

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

March 19, 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
Peter A. Blake
Katharine M. Bond
Manju S. Ganeriwala
Dennis C. LaGanza
McLain T. O’Ferrall, Jr.
Daniel S. Timberlake

Members Absent: John G. Dane, Vice-Chairman
Sylvia Le Torrente
Charles Mann
David A. Von Moll

Others Present:	Donald R. Ferguson, Esq.	Attorney General’s Office
	Eric Ballou	Christian & Barton, L.L.P.
	Ellen L. Valentine	Kutak Rock LLP
	Lisa Williams	McGuireWoods LLP
	Stephanie J. Arbanas	Washington and Lee University
	Steven McAllister	Washington and Lee University
	Emily Abrantes	Public Financial Management, Inc.
	Russell Carmichael	State Council of Higher Education
	Evelyn R. Whitley	Department of the Treasury
	Michael D. Walsh	Department of the Treasury
	Sandra Stanley	Department of the Treasury
	Jeanine Black	Department of the Treasury

Call to Order

Mr. Ramsey called the meeting to order at 10:37 a.m. After welcoming 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 March 11, 2015 Virginia College Building Authority meeting. Hearing none, he requested a motion for approval of the minutes. Mr. Blake made the motion; Mr. Timberlake seconded the motion, and the motion was unanimously adopted by all members present and voting.

Consideration of the Washington and Lee University Financing Application

Mr. Walsh reviewed the Preliminary Financing Summary for the proposed issuance of up to \$53,000,000 of Virginia College Building Authority Educational Facilities Revenue Bonds (Washington and Lee University Project), Series 2015A and 2015B. He then introduced representatives from Washington and Lee, McGuireWoods LLP, Public Financial Management, Inc., and Christian & Barton LLP.

Mr. O’Ferrall asked if the endowment is the security for the bonds. Ms. Williams indicated that although the University has the right to use the unrestricted funds to pay debt service, the unrestricted funds are not specifically pledged and at the worst case scenario the bond holders would be unsecured creditors. Mr. Walsh added that the unrestricted portion could be used, and that amount is \$242 million. Mr. LaGanza asked what the total amount of bonds does the University have outstanding. Mr. Steve McAllister indicated that the University has approximately \$157 million of bonds outstanding. This additional issue will bring the amount to over \$200 million.

Mr. Steve McAllister, Vice President for Finance at Washington and Lee University, gave a brief overview of Washington and Lee University and the projects. Ms. Emily Abrantes asked if there were any questions before the public hearing. Hearing none, Mr. Ramsey opened up the public hearing.

Public Hearing

The public hearing was opened at 10:55 a.m. and closed at 10:56 a.m., after no members of the public asked to speak. The minutes of the public hearing are attached hereto as Attachment A.

Ms. Lisa Williams from McGuireWoods LLP, bond counsel to the University, reviewed the revised (handout) Resolution for the Board. Ms. Bond asked about the difference in the numbers that are in Resolution and the Preliminary Financing Summary. Ms. Williams explained the difference between the “not to exceed” number, premium, and the all-in project cost. Mr. LaGanza asked how the variable rate was calculated and Ms. Abrantes responded, and explained that the university is providing self-liquidity for the variable rate obligations.

Mr. O’Ferrall asked if the housing was self supporting and Mr. McAllister indicated that is largely self-supporting at approximately \$2.5 annually. A discussion ensued. Mr. Blake asked about the number of 3rd year students and Mr. McAllister responded that there are approximately 390 students on campus. He also indicated that there is a requirement for all 3rd year students to stay on campus.

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

Adjournment

Having no other business to be brought before the Board, the meeting was adjourned.

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.

**RESOLUTION OF
VIRGINIA COLLEGE BUILDING AUTHORITY**

RECITALS

A. The Washington and Lee University (the "University") has filed with the Virginia College Building Authority (the "Authority") an application requesting that the Authority, pursuant to the Educational Facilities Authority Act, Title 23, Chapter 3.3, Code of Virginia of 1950, as amended (the "Act"), issue its revenue bonds in one or more series and from time to time in an aggregate principal amount not to exceed \$53,000,000 (the "Bonds"), and to lend the proceeds from the sale thereof to the University to assist the University (collectively, the "Plan of Finance") in:

(i) refunding all or a portion of the Authority's Educational Facilities Revenue Bonds (Washington and Lee University), Series 2006 (the "Series 2006 Bonds"), originally issued to (i) finance the construction of capital improvements at the University's campus located in the City of Lexington, Virginia (the "Campus"), including the remodeling, renovation and improvement of the University's co-op building, capital improvements to buildings, mechanical systems, computer systems and health and safety systems, and capital improvements in connection with the creation of an energy performance program, (ii) refund the outstanding amount of the Authority's Educational Facilities Revenue Bonds (The Washington and Lee University Project), Series 1994, the proceeds of which were used to finance the construction and renovation of buildings and facilities on the Campus and to refund certain outstanding indebtedness of the University and (iii) pay the costs of issuing the Series 2006 Bonds;

(ii) financing various capital projects located at the Campus, including (i) construction and equipping of seventeen apartment and townhouse-style buildings for student housing for approximately 336 students, (ii) construction of a new pedestrian bridge crossing Woods Creek connecting pedestrian pathways between Leyburn Library and the Law School (iii) renovations and improvements to the University's athletic fields, including but not limited to, installation of artificial turf and sports lighting, (iv) renovation, construction and equipping of certain existing indoor athletic facilities and (v) remodeling, renovation and equipping of various capital improvements in buildings throughout Campus, such improvements including, but not limited to, updating mechanical systems, health and safety systems, and ventilation systems, updating and modernizing existing student housing, and updating building layouts; and

(iii) financing costs of issuance, funded interest, if any, and reserves, if any, with respect to the Bonds.

B. The University has selected Wells Fargo Bank, National Association, as the underwriter (the "Underwriter") for the Bonds and McGuireWoods LLP as bond counsel.

C. The Bonds are expected to be issued in one or more series, some of which may bear interest at a fixed rate (the "Fixed Rate Bonds") and some of which may bear interest at a variable rate (the "Variable Rate Bonds").

D. A public hearing 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").

E. There have been presented to this meeting drafts of the following documents, which the Authority proposes to execute or approve to carry out the issuance and sale of the Bonds, copies of which instruments shall be filed with the records of the Authority:

(i) a Loan Agreement between the Authority and the University, with respect to one or more series of Fixed Rate Bonds, including a form of the University's promissory note (the "Fixed Rate Note"), which is to be in the aggregate principal amount of the Fixed Rate Bonds;

(ii) a Loan Agreement between the Authority and the University, with respect to one or more series of Variable Rate Bonds, including a form of the University's promissory note (the "Variable Rate Note"), which is to be in the aggregate principal amount of the Variable Rate Bonds;

(iii) an Indenture of Trust (the "Fixed Rate Indenture") between the Authority and U.S. Bank National Association (the "Trustee"), including a form of the Fixed Rate Bonds;

(iv) an Indenture of Trust (the "Variable Rate Indenture") between the Authority and the Trustee, including a form of the Variable Rate Bonds;

(v) a Bond Purchase Agreement (the "Fixed Rate Bond Purchase Agreement") among the Underwriter, the Authority and the University, setting forth the details of the initial purchase of the Fixed Rate Bonds;

(vi) a Bond Purchase Agreement (the "Variable Rate Bond Purchase Agreement") among the Underwriter, the Authority and the University, setting forth the details of the initial purchase of the Variable Rate Bonds;

(vii) a preliminary Official Statement (the "Fixed Rate Official Statement"), relating to the offering of the Fixed Rate Bonds; and

(viii) an Official Statement (the "Variable Rate Official Statement"), relating to the offering of the Variable Rate Bonds.

The documents listed in items (i) through (vi) are referred to herein as the "Documents."

F. The Fixed Rate Bonds, if any, are expected to be sold to the Underwriter pursuant to the Fixed Rate Bond Purchase Agreement, and any such Fixed Rate Bonds shall have (i) a true interest cost not to exceed 5.5% and (ii) a final maturity not more than 31 years from the date of the issuance of the Fixed Rate Bonds.

G. The Variable Rate Bonds, if any, are expected to be sold to the Underwriter pursuant to the Variable Rate Bond Purchase Agreement, and any such Variable Rate Bonds shall (i) bear a variable interest rate determined pursuant to the formula set forth in the Variable Rate Indenture and (ii) have a final maturity not more than 31 years from the date of the issuance of the Variable Rate Bonds. The remarketing of any series of Variable Rate Bonds is expected to be provided for under a remarketing agreement between the University and Wells Fargo Bank, National Association and/or such other firm or firms selected by the University as remarketing agent (the "Remarketing Agreement").

H. The Bonds are expected to be sold in a maximum aggregate principal amount not to exceed \$53,000,000.

IT IS 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 undertake the Plan of Finance will be consistent with the purpose of the Act and with the Authority's Statement of Policy and Procedures. 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 to assist in the Plan of Finance, subject to the conditions described herein.

2. The issuance and sale of the Bonds are hereby authorized and approved. The Bonds may be issued in one or more series, as Fixed Rate Bonds and/or as Variable Rate Bonds, at one time or from time to time on such terms as do not conflict with the expectations described in recitals F, G and H above (the "Financing Parameters").

3. The Authority authorizes and directs the Treasurer, subject to the Financing Parameters, to determine the details of the Bonds and of their sale, all of which shall be acceptable to the University, including, without limitation, the number of series, the principal amount to be issued, the price at which the Bonds will be sold to the Underwriter, the interest rate provisions, the maturity schedule and the redemption provisions for the Bonds. Following the sale of the Bonds, the Treasurer shall file a certificate with the Secretary of the Authority setting forth the final terms and purchase price of the Bonds. The actions of the Treasurer in selling the Bonds shall be conclusive, and no further action shall be necessary on the part of the Authority.

4. The Bonds shall be in substantially the forms attached as exhibits to the Fixed Rate Indenture or the Variable Rate Indenture, as applicable.

5. The Authority authorizes and directs the Chairman, Vice-Chairman or the Treasurer (each, an "Authorized Officer") of the Authority, any of whom may act, to execute and deliver the Documents, which shall be in substantially the forms presented to this meeting, which are hereby approved, with such completions, omissions, insertions and changes not inconsistent with this resolution as may be approved by the University and the Authorized Officer executing such Documents, his or her execution thereof to constitute conclusive evidence of such officer's approval of such completions, omissions, insertions and changes. The Secretary or Assistant Secretary of the Authority is authorized and directed, as necessary to affix the seal of the Authority to the Documents and attest the same by his or her signature.

6. The use and distribution by the Underwriter of the preliminary Fixed Rate Official Statement and/or Variable Rate Official Statement is in all respects authorized, ratified and approved. For purposes of Rule 15c2-12 of the Securities and Exchange Commission, an Authorized Officer, any of whom may act, is hereby authorized to deem the preliminary Fixed Rate Official Statement and Variable Rate Official Statement final except for information permitted to be omitted under paragraph (b)(1) of such Rule.

7. The final Fixed Rate Official Statement and its use and distribution by the Underwriter is authorized and approved. The final Fixed Rate Official Statement shall be in substantially the form of the preliminary Fixed Rate Official Statement submitted to this meeting, which is hereby approved, with such completions, omissions, insertions and changes as shall be acceptable to the University and may be approved by an Authorized Officer, any of whom may act, whose execution thereof shall constitute conclusive evidence of his approval of such form, terms and conditions. An Authorized Officer, any of whom may act, is hereby authorized and directed to execute and deliver the Authority's approval of the final Fixed Rate Official Statement and/or Variable Rate Official Statement upon approval of its form, terms and conditions. Such officer's execution shall constitute conclusive evidence of his approval of such form, terms and conditions. Execution of the final Fixed Rate Official Statement and/or Variable Rate Official Statement shall constitute conclusive evidence that such official statements have been deemed final within the meaning of Rule 15c2-12.

8. The Chairman or Vice-Chairman of the Authority, either of whom may act, is authorized and directed to execute the Bonds by manual or facsimile signature, and the Secretary or Assistant Secretary of the Authority, either of whom may act, is authorized and directed to have the seal of the Authority affixed to or printed on the Bonds and to attest such seal by his or her manual or facsimile signature. Such officer executing the Bonds is also authorized and directed to deliver the Bonds to the Trustee for authentication and to cause the Bonds so executed and authenticated to be delivered to or for the account of the Underwriter.

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 Plan of Finance and the issuance and sale of the Bonds, including, without limitation, execution and delivery of a certificate setting forth the expected use and investment of the proceeds of the Bonds to show that such expected use and investment will not violate the provisions of Section 148 of the Code, and regulations thereunder, applicable to "arbitrage bonds," making any elections, requested by 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 Bonds, and providing for the University to pay any such rebate amount.

10. At the request of the University, 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.

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 Bonds and approves Wells Fargo Securities as Underwriter of the Bonds.

12. All costs and expenses in connection with the Bonds and the Plan of Finance, including without limitation the expenses of the Authority and its legal counsel, will be paid from funds provided by or on behalf of the University, regardless of whether the Bonds are ever issued. It is understood that the Authority will have no responsibility for payment of such costs and expenses and that the University will indemnify and save harmless the Authority, its officers, directors, employees and agents from and against all liabilities, obligations, claims, damages, penalties, losses, costs and expenses in any way connected with the Bonds and the Plan of Finance.

13. Upon request of the University, the Authority elects to defease a portion of the Series 2006 Bonds, selected by the University (the "Refunded Bonds"), simultaneously with issuance of the Bonds upon deposit to an irrevocable escrow fund of certain government obligations and cash in an amount determined to be sufficient to pay the principal of and interest on the Refunded Bonds through their optional redemption, expected on January 1, 2016, and to irrevocably call for redemption the Refunded Bonds on such date. Such escrow fund may be the bond fund established with the bond trustee for the Series 2006 Bonds or established pursuant to an escrow agreement between the Authority and the trustee for the Series 2006 Bonds the form of which shall be acceptable to the Treasurer and counsel to the Authority, which acceptance shall be evidenced by execution thereof by the Chairman or Vice Chairman of the Authority, which execution is hereby authorized. If requested by the University, the Authority authorizes subscription on its behalf for U.S. Treasury state and local government series securities sufficient, together with other available amounts, to so defease the Refunded Bonds, and the purchase thereof with proceeds of the Bonds.

14. The Authority approves and confirms all other actions of the officers of the Authority that are in conformity with the purpose or intent of this resolution and in furtherance of the issuance and sale of the Bonds and the lending of the proceeds from the sale thereof to the University.

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

CERTIFICATE

The undersigned Assistant Secretary of the Virginia College Building Authority (the "Authority"), hereby certifies that the foregoing is a true, correct and complete copy of a resolution adopted by a majority of the Directors of the Authority present and voting at a meeting duly called and held on _____, 2015 in accordance with law, and that such resolution has not been repealed, revoked, rescinded or amended, and is in full force and effect on the date hereof.

WITNESS the following signature this ____ day of _____, 2015.

(SEAL)

Assistant Secretary, Virginia College Building
Authority

VIRGINIA COLLEGE BUILDING AUTHORITY

Minutes of the Public Hearing
in Connection with the Issuance of Bonds for the Benefit of
Washington and Lee University
March 19, 2015, 10:30 a.m.
3rd Floor Conference Room, James Monroe Building
Richmond, Virginia

Members Present: Lane B. Ramsey, Chairman
Peter A. Blake
Katharine M. Bond
Manju S. Ganeriwala
Dennis C. LaGanza
McLain T. O’Ferrall, Jr.
Daniel S. Timberlake

Members Absent: John G. Dane, Vice-Chairman
Sylvia Le Torrente
Charles Mann
David A. Von Moll

Others Present: Donald R. Ferguson, Esq. Attorney General’s Office
Eric Ballou Christian & Barton, L.L.P.
Ellen L. Valentine Kutak Rock LLP
Lisa Williams McGuireWoods LLP
Stephanie J. Arbanas Washington and Lee University
Steven McAllister Washington and Lee University
Emily Abrantese Public Financial Management, Inc.
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
Sandra Stanley Department of the Treasury
Jeanine Black Department of the Treasury

Mr. Ramsey opened the public hearing at 10:54 a.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 10:55 a.m.

Respectfully submitted,

/s/ Michael D. Walsh
Assistant Secretary