

**VIRGINIA COLLEGE BUILDING AUTHORITY
BOARD OF COMMISSIONERS MEETING**

February 11, 2015, 10:30 a.m.
Treasury Board Conference Room
James Monroe Building
101 North 14th Street, 3rd Floor
Richmond, Virginia

Members Present: Lane B. Ramsey, Chairman
John G. Dane, Vice-Chairman
Peter A. Blake
Katharine M. Bond
Manju S. Ganeriwala
Dennis C. LaGanza
Charles Mann
Daniel S. Timberlake
David A. Von Moll

Members Absent: Sylvia Le Torrente
McLain T. O’Ferrall, Jr.

Others Present: Donald R. Ferguson, Esq. Attorney General’s Office
Charles P. Shimer, Esq. Kutak Rock LLP
Ellen L. Valentine Kutak Rock LLP
Mike Graff McGuireWoods LLP
Al Diaz Marymount University
Rick Petillo FirstSouthwest
Rob Feigenson Morgan Stanley
Russell Carmichael State Council of Higher Education
Evelyn R. Whitley Secretary, VCBA, Department of the Treasury
Michael D. Walsh Assistant Secretary, VCBA, Department of the Treasury
Jeanine Black Department of the Treasury

Call to Order

Ms. Manju Ganeriwala called the meeting to order at 10:38 a.m. and welcomed Mr. Lane Ramsey, Virginia College Building Authority Chairman, to the VCBA Board. After Mr. Ramsey introduced himself, he welcomed the other new board members, Katharine M. Bond, and Dennis C. LaGanza and asked that everyone at the table introduce themselves. After welcoming all visitors, he asked if there were any members of the public present that wished to comment on Board activities. There were no public comments.

Mr. Ramsey then asked if there were any comments on or corrections to the minutes of the September 25, 2014 Virginia College Building Authority meeting. Hearing none, he requested a

motion for approval of the minutes. Mr. Dane made the motion; Mr. Blake seconded the motion, and the motion was unanimously adopted by all members present and voting.

Election of Vice-Chairman

Mr. Ramsey solicited nominations for the position of Vice-Chairman. Ms. Ganeriwala nominated Mr. John G. Dane and Mr. Ramsey requested a motion to elect Mr. Dane as Vice-Chairman, effectively immediately. Ms. Ganeriwala made a motion to elect Mr. Dane as Vice-Chairman of the Authority; Mr. Mann seconded, and all members present unanimously adopted the motion.

Consideration of Issuance of Virginia College Building Authority Educational Facilities Revenue Bonds (21st Century College and Equipment Programs), Series 2015A and 2015B

Ms. Black reviewed the Preliminary Financing Summary for the proposed issuance of \$650,690,000 in Virginia College Building Authority Educational Facilities Revenue and Revenue Refunding Bonds (21st Century College and Equipment Programs), Series 2015A (new money) and 2015B (refunding). Ms. Black indicated that as of February 10, 2015 the estimated True Interest Cost (TIC) was 3.14% for the new money and 2.68% for the refunding bonds with a savings of \$14.2 million.

Mr. Shimer from Kutak Rock LLP, bond counsel to the Authority, reviewed the Resolution before the Board. Mr. Dane asked if the spread for the new money and refunding was arrived by forecasting. Ms. Whitley indicated that is not a forecasting, or prediction on our part, but rather to create a cushion in case the market should deteriorate so much that the rates will rise to a point that we may delay the sale. A discussion ensued. Mr. Ramsey asked about the 3% net present value savings threshold and Ms. Whitley indicated that 3% net present value savings is incorporated in the Treasury Board guidelines and this issue will go to the Treasury Board next week for approval of the terms and structure. A discussion ensued.

Ms. Ganeriwala moved the approval of the Resolution (Attachment A) of the Virginia College Building Authority authorizing the issuance and sale of its Educational Facilities Revenue and Revenue Refunding Bonds (21st Century College and Equipment Programs), Series 2015A and 2015B; Mr. Timberlake seconded, and the motion was unanimously adopted by all members present.

Consideration of the Marymount University Financing Application

Mr. Walsh reviewed the Preliminary Financing Summary for the proposed issuance of up to \$70,000,000 of Virginia College Building Authority Educational Facilities Revenue and Refunding Bonds (Marymount University Project), Series 2015A. He then introduced representatives from Marymount, McGuireWoods LLP, FirstSouthwest, and Morgan Stanley. Mr. Al Diaz, Vice President for Financial Affairs, Treasurer of Marymount University, gave a brief overview of Marymount University and the project. Mr. Petillo, the University's financial advisor from FirstSouthwest, and Mr. Feigenson, the University's underwriter from Morgan Stanley reviewed the details of financing for the projects. Mr. Ramsey asked the square footage of the project and Mr. Diaz indicated that the approximate square footage is 160,000. Mr. LaGanza asked about the decline in academic enrollment and Mr. Diaz responded that there was

a transition in leadership and they are confident that new initiatives (controlling the growth of tuition, increase financial aid, etc.) that are being incorporated will increase the enrollment. A discussion ensued. Ms. Ganeriwala asked about the amount of financing required for the Ballston Center project and when does the institution anticipate seeking financing and Mr. Diaz indicated that they are still evaluating the project. A discussion ensued. Ms. Ganeriwala asked if there is a contingency plan if the University does not received enough revenues and Mr. Diaz responded that the worst case scenario would be to sell the building and lease back the space. He also indicated that they would consider a joint venture for the project. A discussion ensued.

Public Hearing

The public hearing was opened at 12:02 p.m. and closed at 12:03 p.m., after no members of the public asked to speak. The minutes of the public hearing are attached hereto as Attachment B.

Mr. Graff from McGuireWoods LLP, bond counsel to the University, reviewed the Resolution for the Board. A further discussion ensued. Mr. Shimer, bond counsel to the Authority, confirmed that he reviewed, and recommended changes that have been incorporated in the documents, and approved the documents.

Ms. Ganeriwala moved the approval of the Resolution (Attachment C) of the Virginia College Building Authority authorizing the issuance and sale of its Educational Facilities Revenue and Refunding Bonds (Marymount University Project), Series 2015A; Mr. Dane seconded the motion, and the motion was unanimously adopted.

Resolutions of Recognition of Appreciation

Mr. Ramsey stated that staff had drafted Resolutions of Recognition and Appreciation for Ms. Anne C.H. Conner, Mr. John R. Vogt, Ms. Alicia Hughes, and Mr. William J. Vakos, III. Mr. Walsh read one Resolution before the Board.

Ms. Bond moved the approval of the Resolutions (Exhibit A); Mr. Von Moll seconded, and the motion was unanimously adopted by all members present.

Other Business

Ms. Black reviewed the Final Financing Summary for the Virginia College Building Authority Educational Facilities Revenue and Revenue Refunding Bonds (Public Higher Education Financing Program), Series 2014A and 2014B.

Mr. Walsh reviewed the report analyzing the performance of the Virginia College Building Authority Variable Rate Educational Facilities Revenue Bonds, Series 2006B and Series 2006C, prepared by Public Resources Advisory Group (Exhibit B). A discussion ensued.

Mr. Walsh reviewed the Municipalities Continuing Disclosure Cooperation (MCDC) Initiative Update (Exhibit A). A discussion ensued.

Adjournment

Having no other business to be brought before the Board, the meeting was adjourned at 12:41 p.m.

Respectfully submitted,
Michael D. Walsh
Assistant Secretary

/s/ Michael D. Walsh

Exhibits may be obtained by contacting the Department of the Treasury at (804) 225-2142.

**VIRGINIA COLLEGE BUILDING AUTHORITY
RESOLUTION AUTHORIZING EDUCATIONAL FACILITIES REVENUE BONDS
(21ST CENTURY COLLEGE PROGRAM)**

WHEREAS, the Virginia College Building Authority (the “Authority”) is a public body corporate and a political subdivision and an agency and instrumentality of the Commonwealth of Virginia (the “Commonwealth”) created by the Virginia College Building Authority Act of 1966, Chapter 3.2, Title 23, Code of Virginia of 1950, as amended (the “Act”), for the purpose, among others, of financing capital improvements and equipment for the Commonwealth’s public higher educational institutions (“Institutions”);

WHEREAS, in 1996 the General Assembly of Virginia (the “General Assembly”) initially created a 21st Century College Program in accordance with which or subsequent similar legislation (collectively, the “21st Century College Program”), the Authority is authorized to issue revenue bonds under the Act to finance the cost of certain capital improvements at Institutions not in excess of amounts authorized by the General Assembly (the “21st Century College Projects”);

WHEREAS, in furtherance of purposes of the Act and the 21st Century College Program, the Authority has determined to issue, under the Master Indenture of Trust dated as of December 1, 1996 (as previously amended and supplemented, the “Master Indenture”), between the Authority and The Bank of New York Mellon Trust Company, National Association, as successor trustee (the “Trustee”), as further supplemented by one or more Supplemental Indentures of Trust, each expected to be dated as of the first day of the month it is executed (each a “Supplemental Indenture”), between the Authority and the Trustee, and sell Educational Facilities Revenue Bonds (21st Century College and Equipment Programs), in one or more series with appropriate year and series designations (the “New Money Bonds”), which series may be issued, as federally tax-exempt or taxable bonds, as applicable, to finance 21st Century College Projects and pay related costs, and to pay costs in connection with such issuance;

WHEREAS, as of the date hereof it is anticipated the 21st Century College Projects eligible to be financed by the New Money Bonds are listed in Exhibit B to the form of Supplemental Indenture presented to this meeting; *provided, however*, the State Treasurer may determine on behalf of the Authority as provided herein, before or after such Bonds are issued, to finance (a) one or more of such projects in another way, or (b) other qualifying projects;

WHEREAS, to effect debt service savings the Authority may determine, in consultation with its financial advisors, including Public Resources Advisory Group, Inc. (the “Financial Advisor”), to issue under the Master Indenture, as further supplemented by one or more Supplemental Indentures, and sell Educational Facilities Revenue Refunding Bonds (21st Century College and Equipment Programs), in one or more series with appropriate year and series designations (the “Refunding Bonds,” and together with the New Money Bonds, the “Bonds”), the proceeds of which would be used to refund certain maturities (the “Refunded Bonds”) of bonds previously issued under the Master Indenture (“Prior Bonds”), proceeds of which were used to finance qualifying projects, and to pay costs in connection with such issuance and refunding;

WHEREAS, the Amended and Restated Payment Agreement dated as of June

1, 1999 (the "Payment Agreement"), between the Authority and the Treasury Board provides for amounts appropriated by the General Assembly under the 21st Century College Program to be applied to debt service on bonds issued under the Master Indenture;

WHEREAS, certain matters regarding the use of 21st Century College Projects are governed by existing Facilities Agreements (the "Existing Facilities Agreements"), between the Authority and each Institution that has a 21st Century College Project;

WHEREAS, a determination will be made closer to the time or times the Authority enters the market whether to offer and sell some or all of the Bonds pursuant to competitive bidding, negotiated sale or private placement, based on then-existing capital market or other economic and financial conditions and considering the advice of the Authority's financial advisors, and, accordingly, whether to: (a) offer Bonds for sale pursuant to one or more Preliminary Official Statements, each to be dated the date of its release (each a "Preliminary Official Statement"), and (i) award one or more series of Bonds through a competitive bidding process using a Notice of Sale to be dated the date of the related Preliminary Official Statement (each a "Notice of Sale") which states the structure and terms of the sale, or (ii) sell one or more series of Bonds in a negotiated sale pursuant to a Bond Purchase Agreement, to be dated the date of sale (each a "Bond Purchase Agreement"), between the Authority and one or more underwriters to be selected as described below (collectively, the "Underwriter"); or (b) solicit proposals to privately place one or more series of Bonds and sell such Bonds to the respondent that offers the lowest true interest cost to the Authority, determined in accordance with the procedure described in the draft Notice of Sale presented to this meeting;

WHEREAS, the Authority will enter into a Continuing Disclosure Agreement in connection with each issuance of Bonds (each a "Continuing Disclosure Agreement") for the purpose of providing certain information for the benefit of holders of such Bonds; and

WHEREAS, drafts of a form of Supplemental Indenture, including the form of Bonds as an exhibit, a Preliminary Official Statement, a Notice of Sale and a Continuing Disclosure Agreement, have been presented to this meeting and filed with the Authority's records.

NOW, THEREFORE, BE IT RESOLVED BY THE VIRGINIA COLLEGE BUILDING AUTHORITY THAT:

1. Preliminary Official Statement; Notice of Sale. The Preliminary Official Statement, in substantially the form presented to this meeting with such completions, omissions, additions and changes as shall be approved by the State Treasurer (the Treasurer of the Authority) or the State Treasurer's staff, including without limitation issuance of a series of Bonds as federally taxable, the interest on which will be includable in gross income of the holders thereof for federal income tax purposes, is approved and distribution thereof is authorized. The Authority authorizes the State Treasurer, or such other officer of the Authority as the State Treasurer may designate, to deem each Preliminary Official Statement final as of its date for purposes of federal Securities and Exchange Commission Rule 15c2-12 (the "Rule"). Distribution of a Preliminary Official Statement shall constitute conclusive evidence it has been deemed final as of its date, except for the omission of such pricing and other information permitted to be omitted by the Rule. The Notice of Sale, in substantially the form presented to

this meeting, with such completions, omissions, additions and changes as shall be approved by the State Treasurer or a member of the State Treasurer's staff, is approved and, if Bonds are sold through competitive bidding as determined by the State Treasurer in accordance herewith, distribution and advertisement thereof is authorized.

2. Documentation; Advertising or Solicitation; Credit Ratings. The Authority authorizes and directs its staff, its financial advisors and its bond counsel, Kutak Rock LLP, to (a) prepare documentation and take all action necessary or desirable to bring one or more series of Bonds to market through competitive electronic bidding, negotiated sale or private placement, as applicable, as soon as reasonably practicable; (b) advertise Bonds to be sold through competitive bidding, or solicit proposals to purchase Bonds to be privately placed; and (c) take all actions necessary or desirable to obtain credit ratings for each series of Bonds from Standard & Poor's Ratings Services, a division of McGraw Hill Financial, Inc., Fitch Ratings Inc. and/or Moody's Investors Service, Inc.

3. Authorization of Issuance and Sale. The Authority authorizes the issuance of one or more series of Bonds pursuant to a related Supplemental Indenture and the sale thereof in accordance with (a) a Notice of Sale if Bonds are sold through competitive bid, including the receipt of bids electronically, (b) a Bond Purchase Agreement if Bonds are sold in a negotiated sale, or (c) the response to a solicitation for proposals if Bonds are privately placed; *provided, however,* (i) (A) the aggregate principal amount of New Money Bonds shall not exceed \$550,000,000, (B) the final maturity of New Money Bonds shall not be later than February 1, 2036, and (C) the true interest cost of any series of New Money Bonds, determined in accordance with the terms of the related Notice of Sale, Bond Purchase Agreement or private placement proposal, as applicable, shall not exceed 4.00%, taking into account any original issue discount or premium, and (ii)(A) the aggregate principal amount of any Refunding Bonds shall not exceed \$250,000,000, (B) the final maturity of any Refunding Bonds shall not be later than the final maturity of the related Refunded Bonds, (C) the true interest cost of any series of Refunding Bonds, determined in accordance with the terms of the Notice of Sale, Bond Purchase Agreement or private placement proposal, as applicable, shall not exceed 3.25%, taking into account any original issue discount or premium, and (D) the issuance of any Refunding Bonds shall result in net present value savings of at least 3.0% of the aggregate principal amount of the related Refunded Bonds.

4. Bond Documents. The Authority ratifies and confirms the Master Indenture, the Payment Agreement and the Existing Facilities Agreements. The form of Supplemental Indenture, including the form of Bonds, presented to this meeting is approved, with such changes, insertions, additions, deletions and amendments (including, without limitation, those appropriate with respect to any Bonds issued as federally taxable, the interest on which will be includable in gross income for federal income tax purposes) as the State Treasurer, or such other officer of the Authority as the State Treasurer may designate, shall approve. Approval of any such changes, insertions, additions, deletions and amendments shall be evidenced conclusively by execution and delivery of the related Bonds by the Authority. The Authority authorizes and directs the Chairman or the Vice Chairman of the Authority, either of whom may act, to execute and deliver each such Supplemental Indenture and the related Bonds. The Authority authorizes the Chairman or Vice Chairman of the Authority, either of whom may act, to execute and deliver one or more new Facilities Agreements in substantially the same form

as the Existing Facilities Agreements (modified as appropriate with respect to projects financed with federally taxable Bonds), and any amendments to Existing Facilities Agreements, in such form as bond counsel shall provide as necessary or desirable in connection with the issuance of Bonds, the expenditure of proceeds thereof, and the use of financed facilities.

5. Delegation; Manner of Sale of Bonds. (a) The Authority delegates to the State Treasurer, or such other officer of the Authority as the State Treasurer may designate, the power, subject to the limitations set forth in paragraph 3, on behalf of the Authority to: (i) determine the final list of projects to be financed, as of the date of issuance of the related New Money Bonds, and to expand such list from time to time to allow proceeds of such Bonds to finance other projects qualifying for financing as 21st Century College Projects; (ii) determine the details of Bonds, including, without limitation, the series designation, the maturity schedule, the interest rates and any redemption provisions; (iii) approve the form of all documents appropriate to carry out the contemplated financings; (iv) deem each Preliminary Official Statement final as of its date as contemplated in paragraph 1 and complete each Preliminary Official Statement as an Official Statement in final form as contemplated in paragraph 6; (v) postpone or cancel a sale of Bonds, if in such person's sole discretion conditions so warrant; (vi) determine, in consultation with bond counsel, whether a series of Bonds will be issued as federally taxable, the interest on which will be includable in gross income of the holders thereof for federal income tax purposes; (vii) determine which, if any, Prior Bonds are to be refunded and the related redemption dates; and (viii) take all such further action as may be necessary or desirable for the issuance, sale and delivery of Bonds and to effect any refunding of Prior Bonds.

(b) The Authority delegates to the State Treasurer the power to determine, in the State Treasurer's sole discretion based on then-existing capital market or other economic and financial conditions and considering the advice of the Authority's financial advisors, whether one or more series of Bonds are to be sold, subject to the limitations set forth in paragraph 3: (i) in a public offering through competitive bidding, in which case the State Treasurer shall award such Bonds to the responsive bidder offering the lowest true interest cost to the Authority (the "Winning Bidder"), as determined by the Financial Advisor in accordance with the terms of the related Notice of Sale; (ii) in a public offering through a negotiated sale, in which case the State Treasurer is authorized to negotiate provisions of the related Bond Purchase Agreement, determine the Underwriter, including any syndicate members and members of any selling group for such Bonds, and determine prices at which such Bonds will be offered by the Underwriter to the public, and the Chairman, Vice Chairman or State Treasurer, any one of whom may act, is authorized to execute and deliver such Bond Purchase Agreement; or (iii) in a private placement, in which case the State Treasurer shall award such Bonds to the respondent to the solicitation for proposals offering the lowest true interest cost to the Authority, as determined by the Financial Advisor in accordance with the procedure described to award Bonds in the draft Notice of Sale presented to this meeting.

(c) The Authority authorizes the State Treasurer to execute a certificate evidencing any determination or other action taken pursuant to the authority delegated in this Resolution, and to include such certificate in the closing transcript for the related Bonds or otherwise file it with the records of the Authority. Any such certificate shall be conclusive evidence of the action or determination of the State Treasurer or such person as the State Treasurer may have designated as stated therein.

6. Official Statement. The Authority authorizes and directs its officers and staff to complete each Preliminary Official Statement as an official statement in final form (each an “Official Statement”) reflecting the terms of Bonds to be publicly offered by the Winning Bidder or Underwriter, as applicable. The Authority authorizes and directs the Chairman or Vice Chairman of the Authority, either of whom may act, to execute each Official Statement, which execution shall constitute conclusive evidence of approval of the Official Statement and that the Authority has deemed it final within the meaning of the Rule. The Authority authorizes and directs its staff to arrange for delivery to the Winning Bidder or Underwriter, as applicable, in connection with any public offering of a reasonable number of copies of the Official Statement, within seven business days after the sale date of the related Bonds, for distribution to each potential investor requesting a copy thereof and to each person to whom such Bonds are initially sold. The Authority authorizes and approves distribution of the Official Statement by the Winning Bidder or Underwriter, as applicable.

7. Continuing Disclosure. The Authority covenants to undertake ongoing disclosure and provide “annual financial information” and “material event notices” in accordance with the Continuing Disclosure Agreement for the benefit of holders of Bonds to assist the Winning Bidder or Underwriter, as applicable, in complying with the Rule. The Authority authorizes and directs the Chairman, Vice Chairman, State Treasurer or such other officer of the Authority as the State Treasurer may designate, any one of whom may act, to execute each Continuing Disclosure Agreement in substantially the form presented to this meeting, which is approved with such completions, omissions, insertions and changes as the executing officer may approve. Execution of the Continuing Disclosure Agreement shall constitute conclusive evidence of approval of any such completions, omissions, insertions and changes.

8. Redemption of Refunded Bonds; Escrow Deposit Provisions. If in accordance with paragraph 5 the determination is made to refund any Prior Bonds, the Authority authorizes and directs (a) the redemption and payment of such Refunded Bonds on the applicable redemption dates, determined in accordance with paragraph 5, and (b) the giving of notice of such redemption in accordance with provisions of the Master Indenture and any applicable supplemental indentures of trust entered into in connection with the Refunded Bonds. The Authority also authorizes the preparation, execution and delivery by the Chairman or Vice Chairman of the Authority, either of whom may act, of any escrow deposit provisions, either as part of the Supplemental Indenture pursuant to which the Refunding Bonds are issued or in a separate escrow deposit agreement, as may be appropriate to effect such refunding and redemption and as shall be approved by the State Treasurer or member of the State Treasurer’s staff, with the execution and delivery thereof to constitute conclusive evidence of such approval.

9. Other Documents; Federal Tax Covenants; Post-Issuance Compliance. The Authority authorizes and directs its officers to execute and deliver such certificates and other documents as bond counsel may provide as necessary or desirable in connection with issuance and sale of Bonds and any refunding of Prior Bonds. In connection with Bonds issued as federally tax-exempt, the interest on which is excludable from gross income for federal income tax purposes, such documents may, among other things: (a) set forth the expected use and investment of proceeds of Bonds to evidence compliance with provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and regulations thereunder applicable to tax-exempt obligations; (b) implement post-issuance compliance with requirements

of the Code and regulations thereunder, and federal securities laws, regulations, rules or initiatives, applicable in connection with federally tax-exempt obligations, including without limitation in accordance with the Post-Issuance Compliance Policy for Tax-Exempt Qualified Obligations adopted by the Authority on October 7, 2009; (c) make elections regarding provisions requiring rebate to the United States of America of arbitrage profits earned on investment of proceeds of Bonds; and (d) provide for payment of any such rebate amount.

10. Other Actions. The Authority approves and confirms all other actions of its officers and staff which are in conformity with the purpose or intent of this Resolution and in furtherance of (a) issuance and sale of Bonds, use of proceeds thereof, any refunding of Prior Bonds, and (b) implementation of the 21st Century College Program.

11. Effective Date. This Resolution shall take effect upon adoption.

Adopted: February 11, 2015

VIRGINIA COLLEGE BUILDING AUTHORITY

Minutes of the Public Hearing
in Connection with the Issuance of Bonds for the Benefit of Marymount University
February 11, 2015, 10:30 a.m.
3rd Floor Conference Room, James Monroe Building
Richmond, Virginia

Members Present: Lane B. Ramsey, Chairman
John G. Dane, Vice-Chairman
Katharine M. Bond
Manju S. Ganeriwala
Dennis C. LaGanza
Charles Mann
Daniel S. Timberlake
David A. Von Moll

Members Absent: Peter A. Blake
Sylvia Le Torrente
McLain T. O’Ferrall, Jr.

Others Present:	Donald R. Ferguson, Esq.	Attorney General’s Office
	Charles P. Shimer, Esq.	Kutak Rock LLP
	Ellen L. Valentine	Kutak Rock LLP
	Mike Graff	McGuireWoods LLP
	Al Diaz	Marymount University
	Rick Petillo	FirstSouthwest
	Rob Feigenson	Morgan Stanley
	Russell Carmichael	State Council of Higher Education
	Evelyn R. Whitley	Secretary, VCBA, Department of the Treasury
	Michael D. Walsh	Assistant Secretary, VCBA, Department of the Treasury
	Jeanine Black	Department of the Treasury

Mr. Ramsey opened the public hearing at 12:02 p.m.

Mr. Ramsey asked if anyone wished to address the Board.

No members of the public addressed the board at the hearing.

Mr. Ramsey closed the public hearing at 12:03 p.m.

Respectfully submitted,

/s/ Michael D. Walsh
Assistant Secretary

**RESOLUTION OF
VIRGINIA COLLEGE BUILDING AUTHORITY**

WHEREAS, Marymount University (the “University”) has filed with the Virginia College Building Authority (the “Authority”) an application requesting the Authority, pursuant to the Educational Facilities Authority Act (Title 23, Chapter 3.3, Code of Virginia of 1950, as amended) (the “Act”), to issue its revenue bonds and to lend the proceeds from the sale thereof to the University for the following purposes (collectively, the “Plan of Financing”):

(a) refunding the outstanding principal of the Authority’s (i) Educational Facilities Revenue and Refunding Bonds (Marymount University Project) Series 1998 (the “Series 1998 Bonds”) issued to refund a portion of prior bonds of the Authority which financed and refinanced a prime computer system, acquisition and renovation of an eight-story, 100,000 square foot office building located at 1000 North Glebe Road (the “Ballston Campus”) in the Ballston neighborhood of Arlington County, Virginia, acquisition of approximately 1.45 acres of land contiguous to the University’s main campus at 2807 North Glebe Road (the “Main Campus”) in the Yorktown neighborhood of Arlington County, Virginia for use as a parking lot, and construction of an 88,640 square foot academic parking structure on the Main Campus, and financed the renovation and expansion of the University Center on the Main Campus and the upgrading of the University’s telecommunications wiring system and (ii) Educational Facilities Revenue Note (Marymount University Project) Series 2009 (the “2009 Note” and, together with the 1998 Bonds, the “Prior Bonds”) issued to finance the construction and equipping of a residence hall, academic science and health science building, and parking facility on the Main Campus;

(b) paying all or a portion of the costs previously incurred and borrowed and to be incurred by the University in connection with the capital projects located on the campuses of the University in Arlington County, Virginia and more particularly described in Attachment A to this Resolution;

(c) funding swap breakage costs in connection with the 2009 Note; and

(d) financing other eligible costs associated with such revenue bonds, including the funding of reserves, capitalized interest and issuance costs;

WHEREAS, the University desires to refund the Prior Bonds to restructure its debt;

WHEREAS, the University has determined that the foregoing Plan of Financing, which the University intends to undertake in phases, will require an issuance of two or more series of revenue bonds of the Authority in an aggregate principal amount not to exceed \$175,000,000 (the “Bonds”);

WHEREAS, the University has requested that the Authority initially issue a portion of the Bonds, in a principal amount not to exceed \$70,000,000, as a series to be designated Educational Facilities Revenue and Refunding Bonds (Marymount University Project), Series 2015A (the “Series 2015A Bonds”) for the purposes of financing (i) the refunding of the Prior Bonds, (ii) swap breakage costs in connection with the Series 2009 Note, (iii) Project 1 and

Project 2 listed on Attachment A, (iv) a debt service reserve for and capitalized interest on the Series 2015A Bonds, if either or both are deemed desirable in connection with the sale of the Series 2015A Bonds, and (v) the costs incurred in connection with the issuance of the Series 2015A Bonds (collectively, the “Series 2015A Project”);

WHEREAS, the University has selected Morgan Stanley & Co. LLC as the underwriter for the Series 2015A Bonds (the “Underwriter”) and McGuireWoods LLP as bond counsel;

WHEREAS, a public hearing with respect to financing the Plan of Financing has been held on the date hereof in conformity with the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”);

WHEREAS, there have been presented to this meeting drafts of the following instruments (the “Documents”), which the Authority, if a party thereto, proposes to execute or approve to carry out the issuance and sale of the Series 2015A Bonds, copies of which instruments shall be filed with the records of the Authority:

(a) Bond Trust Indenture (the “Bond Indenture”) between the Authority and Branch Banking and Trust Company, as trustee (the “Bond Trustee”), including the form of the Series 2015A Bonds;

(b) Loan Agreement (the “Loan Agreement”) between the Authority and the University with respect to the Series 2015A Bonds;

(c) Promissory Note Constituting Obligation No. 1 (the “Note”) from the University to the Authority in the aggregate principal amount of the Series 2015A Bonds, with the Authority’s assignment thereof to the Bond Trustee;

(d) Bond Purchase Contract (the “Bond Purchase Contract”) among the Underwriter, the Authority and the University setting forth the details of the purchase of the Series 2015A Bonds by the Underwriter; and

(e) Preliminary Official Statement (the “Preliminary Official Statement”) to be dated the date of its delivery, describing the offering of the Series 2015A Bonds; and

WHEREAS, as a result of an interpretive notice issued by the Municipal Securities Rulemaking Board, underwriters of bonds issued by the Authority are required (a) to provide to the Authority certain disclosures regarding the role of the underwriter, its responsibilities, possible conflicts of interest and other matters (collectively, “Underwriter Disclosure”) and (b) seek acknowledgement from the Authority of receipt of such disclosure.

BE IT RESOLVED BY THE VIRGINIA COLLEGE BUILDING AUTHORITY:

1. The Authority finds and determines that the issuance of the Bonds and the loan to the University of the proceeds from the sale thereof to be used, together with other available funds, to finance the Plan of Financing will be consistent with the purpose of the Act. The Authority approves the application of the University and authorizes the issuance of the Bonds and the loan of the proceeds from the sale thereof to the University.

2. The Bonds, which may be taxable or tax-exempt for purposes of federal income taxation, are authorized to be issued in one or more series at one time or from time to time, pursuant to documents and subject to parameters approved by resolution of the Authority and upon terms that shall be satisfactory to the Treasurer of the Authority (the “Treasurer”) or such other officer of the Authority as the Treasurer may designate.

3. The Authority hereby authorizes the issuance and sale of the Series 2015A Bonds to finance the Series 2015A Project upon terms that shall be satisfactory to the Treasurer or such other officer of the Authority as the Treasurer may designate; provided, however, that the aggregate principal amount of the Series 2015A Bonds shall not exceed \$70,000,000; (b) the Series 2015A Bonds shall be dated the date of their delivery, or such other date as approved by the Treasurer, (c) the Series 2015A Bonds shall mature no later than December 31, 2045, (d) the true interest cost of the Series 2015A Bonds shall not exceed 6.00% per year, (e) the Series 2015A Bonds shall be in denominations of at least \$5,000 and integral multiples thereof, (f) the Series 2015A Bonds shall be in registered form and shall be payable at the designated office of the paying agent selected for the Series 2015A Bonds or as otherwise permitted in the Bond Indenture and (g) the Series 2015A Bonds shall be subject to optional redemption on the dates permitted in the Bond Indenture at a redemption price not exceeding 100% of the principal amount of the Series 2015A Bonds redeemed, plus accrued interest.

4. The Authority authorizes and directs the Treasurer or such officer of the Authority as the Treasurer may designate, subject to the limitations set forth in paragraph 3, to approve the details of the Series 2015A Bonds and their sale, all of which shall be approved by the University, including without limitation, the principal amount to be issued, the maturity schedule, the interest rate provisions and redemption provisions. Following the sale of the Series 2015A Bonds, the Treasurer shall file a certificate with the Secretary of the Authority setting forth the final terms of the Series 2015A Bonds. The actions of the Treasurer shall be conclusive, and no further action to approve such details shall be necessary on the part of the Authority.

5. The Authority approves and consents to the distribution by the Underwriter of the Preliminary Official Statement. The Chairman and Vice Chairman of the Authority, either of whom may act, are hereby authorized to deem the Preliminary Official Statement, as approved by the University, final for purposes of Rule 15c2-12 of the Securities and Exchange Commission except for information the omission of which is permitted by Rule 15c2-12. The Authority authorizes the Chairman and Vice-Chairman of the Authority, either of whom may act, to execute and deliver to the Underwriter for distribution a final Official Statement (the “Official Statement”) reflecting the final terms of the Series 2015A Bonds, with such completions, omissions, insertions and changes as shall be approved by the University and as the Authority’s counsel or the executing officer of the Authority may approve, and such officer’s execution shall constitute conclusive evidence of the approval of any such completions, omissions, insertions and changes. Execution of the final Official Statement shall constitute conclusive evidence that the Official Statement has been deemed final within the meaning of Rule 15c2-12.

6. The Authority authorizes and directs the Chairman, the Vice-Chairman and the Treasurer of the Authority, any of whom may act, to execute and deliver the Bond Indenture, the Loan Agreement and the Bond Purchase Contract, which shall be in forms approved by the

University and in substantially the forms presented to this meeting, which are approved, with such completions, omissions, insertions and changes (including changes to the dates thereof) not inconsistent with this resolution as may be approved by the officer executing such documents, his or her execution thereof to constitute conclusive evidence of such officer's approval of any such completions, omissions, insertions and changes. The Secretary and any Assistant Secretary of the Authority, any one of whom may act, are authorized and directed, as necessary, to affix the seal of the Authority to the Documents and to attest the same by his or her signature.

7. The Authority authorizes and directs the Chairman and Vice Chairman of the Authority, either of whom may act, to execute the Series 2015A Bonds, in form approved by the University, by manual or facsimile signature, and the Secretary and any Assistant Secretary of the Authority, any of whom may act, are authorized and directed to have the seal of the Authority affixed or printed thereon and to attest such seal by his or her manual or facsimile signature. The Chairman and Vice Chairman of the Authority, either of whom may act, are authorized and directed to deliver the Series 2015A Bonds to the Bond Trustee for authentication and to cause the Series 2015A Bonds so executed and authenticated to be delivered to or for the account of the Underwriter.

8. The Authority authorizes and directs the Chairman and Vice Chairman of the Authority, either of whom may act, to execute the assignment form on the Note, thereby assigning it to the Bond Trustee, and to direct the University to make all payments thereunder to the Bond Trustee to provide for payment of the Series 2015A Bonds.

9. The Authority authorizes and directs its officers to execute and deliver all certificates, instruments and documents and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Series 2015A Bonds, including, without limitation, execution and delivery of (a) a certificate, in form approved by the University, setting forth the expected use and investment of the proceeds of the Series 2015A Bonds to show that such expected use and investment will not violate the provisions of the Code, and regulations thereunder, applicable to "arbitrage bonds," making any elections, at the request of the University, that such officers deem desirable regarding any provision requiring rebate to the United States of "arbitrage profits" earned on investment of proceeds of the Series 2015A Bonds, and providing for the University to pay any such rebate amount and (b) an escrow deposit agreement or similar arrangement, in form approved by the University, to provide for the refunding of the Prior Bonds.

10. All costs and expenses incurred in connection with the Series 2015A Bonds, including without limitation, the one-time fee and expenses of the Authority and fees and expenses of counsel for the Authority, shall be paid promptly from proceeds of the Series 2015A Bonds or other funds provided by the University. If for any reason the Series 2015A Bonds are not issued, it is understood that all such fees and expenses incurred shall be paid promptly by the University upon presentation of an invoice and the Authority shall have no responsibility therefor. The Authority's one-time fee equal to 1/10 of 1% of the initial principal amount of the Series 2015A Bonds shall be incurred and payable to the Authority upon issuance of the Series 2015A Bonds.

11. At the request of the University, the Authority hereby appoints McGuireWoods LLP as bond counsel to supervise the proceedings and approve the legality of the issuance of the Series 2015A Bonds and approves Morgan Stanley & Co. LLC as underwriter for the Series 2015A Bonds.

12. The Authority authorizes and confirms all other actions of the officers and staff of the Authority that are in conformity with the purpose or intent of this resolution and sale of the Series 2015A Bonds and the lending of the proceeds from the sale thereof to the University.

13. The officers of the Authority, including the Chairman, the Vice Chairman, the Treasurer, the Secretary and the Assistant Secretary, are each authorized individually to acknowledge on behalf of the Authority the receipt of any Underwriter Disclosure.

14. The Authority hereby recommends and requests that the Governor of the Commonwealth of Virginia approve the issuance of the Bonds pursuant to Section 147(f) of the Code.

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

ATTACHMENT A

THE PROJECTS

Set forth below are certain projects to be financed or refinanced in whole or in part with the proceeds of the Bonds:

- Project 1. Refinancing a term loan in the approximate amount of \$5,500,000 previously incurred by the University to finance renovations to the academic buildings known as the Main House and Rowley Hall on the Main Campus
- Project 2. Financing certain deferred maintenance improvements and renovations to the Main Campus, which may include, without limitation, window replacements, parking facility repairs, bathroom renovations, elevator replacements and carpet replacements
- Project 3. Financing and/or refinancing the construction and equipping of an approximately nine-story, 165,000 square foot academic building to be owned by the University and located on the site of the Ballston Campus

Capitalized terms used and not otherwise defined in this Attachment A have the meanings given to them in the foregoing Resolution.