

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

**July 13, 2011, 3:00 p.m.**

Treasury Board Conference Room  
James Monroe Building  
101 North 14<sup>th</sup> Street, 3<sup>rd</sup> Floor  
Richmond, Virginia

Members Present: Anne C.H. Conner, Chairman  
Jefferson "Jeff" S. Cooper, Vice-Chairman  
Vinod B. Agarwal  
Peter A. Blake  
Allison Cryor DiNardo  
Bryce E. Reeves  
Joseph S. Testa  
Daniel S. Timberlake  
John R. Vogt  
David A. Von Moll

Members Absent: Manju S. Ganeriwala

Others Present:	Donald Ferguson, Esq.	Attorney General's Office
	Charles P. Shimer, Esq.	Kutak Rock, LLP
	Russell Carmichael	State Council of Higher Education
	Steven Kantor	First Southwest
	Kayla MacEwen	First Southwest
	Patrick Young	Intern, Bryce Reeves Insurance & Financial Services Inc.
	Evelyn R. Whitley	Secretary, VCBA, Department of the Treasury
	Janet A. Aylor	Assistant Secretary, VCBA, Department of the Treasury
	Jeanine Black	Department of the Treasury
	Sherwanda Cawthorn	Department of the Treasury
	Michael Tutor	Department of the Treasury

**Call to Order and Approval of Minutes**

Ms. Conner called the meeting to order at 3:04 p.m. After welcoming new board member, Mr. Peter Blake, Interim Executive Director of State Council of Higher Education for Virginia (SCHEV), and any visitors, she asked if there were any members of the public present that wished to comment on Board activities. There were no public comments.

Ms. Conner then asked if there were any comments on or corrections to the minutes of the November 17, 2010 Virginia College Building Authority meeting. Hearing none, she requested a motion for approval of the minutes. Dr. Agarwal made the motion; Mr. Testa seconded, and the

motion carried unanimously by all members present.

**Consideration of Extension of Financial Advisor Contracts**

Ms. Aylor introduced Mr. Steve Kantor and Ms. Kayla MacEwen, both from First Southwest Company, financial advisors to the Authority. Ms. Aylor informed the board that the current term of the Financial Advisor Contracts will be ending on July 31, 2011 and staff recommends the Authority extend the current contracts with Public Resources Advisory Group (primary) and First Southwest (secondary) for the first allowable one year renewal period to July 31, 2012. A discussion ensued.

Mr. Vogt moved the approval of the Extension of the Current Financial Advisor Contracts (Attachment A); Mr. Timberlake seconded, and the motion was unanimously adopted by all members present.

**Consideration of Issuance of Virginia College Building Authority Educational Facilities Revenue Bonds (21<sup>st</sup> Century College and Equipment Programs), Series 2011A**

Ms. Black reviewed the Preliminary Financing Summary for the proposed issuance of up to \$300,000,000 in Virginia College Building Authority Educational Facilities Revenue Bonds (21<sup>st</sup> Century College and Equipment Programs), Series 2011A. Mr. Shimer from Kutak Rock, LLP, bond counsel to the Authority, reviewed the Resolution before the Board.

Ms. Conner asked how the determination is made whether to sell the bonds competitive or negotiated and Ms. Aylor indicated that the Virginia College Building Authority (VCBA) 21<sup>st</sup> Century has been in existence since 1996, selling bonds and the buyers are very familiar with the VCBA paper and a negotiated is offering is often used when bringing a new credit to market. Ms. Aylor also indicated that current market conditions do not give motivation for a negotiated sale. Mr. Vogt also mentioned that a negotiated sale has competitive aspects to it. A discussion ensued. Ms. MacEwen stated that a negotiated sale is recommended in some instances with refundings because it allows for last minute restructuring to obtain the greatest savings. Mr. Kantor with First Southwest mentioned that the volume for Virginia paper is down and the market is hungry for Virginia paper so, a competitive sale may achieve the best rate. A discussion ensued.

Mr. Cooper moved the approval of the Resolution (contained in Attachment B) of the Virginia College Building Authority authorizing the issuance and sale of its Educational Facilities Revenue Bonds (21<sup>st</sup> Century College and Equipment Programs), Series 2011A; Mr. Von Moll seconded, and the motion was unanimously adopted by all members present.

**Approval of Resolution Authorizing an Amendment in Connection with Educational Facilities Revenue Bonds (Public Higher Education Financing Program) Series 2009A**

Ms. Aylor explained Longwood University's request to use the remaining bond proceeds from the Lankford Hall Project which the University abandoned, for the Construct University Center Project. Ms. Aylor also mentioned that approval of the documents is required for tax purposes. A discussion ensued. Mr. Shimer reviewed the Resolution before the Board. Mr. Shimer also indicated that since the Construct University Center Project is a new project to the VCBA

program it required the approval of an amendment to certain documents as well.

Mr. Cooper asked if any money on the project was spent and Ms. Aylor stated that a minimal amount was spent on the Lankford Project before the University decided that it is more beneficial to construct the new project than continue the Lankford Project. Ms. DiNardo stated that since the money will now be used for planning on the new project, it can be assumed that the remaining and new proceeds will be used on construction of the new project. A discussion ensued. Mr. Vogt asked if under the Federal Tax Law are there time constraints and Mr. Shimer indicated that all of the 2009 money needs to be spent within 3 years of issuance. A discussion ensued.

Dr. Agarwal moved the approval of the Resolution (contained in Attachment C) of the Virginia College Building Authority Authorizing an Amendment in Connection With Educational Facilities Revenue Bonds (Public Higher Education Financing Program) Series 2009A; Ms. DiNardo seconded, and all members present unanimously adopted the motion.

**Approval of Resolution Authorizing the Extension of Standby Bond Purchase Agreements with Wells Fargo Bank, N.A. in Connection with the Virginia College Building Authority Educational Facilities Revenue Bonds (21<sup>st</sup> Century College and Equipment Programs), Series 2006B and 2006C**

Ms. Aylor indicated that the Authority entered into Standby Bond Purchase Agreements (SBPA) dated September 14, 2006 with Wells Fargo Bank to provide liquidity support for the Bonds. She also informed the Board that there is an Evergreen Provision that stated the expiration date will automatically be extended with the current terms provided under the SBPA unless Wells Fargo Bank gives the Authority written notice of non-renewal at least 180 days prior to the current expiration date. The Authority received a written notice from Wells Fargo in March 2011 with one, three, or five year alternatives for renewal. A discussion ensued.

Ms. Aylor also stated that the Virginia Public Building Authority is in the process of acquiring a new Liquidity Provider because Dexia, current Liquidity Provider, is getting out of the market for providing a Liquidity Facility. She indicated that the options presented to the Authority by Wells Fargo Bank are attractive and the Authority's Financial Advisor recommends the five year alternative. Mr. Vogt asked what was the basis for deciding on the five year option and Ms. Aylor indicated the Basel III regulatory standards for banks will most likely effect the pricing of liquidity facilities in the future. A discussion ensued.

Ms. Aylor mentioned that a 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, will be discussed at the next Board meeting.

Mr. Reeves moved the approval of the Resolution (contained in Attachment D) of the Virginia College Building Authority Authorizing the Extension of Standby Bond Purchase Agreements with Wells Fargo Bank, N.A. in Connection with the Virginia College Building Authority Educational Facilities Revenue Bonds (21<sup>st</sup> Century College and Equipment Programs), Series 2006B and 2006C; Mr. Von Moll seconded, and all members present unanimously adopted the motion.

**Other Business**

Ms. Aylor reviewed the Final Financing Summaries for the Virginia College Building Authority Educational Facilities Revenue Refunding Bonds (Liberty University), Series 2010, (Lynchburg College), Series 2010, and (University of Richmond) Series 2011A & 2011B.

The board briefly discussed scheduling of the next board meeting that will be held in September. It was decided that Ms. Black will poll for several days in September to determine the most feasible date.

**Adjournment**

Having no other business to be brought before the Board, the meeting was adjourned at 4:08 p.m.

Respectfully submitted,  
Janet A. Aylor  
Assistant Secretary

/s/ Janet A. Aylor

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

**MOTION TO EXTEND THE CURRENT CONTRACTS FOR FINANCIAL  
ADVISOR**

Under the terms of the Contract for Financial Advisory Services dated August 1, 2008, I move to direct staff of the Virginia College Building Authority to extend the current Financial Advisory contracts with Public Resources Advisory Group (primary) and First Southwest (secondary) for one year to July 31, 2012.

**VIRGINIA COLLEGE BUILDING AUTHORITY RESOLUTION  
AUTHORIZING THE ISSUANCE OF EDUCATIONAL FACILITIES  
REVENUE BONDS (21<sup>ST</sup> CENTURY COLLEGE AND EQUIPMENT  
PROGRAMS) FOR 21<sup>ST</sup> CENTURY COLLEGE AND EQUIPMENT  
PROJECTS**

**WHEREAS**, the Virginia College Building Authority (the “Authority”) is a body corporate and politic, constituting a public corporation and governmental 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 the construction of capital improvements at, and the acquisition of equipment for, public higher educational institutions in the Commonwealth;

**WHEREAS**, the 1996 Session of the General Assembly of Virginia (the “General Assembly”) initially created a 21<sup>st</sup> Century College Program in accordance with which or subsequent similar authorizing legislation (collectively, the “21st Century College Program”), the Authority is authorized, among other things, to borrow money and issue revenue bonds under the Act to finance the cost of certain capital improvements at public higher educational institutions in amounts not in excess of amounts authorized from time to time by the General Assembly (the “21<sup>st</sup> Century College Projects”);

**WHEREAS**, the 1998 Special Session of the General Assembly modified the Authority’s prior equipment leasing program to create the Equipment Program (the “Equipment Program,” and together with the 21<sup>st</sup> Century College Program, the “21<sup>st</sup> Century College and Equipment Programs”), in accordance with which and subsequent legislation, the Authority is authorized, among other things, to borrow money and issue revenue bonds under the Act to finance the cost of certain scientific, technical and other equipment for teaching, research and related activities at public higher educational institutions in amounts not in excess of amounts authorized from time to time by the General Assembly (the “Equipment Projects”);

**WHEREAS**, the source of payment of bonds issued under the Act in accordance with the 21<sup>st</sup> Century College and Equipment Programs is appropriations made at the discretion of the General Assembly to the Treasury Board of the Commonwealth (the “Treasury Board”), and because the source of payment is the same the Authority has combined the financing for the Equipment Projects with the financing for the 21<sup>st</sup> Century College Projects;

**WHEREAS**, in furtherance of purposes of the Act and the 21<sup>st</sup> Century College and Equipment Programs, 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 the Twenty-Fifth Supplemental Indenture of Trust to be dated as of the first day of the month it is executed (the “Twenty-Fifth Supplemental Indenture”), between the Authority and the Trustee, and to sell Educational Facilities Revenue Bonds (21<sup>st</sup> Century College and Equipment Programs) (the “Bonds”), the proceeds of which will be used to finance certain 21<sup>st</sup> Century College Projects and Equipment Projects at certain public higher educational institutions (the

“Participating Institutions”) and pay costs related to such issuance;

**WHEREAS**, as of the date of the adoption of this Resolution, it is anticipated that the Participating Institutions and the related 21<sup>st</sup> Century College Projects and Equipment Projects eligible to be financed with proceeds of the Bonds are as listed in Exhibit B to the form of Twenty-Fifth Supplemental Indenture presented to this meeting; *provided, however*, the State Treasurer may determine on behalf of the Authority as provided herein before or after the Bonds are issued to finance (a) one or more of such projects in another way, or (b) other projects qualifying for financing under the 21<sup>st</sup> Century College and Equipment Programs with proceeds of the Bonds;

**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 certain payments appropriated by the General Assembly under the 21<sup>st</sup> Century College and Equipment Programs to be paid to the Authority to support debt service on bonds issued under the Master Indenture;

**WHEREAS**, certain matters regarding the use of the 21<sup>st</sup> Century College Projects are governed by existing Facilities Agreements (the “Existing 21<sup>st</sup> Century Facilities Agreements”), between the Authority and each Participating Institution that has a 21<sup>st</sup> Century College Project, and the Authority desires to enter into one or more new Facilities Agreements with Participating Institutions to govern the use of any 21<sup>st</sup> Century Facilities not bound by an Existing 21<sup>st</sup> Century Facilities Agreement (the “New 21<sup>st</sup> Century Facilities Agreement”);

**WHEREAS**, certain matters regarding the use of the Equipment Projects are governed by existing Facilities Agreements (the “Existing Equipment Facilities Agreements”), between the Authority and each Participating Institution that has an Equipment Project;

**WHEREAS**, it may be necessary to amend Existing 21<sup>st</sup> Century Facilities Agreements or Existing Equipment Facilities Agreements from time to time to add projects authorized by the General Assembly for financing under the 21<sup>st</sup> Century College Program or the Equipment Program, as applicable, not currently governed by an existing Facilities Agreement, or otherwise amend provisions regarding use of such financed projects in accordance with applicable rules and regulations governing the use of projects financed with bonds the interest on which is to be excluded from gross income for federal income tax purposes;

**WHEREAS**, First Southwest Company, in its capacity as financial advisor to the Authority (the “Financial Advisor”), has recommended that a determination be made closer to the time the Authority enters the market with the Bonds whether to offer and sell the Bonds pursuant to competitive bidding or a negotiated underwriting, based on then-existing capital market or other economic and financial conditions;

**WHEREAS**, the Bonds will be offered for sale pursuant to a Preliminary Official Statement to be dated the date of its release (the “Preliminary Official Statement”) and, taking into account the Financial Advisor’s advise based on then-existing capital market or other economic and financial conditions, the Bonds will be (a) awarded by the Authority through a

competitive bidding process using a Notice of Sale to be dated the date of the Preliminary Official Statement (the “Notice of Sale”), which states the structure and terms of the sale of the proposed Bonds, or (b) sold pursuant to a Bond Purchase Agreement, to be dated as of the date of sale of the Bonds (the “Bond Purchase Agreement”), between the Authority and one or more underwriters to be selected as described below (collectively, the “Underwriter”);

**WHEREAS**, the Authority will enter into a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) for the purpose of providing certain information for the benefit of holders of the Bonds; and

**WHEREAS**, drafts of the Twenty-Fifth Supplemental Indenture, including a draft of the Bonds as Exhibit A thereto, the Preliminary Official Statement, the Notice of Sale and the 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 at 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 in connection with the offering and sale of the Bonds, is approved and the distribution thereof is authorized. The Authority authorizes the State Treasurer or such officer of the Authority as the State Treasurer may designate to deem the Preliminary Official Statement final as of its date for purposes of Securities and Exchange Commission Rule 15c2-12 (the “Rule”), and distribution of the Preliminary Official Statement shall constitute conclusive evidence that 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 at this meeting, with such completions, omissions, additions and changes as shall be approved by the State Treasurer or the State Treasurer's staff in connection with the offering and sale of the Bonds, is approved and, in the event the Bonds are sold through a competitive bidding process as determined by the State Treasurer in accordance herewith, the distribution and advertisement thereof is authorized.

**2. Competitive Bidding or Negotiated Sale; Credit Ratings.** The Authority authorizes and directs its staff, the Financial Advisor, and its bond counsel Kutak Rock LLP, to (a) prepare all documentation and take all action necessary or desirable to bring the Bonds to market through either a competitive electronic bidding process or a negotiated sale, as applicable, as soon as practicable; (b) advertise the Bonds for sale in the event the Bonds are sold through a competitive bidding process; and (c) take such actions as shall be necessary or appropriate to obtain a rating or ratings for the Bonds from Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., Fitch Ratings and/or Moody's Investors Service, Inc.

**3. Authorization of Issuance and Sale.** Pursuant to the Act, the Authority authorizes the issuance of the Bonds in accordance with the Twenty-Fifth Supplemental Indenture and the sale thereof in accordance with the Notice of Sale in the event

**4. Bond Documents.** The Authority ratifies and confirms the Master Indenture, the Payment Agreement, the Existing 21<sup>st</sup> Century Facilities Agreements and the Existing Equipment Facilities Agreements. The officers of the Authority are each authorized to execute and deliver one or more New 21<sup>st</sup> Century Facilities Agreements in substantially the same form as the Existing 21<sup>st</sup> Century Facilities Agreements, and any amendments to the Existing 21<sup>st</sup> Century Facilities Agreements and the Existing Equipment Facilities Agreements, in such form as bond counsel may provide, as shall be necessary or desirable in connection with issuance of the Bonds, the structure, amortization or expenditure of proceeds thereof, and use of facilities financed with such proceeds. The form of the Twenty-Fifth Supplemental Indenture, including the form of the Bonds, is approved, with such changes, insertions, additions, deletions and amendments as the State Treasurer or such officer of the Authority as the State Treasurer may designate shall approve. The approval of any such changes, insertions, additions, deletions and amendments shall be evidenced conclusively by the execution and delivery of the Bonds by the Authority. The Authority authorizes and directs its officers to execute and deliver the Twenty-Fifth Supplemental Indenture and the Bonds.

**5. Delegation; Competitive Award or Negotiated Sale of Bonds.** (a) The Authority delegates to the State Treasurer or such officer of the Authority as the State Treasurer may designate the power, subject to the limitations set forth in Paragraph 3, to: (i) determine the final list of Participating Institutions and related 21<sup>st</sup> Century College Projects and Equipment Projects, as of the date of issuance of the Bonds, and to expand such list from time to time to allow proceeds of the Bonds to finance other projects qualifying for financing as 21<sup>st</sup> Century College Projects and Equipment Projects; (ii) approve the details of the Bonds, including, without limitation, the maturity schedule, the interest rates and the redemption provisions; (iii) approve the form of all documents appropriate to carry out the contemplated financing; (iv) deem the Preliminary Official Statement final as of its date as contemplated in Paragraph 1 and to complete the Preliminary Official Statement as an Official Statement in final form as contemplated in Paragraph 6; (v) postpone or cancel the sale of the Bonds, if in such person's sole discretion conditions so warrant; and (vi) take all such further action as may be necessary or desirable for the issuance, sale and delivery of the Bonds.

(b) The Authority delegates to the State Treasurer the power to determine in the State Treasurer's sole discretion, after receiving advice from the Financial Advisor based on then-existing capital market or other economic and financial conditions, whether the Bonds are to be sold either (i) through competitive bidding, in which case the State Treasurer shall award the Bonds to the responsive bidder whose bid offers to purchase the Bonds at the lowest true interest cost to the Authority as determined by the Financial Advisor (the "Winning Bidder" and the "Winning Bid") in accordance with the terms of the Notice of Sale, or (ii) by a negotiated sale, in which case the State Treasurer is hereby authorized, subject to the limitations set forth in

paragraph 3, to negotiate the provisions of the Bond Purchase Agreement, determine the Underwriter, including any syndicate members and members of any selling group for the Bonds, and determine the prices at which the Bonds will be offered by the Underwriter to the public, and the Chairman, the Vice Chairman and the State Treasurer are each authorized, without the joinder of the others, to execute and deliver such Bond Purchase Agreement.

(c) The Authority directs the State Treasurer to execute a certificate evidencing any determinations or other action taken pursuant to the authority delegated in this Resolution, and to include such certificate as part of the closing transcript for the 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 the State Treasurer and the State Treasurer's staff to complete the Preliminary Official Statement as an official statement in final form (the "Official Statement"). The Chairman or Vice Chairman of the Authority, either of whom may act, is authorized and directed to execute the 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 the delivery to the Winning Bidder or the Underwriter, as applicable, of a reasonable number of copies of the Official Statement, within seven business days after the sale date of the Bonds, for distribution by the Winning Bidder or the Underwriter, as applicable, to each potential investor requesting a copy thereof and to each person to whom the Bonds are initially sold. The Authority authorizes and approves the distribution of the Official Statement by the Winning Bidder or the Underwriter, as applicable.

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

**8. Other Documents.** The Authority authorizes and directs its officers and staff 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 Bonds. Such documents may, among other things, (a) set forth the expected use and investment of proceeds of the Bonds to show that such expected use and investment will comply with provisions of Internal Revenue Code of 1986, as amended, and regulations thereunder applicable to tax-exempt obligations, (b) make any elections that such officers deem desirable regarding any provisions requiring rebate to the United States of arbitrage profits earned on investment of proceeds of the Bonds, and (c) provide for payment of any such rebate amount.

**9. 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) the issuance and sale of the Bonds and the use of the proceeds thereof and (b) the implementation of the 21<sup>st</sup> Century College and Equipment Programs.

**10. Effective Date.** This Resolution shall take effect immediately upon its adoption.

Adopted: July 13, 2011

**VIRGINIA COLLEGE BUILDING AUTHORITY  
RESOLUTION AUTHORIZING AN AMENDMENT IN  
CONNECTION WITH ITS EDUCATIONAL FACILITIES  
REVENUE BONDS (PUBLIC HIGHER EDUCATION  
FINANCING PROGRAM) SERIES 2009A**

**WHEREAS**, in furtherance of the purposes of the Virginia College Building Authority Act of 1966, Chapter 3.2, Title 23, Code of Virginia of 1950, as amended (the “Act”) and its “Public Higher Education Financing Program” (the “Program”), the Virginia College Building Authority (the “Authority”) previously issued its \$291,645,000 Educational Facilities Revenue Bonds (Public Higher Education Financing Program) Series 2009A (the “2009A Bonds”) and used a portion of the proceeds thereof to finance the purchase of a note issued by Longwood University (the “Institution”);

**WHEREAS**, the Institution agreed to use the proceeds received from the Authority to finance or refinance a portion of the costs of the Addition/Renovation of Lankford Hall (Project Number 17318) (the “Lankford Project”), which is a student union and university center, as well as two other projects, all of which had been authorized for bond financing by the General Assembly and all in the furtherance of the purposes of the Act and the Program;

**WHEREAS**, a portion of the 2009A Bond proceeds were spent on the Lankford Project before a decision was made to construct a new university center rather than renovate and expand Lankford Hall, but in excess of \$950,000 of the proceeds allocated to the Lankford Project have not been spent (the “Remaining Bond Proceeds”);

**WHEREAS**, the General Assembly in its 2011 Session authorized bond financing for the Construct University Center Project (Project Number 17893), which is the new university center project (the “New Project”), but bonds have not been issued for the same;

**WHEREAS**, the Institution desires that the Remaining Bond Proceeds be spent on the New Project (the “Project Transfer”) and has requested that the Authority approve the same;

**WHEREAS**, the Authority desires to permit the Project Transfer, and to effect the Project Transfer, in accordance with certain provisions of the Master Indenture of Trust dated as of September 1, 1997 (the “Master Indenture”) and the Fourteenth Supplemental Indenture of Trust, dated as of January 1, 2009 (the “Fourteenth Supplemental Indenture” and, together with the Master Indenture, the “Indenture”), each between the Authority and The Bank of New York Mellon Trust Company, National Association, as trustee (the “Trustee”);

**WHEREAS**, (i) Section 504 of the Master Indenture provides that the Institution submit a certificate of abandonment for the Lankford Project, and upon such submission, the Authority may maintain, for purposes of paying the Costs of the New Project, the Remaining Bond Proceeds in the Construction Account created under the Indenture for the Lankford Project; *provided* that (a) there has been reserved in such Construction Account an amount for any Rebate Amount owing by the Institution in connection with the 2009A Bonds and (b) the Institution has caused to be delivered to the Trustee an Opinion of Counsel to the Authority to

the effect that the Project Transfer is authorized or permitted under the Act, the Program and other applicable provisions of law; and (ii) Section 402 of the Fourteenth Supplemental Indenture permits Exhibit B (listing certain amounts and deposits relating to the Lankford Project, as well as the other projects financed with the proceeds of the 2009A Bonds) to the Fourteenth Supplemental Indenture to be amended or supplemented by the Authority and the Trustee from time to time without the consent of the Holders; and

**WHEREAS**, the Institution has represented to the Authority that (i) an adequate amount has been reserved for any Rebate Amount that the Institution owes with respect to the 2009A Bonds and (ii) the Institution shall cause to be delivered to the Trustee an Opinion of Counsel to the Authority to the effect that the Project Transfer is authorized or permitted under the Act, the Program and other applicable provisions of law;

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

1. For purposes of effecting the Project Transfer under Section 504 of the Master Indenture and Section 402 of the Fourteenth Supplemental Indenture, the Authority authorizes and directs its officers and staff (i) to prepare all documentation, certificates and instruments, including but not limited to an amendment to Exhibit B to the Fourteenth Supplemental Indenture relating to the Project Transfer (the "Amendment"), and take all action necessary or desirable to permit the Project Transfer and (ii) to request from the Institution any documentation, certificates, instruments or opinions necessary or desirable to evidence the Institution's compliance with the terms of Section 504 of the Master Indenture and other applicable terms of the Indenture, as well as any laws and regulations pertaining to the Institution's use of the Remaining Bond Proceeds for the New Project. Execution of the Amendment by the officers of the Authority shall constitute conclusive evidence of the Authority's approval of the Project Transfer. Such Amendment shall not be effective until executed by the Trustee.

2. Any capitalized term used but not defined herein shall have the meaning given such term in the Indenture.

3. The Authority approves, confirms and authorizes all other actions of its officers and staff which are in conformity with the purpose or intent of this Resolution and in furtherance of the Project Transfer.

4. This Resolution shall take effect immediately upon its adoption.

**VIRGINIA COLLEGE BUILDING AUTHORITY RESOLUTION  
AUTHORIZING THE EXTENSION OF STANDBY BOND PURCHASE  
AGREEMENTS WITH WELLS FARGO BANK, N.A. IN CONNECTION  
WITH THE AUTHORITY'S VARIABLE RATE EDUCATIONAL  
FACILITIES REVENUE BONDS SERIES 2006B AND 2006C (21<sup>ST</sup>  
CENTURY COLLEGE AND EQUIPMENT PROGRAMS)**

**WHEREAS**, in connection with the Authority's Variable Rate Educational Facilities Revenue Bonds Series 2006B and 2006C (collectively, the "2006 Bonds"), the Authority has entered into Standby Bond Purchase Agreements dated September 1, 2006 (the "Agreements") or amendments thereto with Wachovia Bank, National Association, predecessor to Wells Fargo Bank, National Association (the "Bank") providing for the Bank to provide liquidity support for the Bonds;

**WHEREAS**, the Stated Expiration Date provided in the Agreements for such liquidity support is September 14, 2011, unless extended in accordance with the Agreements;

**WHEREAS**, the Agreements provide that the Stated Expiration Date for such liquidity support may be extended by mutual agreement of the Authority and the Bank;

**WHEREAS**, the Bank by letter dated March 10, 2011 (the "Letter"), a copy of which is attached hereto, has offered to extend such liquidity facilities for additional terms of one, three or five years at the rates as provided in the Letter; and

**WHEREAS**, the Authority's financial advisor and staff, taking into account current market conditions specifically including the cost of comparable liquidity, have recommended that the Authority agree to the five year extension of such liquidity facilities at the rate of 55 basis points per year as proposed by the Bank in the Letter.

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

1. Upon advise of its financial advisor and staff, the Authority authorizes a five year extension of such liquidity facilities and the Stated Expiration Date for the Agreements at the rate (55 basis points per year) proposed by the Bank in the Letter, and directs its staff and its bond counsel, Kutak Rock LLP, to prepare any and all such documentation necessary or desirable to amend the Agreements to reflect such five year extension. The Authority authorizes and directs its Chairman, Vice Chairman or Treasurer, any one of whom may act, to approve and execute any such documentation to effect such five year extension of such liquidity facilities under, and in accordance with, the Agreements.

2. 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.

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

Adopted: July 13, 2011