper in connection with the issuance, sale and delivery of the Bonds, as contemplated hereby, including, if deemed appropriate, one or more escrow deposit agreements with an escrow agent to be selected by an Authorized Officer as may be necessary to accomplish the refunding of the Bonds to be Refunded. Either Authorized Officer is authorized to designate and empower the escrow agent to subscribe for United States Treasury Securities – State and Local Government Series, on behalf of the Board, as may be necessary in connection with any refunding authorized hereby. Either Authorized Officer is further authorized to execute and deliver all instruments and documents for and on behalf of the Board or the University, and to take all actions, required, necessary or appropriate for the ongoing administration or operation of the financing program represented by the Bonds, the Trust Indenture, the Bond Purchase Agreement, the Remarketing Agreement, the Swap Agreement and the Liquidity Device. Any action required under the Trust Indenture, the Bond Purchase Agreement, the Remarketing Agreement, the Swap Agreement or the Liquidity Device or any other instrument related to the Bonds, and any action necessary or appropriate in connection with the ongoing administration of the financing program authorized hereby, may be taken by and on behalf of the Board by an Authorized Officer. Any reference to an officer of the Board or the University herein shall include any interim or acting officer occupying such position or having been assigned all or a portion of the functions of such position.

10. In accordance with the requirements of Rule 15c2-12 of the United States Securities and Exchange Commission, the Board may be required in connection with the issuance of the Bonds to enter into one or more continuing disclosure undertakings for the benefit of the holders and beneficial owners of the Bonds. Either Authorized Officer is authorized to cause to be prepared and to execute and deliver, on behalf of the Board, the continuing disclosure undertakings.

11. Either Authorized Officer is hereby authorized and delegated the power to execute, on behalf of the Board, one or more declarations of intent to reimburse the University from Bond proceeds for any expenditures with respect to the Projects incurred prior to the issuance of the Bonds, and for future projects to be funded with the proceeds of future bond issues, all in accordance with U.S. Treasury Regulation § 1.150-2. Any and all actions of an Authorized officer previously taken in connection with the execution of such declarations of intent are hereby ratified and confirmed.

12. The public hearing on the issuance of the Bonds to finance the component of the Projects described in Category I of Exhibit A attached hereto (the "Health Sciences Project"), as conducted by an officer of the University on January 6, 2023, and the prior posting of notice of the public hearing, all in accordance with and as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), is hereby approved, ratified and confirmed. The Board hereby approves, in accordance with Section 147(f) of the Code, the issuance of the Bonds to finance a portion of the costs of the Health Sciences Project in the aggregate principal amount of not to exceed \$150,000,000.

13. Any resolutions or parts of resolutions or other proceedings of the Board in conflict herewith are hereby repealed insofar as such conflict exists.

EXHIBIT A - PROJECTS

The Projects, as that term is used in the Resolution to which this Exhibit A is attached, consists of the capital projects set forth below:

Category I

Acquisition, construction, renovation, furnishing and equipping of a health sciences education and cancer research facility, including instructional spaces, lab facilities, offices, and education and outreach departments.

Category II

Construction, furnishing and equipping of a new building for the Wayne State University Law School (partial funding supplement).

Renovation, furnishing and equipping of the Undergraduate Library.

Various improvements to campus facilities, sites and infrastructure, including, but not limited to: roof replacements; elevator and HVAC systems upgrades; and road, walkway and parking improvements.

I hereby certify that the attached is a true and complete copy of a resolution adopted by the Board of Governors of Wayne State University at a meeting held on January 26, 2023, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with all applicable law, and that the minutes of said meeting were kept and will be or have been made available as required by law.

I further certify as follows:

1. Present at the meeting were the following Board members:

Absent from the meeting were the following Board members:

2. The following members of the Board voted for the adoption of the Resolution:

The following members of the Board voted against adoption of the Resolution:

RESOLUTION DECLARED ADOPTED.

Julie H. Miller
Secretary to the Board of Governors of
Wayne State University