

VIRGINIA COLLEGE BUILDING AUTHORITY BOARD MEETING

September 13, 2010 10:30 a.m.
Treasury Board Conference Room
James Monroe Building
101 North 14th Street, 3rd Floor
Richmond, Virginia

Members Present: William L. Nusbaum, Chairman
Vinod B. Agarwal
Jefferson “Jeff” S. Cooper
Andrew B. Fogarty
Manju S. Ganeriwala
Joseph S. Testa
Daniel S. Timberlake

Members Absent: John “Jack” F. Carter, Vice-Chairman
Edward Villanueva
David A. Von Moll
Elaine R. Wilde

Others Present: Janet A. Aylor Assistant Secretary, VCBA, Department of the Treasury
Jeanine Black Department of the Treasury
Russell Carmichael State Council of Higher Education
Donald Ferguson, Esq. Attorney General’s Office
David Rasnic Auditor of Public Accounts
Charles P. Shimer, Esq. Troutman Sanders LLP
Evelyn R. Whitley Secretary, VCBA, Department of the Treasury

Call to Order and Approval of Minutes

Mr. Nusbaum called the meeting to order at 10:33 a.m. After welcoming any 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. Nusbaum congratulated Ms. Manju Ganeriwala, State Treasurer, Mr. Daniel Timberlake, Director of Planning and Budget and Mr. David A. Von Moll, State Comptroller on their reappointments. He also welcomed and congratulated Mr. Andrew Fogarty, Interim Executive Director for State Council of Higher Education for Virginia.

Mr. Nusbaum then asked if there were any comments on or corrections to the minutes of the April

20, 2010 Virginia College Building Authority meeting. Ms. Ganeriwala noted two typos on page 3 of the minutes. There being no other changes, Mr. Nusbaum requested a motion for approval of the minutes, as amended. Ms. Ganeriwala made the motion; Mr. Fogarty seconded, and the motion carried unanimously by all members present.

Consideration of Issuance of VCBA Educational Facilities Revenue Bonds (21st Century College and Equipment Programs), Series 2010B

Ms. Black reviewed the Preliminary Financing Summary for the proposed issuance in the amount of \$329,535,000 (new money) of Virginia College Building Authority Educational Facilities Revenue Bonds (21st Century College and Equipment Programs), Series 2010B. A discussion ensued.

Mr. Nusbaum asked staff whether, given rating agencies' recalibration of municipal credits to a global rating scale, the Authority's rating might be upgraded. Ms. Aylor indicated that she was not aware of any changes in the Authority's rating or any rating agency concerns. She also informed the board that last year a request was made to Standard & Poor's for a rating upgrade from AA to AA+ based on the State Aid Intercept for the Virginia College Building Authority but the request was denied. Since there was a new board member present, Ms. Ganeriwala asked staff to explain how Build America Bonds (BABs) may be incorporated into this issue. Ms. Aylor explained, indicating that the longer maturities generally are better suited for the issuance of BABs. She also stated that the Authority relies on guidance and expertise from our financial advisor in structuring the bonds.

Mr. Daniel Timberlake arrived at 10:43

Mr. Charles Shimer from Troutman Sanders, LLP, bond counsel to the Authority, pointed out changes to the resolution board members received in their mailing. He then reviewed the amended Resolution before the board, which was then discussed. Mr. Timberlake asked if this bond issue has an effect on the Commonwealth's debt capacity. Ms. Aylor indicated that the projects and the debt service were previously authorized and already included in the Commonwealth's debt capacity model. She also indicated that this request is to finance only capital projects and does not include equipment. A discussion ensued.

Mr. Nusbaum asked for a motion to adopt the amended resolution. Mr. Cooper moved the approval of the Resolution (Attachment A) of the Virginia College Building Authority authorizing the issuance and sale of its Educational Facilities Revenue Bonds (21st Century College and Equipment Programs), Series 2010B; Dr. Agarwal seconded, and the motion carried unanimously by all members present.

Consideration of Issuance of Virginia College Building Authority Educational Facilities Revenue Bonds (Public Higher Education Financing Program), Series 2010A

Ms. Aylor reviewed the Preliminary Financing Summary for the proposed issuance of up to \$292,555,000 of Virginia College Building Authority Educational Facilities Revenue Bonds (Public Higher Education Financing Program), Series 2010A. Ms. Ganeriwala asked about the difference in True Interest Cost between the two issues before the board. Ms. Aylor indicated

that there are various factors that account for the difference, including structure, length of maturity, timing, and the amount of cushion included in the estimated interest rates since there is a different Financial Advisor for each issue. A discussion ensued.

Mr. Charles Shimer from Troutman Sanders, LLP, bond counsel to the Authority, pointed out changes to the resolution board members received in their mailing. He then reviewed the amended Resolution before the board, which was then discussed.

Mr. Cooper asked how rating fees are set. Ms. Aylor indicated that the fee is non-negotiable and one factor is the size of the issue. She also stated that the VCBA receives a frequent issuer discount. A discussion ensued.

Mr. Nusbaum asked for a motion to adopt the resolution. Mr. Testa moved the approval of the amended Resolution (Attachment B) of the Virginia College Building Authority authorizing the issuance and sale of its Educational Facilities Revenue Bonds (Public Higher Education Financing Program), Series 2010A; Mr. Fogarty seconded, and the motion carried unanimously by all members present.

Other Business

Final Financing Summary

Ms. Black reviewed the Final Financing Summary for the Virginia College Building Authority Educational Facilities Revenue Refunding Bonds (Hampden-Sydney College), Series 2010.

Ms. Black reviewed the Final Financing Summary for the Virginia College Building Authority Educational Facilities Revenue Bonds (21st Century College and Equipment Programs), Series 2010A.

Adjournment

Having no other business to be brought before the Board, the meeting was adjourned at 11:41 a.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.

**VIRGINIA COLLEGE BUILDING AUTHORITY RESOLUTION
AUTHORIZING THE ISSUANCE OF EDUCATIONAL FACILITIES
REVENUE BONDS (21ST CENTURY COLLEGE AND EQUIPMENT
PROGRAMS)**

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 of, among others, financing the construction of capital improvements at, and the acquisition of equipment for, public higher educational institutions in the Commonwealth;

WHEREAS, during the 1996 Session of the General Assembly of Virginia (the “General Assembly”), the General Assembly created the 21st Century College Program (the “21st Century College Program”), pursuant to which and the Act, the Authority is authorized, among other things, to borrow money and issue its revenue bonds 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 “21st Century College Projects”);

WHEREAS, during the 1998 Special Session of the General Assembly, the General Assembly modified its equipment leasing program to create the Equipment Program (the “Equipment Program,” and together with the 21st Century College Program, the “21st Century College and Equipment Programs”), pursuant to which and the Act, the Authority is authorized, among other things, to borrow money and issue its revenue bonds 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 the amounts authorized from time to time by the General Assembly (the “Equipment Projects”);

WHEREAS, the source of payment of bonds issued under the 21st Century College Program and the Equipment Program is appropriations, if any, 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 21st Century College Projects;

WHEREAS, pursuant to the Act the Authority is authorized to issue its revenue refunding bonds for the purpose of refunding any such revenue bonds;

WHEREAS, in furtherance of the 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 to be dated as of the first day of the month it is executed (each, a “Supplemental Indenture” and together, the “Supplemental Indentures”), between the Authority and the Trustee, and to sell one or more series or sub-series of its

Educational Facilities Revenue Bonds (21st Century College and Equipment Programs) (collectively, the “Bonds”), the proceeds of which will be used to (a) provide funds to finance the costs of certain 21st Century College Projects at certain public higher educational institutions (the “Participating Institutions”) (the Bonds issued for such purpose being referred to herein as “New Money Bonds”), (b) taking into account the recommendation by First Southwest Company, in its capacity as financial advisor to the Authority (the “Financial Advisor”), provide funds to refund certain maturities of bonds previously issued by the Authority to finance costs of the 21st Century College and Equipment Programs (the “Refunded Bonds”) in order to effect present value debt service savings by taking advantage of then-current market conditions (the Bonds issued for such purpose being referred to herein as “Refunding Bonds”), and (c) pay the costs related to such issuance and refunding;

WHEREAS, as of the date of the adoption of this Resolution, it is anticipated that the Participating Institutions and the related 21st Century College Projects eligible to be financed with proceeds of the Bonds are as 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 (a) before the Bonds are issued, to finance one or more of such projects in another way, (b) before or after the Bonds are issued, to finance other projects qualifying for financing under the 21st Century College Program with proceeds of the Bonds, (c) before the Bonds are issued, to determine which, if any, outstanding bonds previously issued under the Master Indenture are to be Refunded Bonds and the related redemption dates, and/or (d) before the Bonds are issued, to elect that all or a portion of the New Money Bonds shall constitute “Build America Bonds” pursuant to the federal American Recovery and Reinvestment Act of 2009, the interest of which will be taxable to the holders thereof for federal income tax purposes, and the Federal government will make direct payments to, or as directed by, the Authority in the amount of the federal tax credit allowed for such “Build America Bonds” as and when such interest is payable;

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 21st Century College and Equipment Programs to be paid to the Authority to support the debt service on the bonds issued under the Master Indenture;

WHEREAS, certain matters regarding the use of the 21st Century College Projects are governed by a number of Facilities Agreements (the “Existing 21st Century Facilities Agreements”), each between the Authority and a Participating Institution that has a 21st Century College Project, and the Existing 21st Century Facilities Agreements relating to the projects financed with the Refunded Bonds contemplate the issuance of the Authority’s refunding bonds;

WHEREAS, it may be necessary to amend the Existing 21st Century Facilities Agreements from time to time to add other projects authorized by the General Assembly to qualify for financing under the 21st Century College Program that are not currently governed by an Existing 21st Century Facilities Agreement;

WHEREAS, 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 a competitive bidding process 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 recommendation based on then-existing capital market or other economic and financial conditions, one or more series or sub-series of 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 series or sub-series of Bonds, or (b) sold pursuant to one or more Bond Purchase Agreements, to be dated as of the date of sale of the Bonds (each and collectively referred to herein as the “Bond Purchase Agreement”), between the Authority and one or more underwriters to be selected as described below (collectively, the “Underwriters”);

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 forms of the 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 the distribution and advertisement thereof, in the event the Bonds are being sold through a competitive bidding process as determined by the State Treasurer, is authorized.

2. Competitive Bidding or Negotiated Sale; Credit Ratings. The Authority authorizes and directs its staff, the Financial Advisor and its bond counsel, Troutman

Sanders LLP: (a) to 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, which may include the execution and delivery of the Bond Purchase Agreement, as soon as practicable, (b) to advertise the Bonds for sale in the event the Bonds are being sold through a competitive bidding process, and (c) to 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, Inc., and/or Moody's Investors Service, Inc.

3. Issuance and Sale of Bonds. Pursuant to the Act, the Authority authorizes the issuance of one or more series or sub-series of Bonds in accordance with the Supplemental Indenture and the sale thereof in accordance with the Notice of Sale in the event Bonds are being sold through a competitive bidding process or the Bond Purchase Agreement in the event Bonds are sold in a negotiated sale, including the receipt of bids electronically or the selection of the Underwriters, as applicable; *provided, however*, that (a) the aggregate principal amount of the Bonds shall not exceed \$425,000,000; (b) the final maturity of the Bonds shall not exceed February 1, 2030; (c) the aggregate true interest cost of the Bonds, determined in accordance with the terms of the Notice of Sale or the Bond Purchase Agreement, as applicable, shall not exceed 4.25% taking into account (i) original issue discount or premium, if any, and (ii) in the case of any New Money Bonds issued as "Build America Bonds," any payments anticipated to be made by the Federal government to, or as directed by, the Authority; and (d) the issuance of any Refunding Bonds shall result in present value savings equal to at least 3.00% of the aggregate principal amount of the Refunded Bonds.

4. Bond Documents. The Authority ratifies and confirms the Master Indenture, the Payment Agreement and the Existing 21st Century Facilities Agreements and authorizes its officers to execute and deliver from time to time amendments to the Existing 21st Century Facilities Agreements for the purpose of adding other projects qualifying for financing under the 21st Century College Program that are not currently governed by an Existing 21st Century Facilities Agreement. The form of the 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 officers of the Authority. The Authority hereby authorizes and directs its officers to execute and deliver each Supplemental Indenture and the Bonds.

5. Delegation; Sale or Award of Bonds. (a) The Authority hereby delegates to the State Treasurer, or such officer of the Authority as the State Treasurer may designate, the power with respect to the Bonds, subject to the limitations set forth in Paragraph 3: (i) to determine the final list of the Participating Institutions and the related 21st Century College 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 21st Century College Projects; (ii) to determine which, if any, outstanding bonds previously issued under the Master Indenture are to be Refunded Bonds and the related redemption dates; (iii) to determine whether to elect that all or a portion of the New Money Bonds shall constitute "Build America Bonds" pursuant to the American Recovery and Reinvestment Act of 2009; (iv) to approve the details of the Bonds,

including, without limitation, the series or sub-series designations, the maturity schedule, the interest rates, and the redemption provisions; (v) to approve the form of all documents that are appropriate to carry out the contemplated financing; (vi) to 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; (vii) to postpone or cancel the sale of the Bonds, if in such person's sole discretion conditions so warrant; (viii) taking in account the recommendation of the Financial Advisor based on then-existing capital market or other economic and financial conditions, to determine the manner of sale of one or more series or sub-series of Bonds either through a competitive bidding process or a negotiated sale; and (ix) to take all such further action as may be necessary or desirable for the issuance, sale and delivery of the Bonds and the refunding of the Refunded Bonds.

(b) The Authority hereby delegates to the State Treasurer the power to determine, taking into account the recommendation of the Financial Advisor based on then-existing capital market or other economic and financial conditions, whether one or more series or sub-series of the Bonds are to be sold either (i) through a competitive bidding process, in which case the State Treasurer shall award such series or sub-series of Bonds to the responsive bidder whose bid offers to purchase such series or sub-series of Bonds at the lowest true interest cost to the Authority as determined by the Financial Advisor (the "Winning Bidder" and the "Winning Bid"), all 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 Underwriters for one or more series or sub-series of the Bonds, including any syndicate members and members of the selling group for such series or sub-series of Bonds, and determine the prices at which such series or sub-series of Bonds will be offered by the Underwriters 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 State Treasurer shall execute a certificate evidencing determinations or other actions taken pursuant to the authority delegated in this Resolution, and any such certificate shall be conclusive evidence of the action or determination of the State Treasurer 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, Vice Chairman or Treasurer of the Authority, any one 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 Underwriters, 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 Underwriters, 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 Underwriters, 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 Underwriters, 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 attached as an appendix to the Preliminary Official Statement 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. Redemption of Refunded Bonds; Escrow Deposit Provisions. The Authority authorizes and directs (a) the redemption and payment of the Refunded Bonds on the applicable redemption dates, all as determined in accordance with paragraph 5, and (b) the giving of notice of such redemptions in accordance with the provisions of the Master Indenture and any applicable supplemental indenture of trust entered into in connection with the Refunded Bonds. The Authority also authorizes the preparation, execution and delivery by the officers of the Authority of any escrow deposit provisions, either as part of the Supplemental Indenture pursuant to which the Refunding Bonds are issued or in such separate agreement, as shall be appropriate to effect the refunding and redemption as determined in accordance with paragraph 5 and as shall be approved by the State Treasurer, with the execution and delivery thereof to constitute conclusive evidence of such approval.

9. Other Documents. 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 Bonds. Such certificates may include a certificate (a) setting forth the expected use and investment of proceeds of the Bonds to show that such expected use and investment will not violate the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations thereunder, (b) making any elections that such officers deem desirable regarding any provisions requiring rebate to the United States of arbitrage profits earned on investments of proceeds of the borrowing, and (c) providing 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) the issuance and sale of the Bonds and the use of the proceeds thereof and (b) the implementation of the 21st Century College Program.

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

Adopted: September 13, 2010

The undersigned Assistant Secretary of the Virginia College Building Authority certifies that the foregoing is a true and correct copy of a Resolution adopted by the Authority, upon the vote as noted below, at a duly called meeting of the Authority held on September 13, 2010.

<u>Member</u>	<u>Present/Absent</u>	<u>Vote</u>
Manju S. Ganeriwala	Present	Aye
David A. Von Moll	Absent	
Daniel S. Timberlake	Present	Aye
Andrew B. Fogarty	Present	Aye
William L. Nusbaum	Present	Aye
John F. "Jack" Carter II	Absent	
Jefferson S. Cooper	Present	Aye
Vinod B. Agarwal	Present	Aye
Joseph S. Testa	Present	Aye
Elaine R. Wilde	Absent	
Edward Villanueva	Absent	

/s/ Janet A. Aylor
 Assistant Secretary, Virginia College Building
 Authority

[SEAL]

Date: September 13, 2010

**VIRGINIA COLLEGE BUILDING AUTHORITY RESOLUTION
AUTHORIZING THE ISSUANCE OF ITS EDUCATIONAL FACILITIES
REVENUE BONDS (PUBLIC HIGHER EDUCATION FINANCING
PROGRAM)**

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 (the “Act”), Chapter 3.2, Title 23, Code of Virginia of 1950, as amended (the “Virginia Code”);

WHEREAS, the Authority is empowered, among other things, to finance the construction of projects of capital improvement (the “Projects”) at public higher educational institutions in the Commonwealth (the “Institutions”) by issuing its revenue bonds and revenue refunding bonds and using the proceeds of such revenue bonds to purchase or refinance debt obligations issued by such Institutions, pursuant to Chapter 3 of Title 23 of the Virginia Code, to finance or refinance such Projects;

WHEREAS, the issuance of revenue bonds and revenue refunding bonds for such purpose is referred to as the “Public Higher Education Financing Program” (the “Program”), and multiple series of bonds previously have been issued under the Program (the “Prior Bonds”);

WHEREAS, in furtherance of the purposes of the Act and the Program, the Authority has determined to issue under the Master Indenture of Trust dated as of September 1, 1997 (as previously 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 to be dated as of the first day of the month in which such obligations are issued (each, a “Supplemental Indenture,” and together the “Supplemental Indentures”), between the Authority and the Trustee, and sell its Educational Facilities Revenue Bonds (Public Higher Education Financing Program), in one or more series or sub-series with appropriate year and letter series or sub-series designation (the “New Money Bonds”);

WHEREAS, proceeds of the New Money Bonds will be used to purchase debt obligations issued by certain participating Institutions pursuant to the Loan Agreements described below to finance or refinance the construction of certain Projects (the “New Money Projects”) described in the list attached as Exhibit A hereto; **provided**, that one or more of such Institutions may determine before the New Money Bonds are issued to finance one or more of such Projects in another way or at another time and, accordingly, the final list of participating Institutions and New Money Projects may include fewer Institutions and Projects than are listed in Exhibit A hereto, as shall be determined by the State Treasurer as provided herein; **provided further**, that before the New Money Bonds are issued, the State Treasurer may determine, on behalf of the Authority as provided herein, to elect that all or a portion of the New Money Bonds shall constitute “Build America Bonds” pursuant to the federal American Recovery and Reinvestment Act of 2009, the interest on which will be taxable to the holders thereof for federal

income tax purposes, and the federal government will make direct payments to, or as directed by, the Authority in the amount of the federal tax credit allowed for such “Build America Bonds” as and when such interest is payable;

WHEREAS, in furtherance of the purposes of the Act and the Program, and in order to effect debt service savings, taking into account the recommendation by Public Resources Advisory Group, in its capacity as financial advisor to the Authority (the “Financial Advisor”), the Authority may determine to issue under the Master Indenture, as further supplemented by one or more Supplemental Indentures, each to be dated as of the first day of the month in which such obligations are issued, between the Authority and the Trustee, and sell its Educational Facilities Revenue Refunding Bonds (Public Higher Education Financing Program), in one or more series or sub-series with appropriate year and letter series or sub-series designations (the “Refunding Bonds,” and together with the New Money Bonds, the “Bonds”);

WHEREAS, proceeds of any Refunding Bonds will be used to refund certain maturities of the Prior Bonds previously issued by the Authority under the Master Indenture (the “Refunded Bonds”), the proceeds of which were used to purchase Notes (the “Existing Notes”) issued by certain participating Institutions pursuant to prior Loan Agreements (the “Existing Loan Agreements”) to finance or refinance certain Projects, thereby refinancing such Projects in exchange for amendments to the Existing Notes (the “Amendments to Existing Notes”) and to the Existing Loan Agreements (the “Amendments to Existing Loan Agreements”); *provided*, that before any Refunding Bonds are issued, the State Treasurer may determine, on behalf of the Authority as provided herein, which, if any, of the Prior Bonds are to be Refunded Bonds and the related redemption dates;

WHEREAS, 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 a competitive bidding process 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 recommendation based on then-existing capital market or other economic and financial conditions, one or more series or sub-series of the Bonds will be (a) awarded by the Authority through a competitive electronic 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 series or sub-series of Bonds, or (b) sold pursuant to one or more Bond Purchase Agreements, to be dated as of the date of sale of the Bonds (each and collectively referred to herein as the “Bond Purchase Agreement”), between the Authority and one or more underwriters to be selected as described below (collectively, the “Underwriters”);

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, the foregoing arrangements will be reflected in the following documents, drafts of which have been presented to the Authority and filed with the Authority's records:

- (a) the forms of Supplemental Indenture, together with the forms of the Bonds attached as Exhibit A thereto;
- (b) a form of the Loan Agreement to be dated as of the first day of the month in which the New Money Bonds are issued between the Authority and each participating Institution (the "Loan Agreements"), providing for certain matters regarding the issuance and purchase of the Notes (as described below) and the development and operation of the New Money Projects;
- (c) a form of the Note to be issued by each participating Institution to the Authority, in the form attached to the form of the related Loan Agreement as Exhibit B (the "Notes"), and the form of the Assignments appended thereto (the "Assignments") pursuant to which the Authority assigns the Notes to the Trustee, without recourse, as security for the New Money Bonds and other obligations that have been and may be issued under the Master Indenture;
- (d) the Preliminary Official Statement with respect to the Bonds;
- (e) the Notice of Sale with respect to the Bonds, if sold through a competitive bidding process;
- (f) the form of the Amendments to Existing Loan Agreements, including the related Amendments to Existing Notes, to be executed by the Institutions whose Projects were financed by any Refunded Bonds; and
- (g) the Continuing Disclosure Agreement of the Authority, in the form attached as an appendix to the Preliminary Official Statement; and

WHEREAS, in addition to the use of proceeds of the New Money Bonds to finance New Money Projects, certain Institutions (the "Transferring Institutions") whose Projects were financed or refinanced with proceeds of Prior Bonds may desire, in accordance with certain provisions of the Master Indenture, to use a portion of the proceeds of the Prior Bonds previously allocated to Projects which have been completed at a cost under the anticipated amount (the "Excess Proceeds" of the "Prior Projects") on New Money Projects (each, a "Project Transfer," and collectively, the "Project Transfers");

WHEREAS, the Master Indenture provides that a Transferring Institution submit a completion certificate for each Prior Project, and upon such submission, the Authority may maintain the Excess Proceeds in the Construction Account created under the supplemental indenture for the Prior Projects to the extent needed to pay the Costs of any other Projects, such as a New Money Project; *provided* that (a) there is reserved in such Construction Account an amount for remaining Costs of the Prior Projects and any Rebate Amount owing by the

Transferring Institution in connection with the Prior Bonds and (b) the Transferring 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; and (c) the applicable supplemental indenture permits the exhibit thereto listing certain amounts relating to the Prior Projects to be amended or supplemented, by the Authority and the Trustee from time to time without the consent of the Holders, to provide for such Excess Proceeds to be expended on such other Projects; and

WHEREAS, a form of the Amendment to Supplemental Indenture, to be entered into by the Authority and the Trustee, and to be agreed to by the Transferring Institutions, authorizing the transfer of Excess Proceeds from Prior Projects which have been completed to pay costs of New Money Projects, has been presented to the Authority and filed with the Authority's records.

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

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 such other officer of the Authority as the State Treasurer may designate 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 other 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 such other officer of the Authority as the State Treasurer may designate in connection with the offering and sale of the Bonds, is approved and the distribution and advertisement thereof, in the event the Bonds are being sold through a competitive bidding process, as determined by the State Treasurer, is authorized.

2. Negotiated Sale or Competitive Bidding; Credit Ratings. The Authority authorizes and directs its officers and the State Treasurer's staff, the Financial Advisor and its bond counsel, Troutman Sanders LLP: (a) to prepare all documentation and take all action necessary or desirable to bring the Bonds to market through either a negotiated sale or a competitive bidding process, which may include the execution and delivery of the Bond Purchase Agreement or the use of electronic bidding, as soon as practicable, (b) to advertise the Bonds for sale in the event the Bonds are being sold through a competitive bidding process, and (c) to 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. Issuance and Sale of Bonds. Pursuant to the Act, the Authority authorizes the issuance of one or more series or sub-series of Bonds in accordance with the

Supplemental Indentures and the sale thereof in accordance with the Notice of Sale in the event Bonds are being sold through a competitive bidding process or the Bond Purchase Agreement in the event Bonds are being sold in a negotiated sale, including the receipt of bids electronically or the selection of the Underwriters, as applicable; ***provided, however,*** that (a)(i) the aggregate principal amount of the New Money Bonds shall not exceed \$300,000,000; (ii) the true interest cost of the New Money Bonds, determined in accordance with the terms of the Bond Purchase Agreement or the Notice of Sale, as applicable, shall not exceed 4.25%, taking into account (A) original issue discount or premium, if any, and (B) in the case of any New Money Bonds issued as “Build America Bonds,” any payments anticipated to be made by the Federal government to, or as directed by, the Authority; (iii) the final maturity of the New Money Bonds does not exceed September 1, 2040; and (iv) the New Money Bonds shall have regularly scheduled payments of principal and interest that do not exceed the sum of the Basic Payments due under, and as described in, the Notes; and (b)(i) the aggregate principal amount of any Refunding Bonds shall not exceed \$300,000,000; (ii) the true interest cost of any Refunding Bonds, determined in accordance with the terms of the Notice of Sale or the Bond Purchase Agreements, as applicable, shall not exceed 4.25%, taking into account original issue discount or premium, if any; (iii) the final maturity of any Refunding Bonds shall not exceed the final maturity of the Refunded Bonds; (iv) any Refunding Bonds shall have regularly scheduled payments of principal and interest that do not exceed the sum of the Basic Payments due under, and as described in, the portion of the Existing Notes, as amended by the Amendments to Existing Notes, relating to any Refunding Bonds; and (v) the issuance of any Refunding Bonds shall result in present value savings equal to at least 3.00% of the aggregate principal amount of the Refunded Bonds.

4. Bond Documents. The Authority ratifies and confirms the Master Indenture. The forms of the Supplemental Indentures, including the forms of the Bonds, the form of the Loan Agreements, including the form of the Assignments, the form of the Amendments to Supplemental Indenture, and the forms of the Amendments to Existing Notes and the Amendments to Existing Loan Agreements, are approved by the Authority 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 officers of the Authority. The Authority hereby authorizes and directs its officers to execute and deliver the Supplemental Indentures, the Bonds, the Loan Agreements, the Assignments, the Amendments to Existing Notes, the Amendments to Existing Loan Agreements and any Amendment to Supplemental Indenture.

5. Delegation; Sale or Award of Bonds. (a) The Authority hereby delegates to the State Treasurer, or such officer of the Authority as the State Treasurer may designate, the power with respect to the Bonds, subject to the limitations set forth in paragraph 3: (i) to determine the final list of the participating Institutions, the New Money Projects, and the Transferring Institutions; (ii) to determine whether to elect that all or a portion of the New Money Bonds shall constitute “Build America Bonds” pursuant to the Recovery and Reinvestment Act of 2009; (iii) to determine which, if any, of the Prior Bonds are to be refunded and the related redemption dates; (iv) to determine the details of the Bonds and the Notes, including, without limitation, the series or sub-series designations, the maturity schedules, the interest rates and the redemption provisions; (v) to approve the form of all documents that are

appropriate to carry out the contemplated financing; (vi) to 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; (vii) to postpone or cancel the sale of the Bonds, if in such person's sole discretion conditions so warrant; (viii) taking into account the recommendation of the Financial Advisor based on then-existing capital market or other economic and financial conditions, to determine the manner of sale of one or more series or sub-series of Bonds either through a competitive bidding process or a negotiated sale; and (ix) to take all such further action as may be necessary or desirable for the issuance, sale and delivery of the Bonds and to effect the refunding of any Refunded Bonds and any Project Transfers.

(b) The Authority hereby delegates to the State Treasurer the power to determine, taking into account the recommendation of the Financial Advisor based on then-existing capital market or other economic and financial conditions, whether one or more series or sub-series of the Bonds are to be sold either (i) through a competitive bidding process, in which case the State Treasurer shall award such series or sub-series of Bonds to the responsive bidder whose bid offers to purchase such series or sub-series of Bonds at the lowest true interest cost to the Authority as determined by the Financial Advisor (the "Winning Bidder" and the "Winning Bid"), all in accordance with the terms of the Notice of Sale, or (ii) 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 Underwriters for one or more series or sub-series of the Bonds, including any syndicate members and members of the selling group for such series or sub-series of Bonds, and determine the prices at which such Bonds will be offered by the Underwriters 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 State Treasurer shall execute a certificate evidencing determinations or other actions taken pursuant to the authority delegated in this Resolution, and any such certificate shall be conclusive evidence of the action or determination of the State Treasurer 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, Vice-Chairman or Treasurer of the Authority, any one 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 Underwriters or the Winning Bidder, 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 Underwriters or the Winning Bidder, 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 Underwriters or the Winning Bidder, 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 Underwriters or the Winning Bidder, as applicable, in complying with the Rule. The Authority authorizes and directs the Chairman, Vice Chairman, Treasurer or such other officer of the Authority as the State Treasurer may designate to execute the Continuing Disclosure Agreement in substantially the form attached as an appendix to the Preliminary Official Statement presented at this meeting, which is approved with such completions, omissions, insertions and changes as the Chairman, Vice Chairman, Treasurer or such designee may approve. The execution by the Chairman, Vice Chairman, Treasurer or such designee 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 paragraphs 3 and 5 the determination is made to refund any Prior Bonds, the Authority authorizes and directs (a) the redemption and payment of the Refunded Bonds on the applicable redemption dates, all as determined in accordance with paragraph 5, and (b) the giving of notice of such redemptions in accordance with the provisions of the Master Indenture and any applicable supplemental indenture of trust entered into in connection with the Refunded Bonds. The Authority also authorizes the preparation, execution and delivery by any officer of the Authority of any escrow deposit provisions, either as part of the Supplemental Indenture pursuant to which the Refunding Bonds are issued or in such separate escrow deposit agreement, as shall be appropriate to effect the refunding and redemption as determined in accordance with paragraph 5 and as shall be approved by the State Treasurer, with the execution and delivery thereof to constitute conclusive evidence of such approval.

9. Other Documents. 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 Bonds, any Project Transfers and the refunding of any Prior Bonds. Such certificates may include a certificate (a) setting forth the expected use and investment of proceeds of the Bonds to show that such expected use and investment will not violate the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations thereunder, (b) making any elections that such officers deem desirable regarding any provisions requiring rebate to the United States of arbitrage profits earned on investments of proceeds of the Bonds, and (c) providing 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 the Bonds, use of the proceeds thereof, refunding of any Prior Bonds, and effecting any Project Transfer, and (b) implementation of the Program.

11. Administrative Fee. The General Assembly of Virginia has authorized the Authority to charge, and the Authority hereby determines to charge, each participating Institution an administrative fee of 10 basis points of the amount financed for such Institution’s

New Money Projects. Such fee shall be determined as of and due upon the issuance of the New Money Bonds.

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

Adopted: September 13, 2010

The undersigned Assistant Secretary of the Virginia College Building Authority certifies that the foregoing is a true and correct copy of a Resolution adopted by the Authority, upon the vote as noted below, at a duly called meeting of the Authority held on September 13, 2010.

<u>Member</u>	<u>Present/Absent</u>	<u>Vote</u>
<u>Manju S. Ganeriwala</u>	<u>Present</u>	<u>Aye</u>
<u>David A. Von Moll</u>	<u>Absent</u>	
<u>Daniel S. Timberlake</u>	<u>Present</u>	<u>Aye</u>
<u>Andrew B. Fogarty</u>	<u>Present</u>	<u>Aye</u>
<u>William L. Nusbaum</u>	<u>Present</u>	<u>Aye</u>
<u>John F. "Jack" Carter II</u>	<u>Absent</u>	
<u>Jefferson S. Cooper</u>	<u>Present</u>	<u>Aye</u>
<u>Vinod B. Agarwal</u>	<u>Present</u>	<u>Aye</u>
<u>Joseph S. Testa</u>	<u>Present</u>	<u>Aye</u>
<u>Elaine R. Wilde</u>	<u>Absent</u>	
<u>Edward Villanueva</u>	<u>Absent</u>	

/s/ Janet A. Aylor
Assistant Secretary, Virginia College Building
Authority

Date: September 13, 2010

EXHIBIT A

2010 INSTITUTION	PROJECT NUMBER	2010 PROJECT
Christopher Newport University:	17633	Acquire Property (Land Acquisition)
	17873	Residence Hall Roof Replacement
College of William and Mary:	17651	Cooling Plant & Utilities, Phase III
	17810	Reconstruct Ash Lawn-Highland Barn
George Mason University:	16523	Arlington Phase II
	17485	Renovate & Construct: Addition to Student Union I
	17366	Renovate Student Union II Building
	17572	Smithsonian CRC-Dining
	17696	Krasnow Institute Addition
	17843	Fieldhouse Life/Safety/Code Renovation
	17845	Repair Aquatic & Fitness Center HVAC
	17143	Fieldhouse Addition II
James Madison University:	17562	Renovate and Expand Athletics and Recreation
	17793	Grace Street Acquisition
	17168	Rockingham Memorial Hospital Acquisition
Norfolk State University:	16873	Expansion of Student Center and New Godwin Center
Old Dominion University:	17483	Powhatan Sports Center
University of Mary Washington:	17507	Renovation of Residence Hall
	17860	Battleground Athletic Complex Field & Facility Improvements
Virginia Commonwealth University:	17566	Belvidere and Grace Parking Decks
	17685	Massey Cancer Center Laboratory Support
	17832	West Grace Street Parking Deck
Virginia Community College System:	17067	Construct Student Center, VA Beach Campus, Tidewater
	17397	Construct Student Center, Portsmouth Campus, Tidewater
	17625	Construct Student Center, Chesapeake Campus, Tidewater
	17785	Construct Student Rec Center, Blue Ridge Community
Virginia Military Institute:	17559	Construct South Hill Parking
	17560	Construct Lackey Parking
Virginia Polytechnic Institute & State University:	16758	Construct Performing Arts Center
	17859	Construct Academic and Student Affairs Building

