

ATTACHMENT D

RECENT CHANGES TO THE POOLED BOND PROGRAM

Commencing with Virginia Public School Authority's ("VPSA") regularly scheduled spring sale of its School Financing Bonds (1997 Resolution) in support of its 2014 spring pool, VPSA will be making two changes to the structure of local school bonds to be issued by the localities participating in each VPSA tax-exempt pool going forward: (1) the local school bonds will no longer be issued as tax-exempt bonds under the Internal Revenue Code of 1986, as amended (the "Tax Code") and (2) the dated date of the local school bonds will be 16 days prior to the issuance of the local school bonds.

TAX-STATUS OF LOCAL SCHOOL BOND

In prior VPSA pooled financings under the 1997 Resolution, each participating locality was required to issue its local school bond as a tax-exempt bond and provide an opinion of bond counsel stating that the interest on the local school bond was excludable from gross income for federal income tax purposes. Commencing with the 2014 spring pool, VPSA will no longer require that the local school bond be issued as a tax-exempt bond for federal income tax purposes. However, participating localities will continue to be required to (1) complete the tax matters section in the financing application and (2) execute and deliver a Use of Proceeds Certificate and Tax Compliance Agreement in order to insure that the use of the proceeds of their local school bonds and the use of the property financed with such proceeds will not affect the excludability from gross income for federal income tax purposes of the interest on VPSA's related bonds. In addition, each participating locality will be required to provide an opinion of bond counsel to the effect that the current and expected use of the proceeds of its local school bond and the property financed with such proceeds will not result in the local school bond being considered a "private activity bond" within the meaning of Section 141 of the Tax Code. Participating localities will no longer be required to complete an 8038-G when participating in VPSA's tax-exempt pooled program.

DATED DATE OF LOCAL SCHOOL BOND

Historically, the payment dates for principal and interest on VPSA's bonds under the 1997 Resolution have been February 1st and August 1st and the corresponding payment dates for principal and interest on the local school bonds have been January 15th and July 15th. Due to the different payment dates, the first interest payments on the local school bonds have been less than the amount required to make the first interest payment on VPSA's related bonds by 16 days. This has required VPSA to use amounts in the General Fund to pay for the discrepancy in the interest payments. Commencing with the 2014 spring pool and going forward, the local school bonds for participating localities will be dated 16 days prior to the date of issuance of the local school bonds and will begin to accrue interest from such date. The change in the dated date will allow VPSA to realize a proper matching of the interest payments on the local school bonds with the interest payment on the associated VPSA bonds.