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COMMONWEALTH OF VIRGINIA
VIRGINIA PUBLIC SCHOOL AUTHORITY (VPSA)
Board of Commissioners Meeting
Fall Board Meeting – September 9, 2009, 3:00 p.m.
Treasury Board Conference Room, Third Floor
James Monroe Building
101 North 14th Street, Richmond Virginia

Members Present: James M. Holland, Chairman
Woodrow Mullins, Jr., Vice Chairman
Manju S. Ganeriwala
Brenda L. Skidmore
David A. Von Moll
Kent C. Dickey, designee for Dr. Patricia Wright

Members Absent: Hady Amr
Kanchana Thamodaran

Others Attending:	Matt Hughey	Sidley Austin LLP
	Jay Conrad	BB&T Capital Markets
	Don Ferguson	Office of the Attorney General
	Evie Whitley	Department of the Treasury
	Connie Vaughan	Department of the Treasury
	Melissa Palmer	Department of the Treasury
	Sherwanda Cawthorn	Department of the Treasury
	Leslie English	Department of the Treasury

Call to Order and Public Comment

Mr. Holland called the meeting to order at 3:01 P.M. He stated the first order of business was to provide an opportunity for any public comment. There was no public comment.

Approval of Minutes

Mr. Holland asked for a motion for approval of the minutes of the March 25, 2010 Board meeting. Ms. Ganeriwala moved to adopt the minutes of the March 25, 2010 meeting as presented; Mr. Mullins seconded, and the motion carried unanimously.

Consideration of the Issuance of VPSA School Financing Bonds (1997 Resolution) Series 2010 Fall Bonds

Ms. Palmer reviewed the Preliminary Financing Summary and presented the Participant List for the proposed issuance of not to exceed \$43,635,000 School Financing Bonds (1997 Resolution), Series 2010 C and Series 2010 D (Federally Taxable). Ms. Whitley stated that it was unlikely

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that the Series 2010 D Bonds would be sold as Build America Bonds (BABs) since the small transaction size would not be attractive to BAB investors.

Mr. Mullins moved that the Authority approve the list of applications for the participants in the VPSA 2010 Fall Bonds sale as presented by staff contingent upon any required action by the Board of Education and the submission of all items necessary to complete their respective VPSA pooled bond applications; Ms. Skidmore seconded and the motion carried unanimously.

Mr. Hughey from Sidley Austin LLP, VPSA's Bond Counsel for the transaction, presented Series Resolution No. 10-04 authorizing the issuance of the VPSA Fall Bonds for Board consideration. He referred the Board to Section 12 of the Resolution and discussed the changes to continuing disclosure undertakings required by amendments to Rule 15c2-12 adopted by the Securities and Exchange Commission that would become effective December 1, 2010. He stated since the Resolution provides for the issuance of refunding bonds after the December 1 effective date, the amendments have been incorporated in this Resolution. Mr. Hughey stated that once the new disclosure requirements become effective, the Authority will be required to disclose certain events which were not required to be reported previously unless such events were deemed material to the holders of VPSA's Bonds. He then reviewed the listed events.

Mr. Hughey requested the Resolution be amended to permit any VPSA continuing disclosure undertaking entered into connection with a Series of VPSA Fall Bonds issued prior to December 1, 2010 to adhere to the existing Rule 15c2-12 and to provide that any VPSA continuing disclosure undertaking entered into in connection with a Series of VPSA Fall Bonds issued on or after December 1, 2010 to adhere to Rule 15c2-12 as amended.

Mr. Von Moll moved the adoption of Series Resolution No. 10-04 as amended (Attachment A); Ms. Skidmore seconded, and the motion carried unanimously as shown below:

YEAS: James M. Holland, Chairman
 Woodrow Mullins, Jr., Vice Chairman
 Manju S. Ganeriwala
 Brenda L. Skidmore
 David A. Von Moll
 Kent C. Dickey, designee for Dr. Patricia Wright

NAYS: None

Other Business

Results of Sale and Final Financing Summary

Series 2010 A – 2010 B School Financing Bonds – Ms. Palmer reviewed the Final Financing Summary for the \$109,645,000 School Financing Bonds (1997 Resolution) Series 2010 A and Series 2010 B. She stated the bonds sold by negotiated sale on April 29, 2010 and the true interest cost for the 2010 A Series was 3.008322% and for the Series 2010 B it was 3.306279%.

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Educational Technology Notes Series X – Ms. Vaughan reviewed the Final Financing Summary for the \$54,110,000 School Educational Technology Notes Series X. She stated the bonds sold competitively on May 6, 2010 at a true interest cost of 1.366399%.

Series 2010-1 QSCB Financing – Ms. Whitley reviewed the Final Financing Summary for the \$72,655,000 School Tax Credit Bonds (Qualified School Construction Bonds) Series 2010-1. She stated the bonds sold competitively on June 23, 2010. She noted that there was no effective interest rate as the interest will be subsidized by the Federal government under the American Recovery and Reinvestment Act of 2009. Ms. Whitley stated staff was awaiting guidance from the Governor’s office as to how to proceed with utilizing the remaining balance designated to Virginia under the Act.

Get Well Wishes for Rick Davis

Mr. Mullins asked that staff purchase a get well card for Rick Davis to be sent on behalf of the Board and Ms. Whitley stated that staff would accommodate the request.

Adjournment

There being no further business to be brought before the Board, Ms. Skidmore moved that the meeting be adjourned; Mr. Von Moll seconded and the motion carried unanimously at 3:23 P.M.

Respectfully submitted,

Evelyn R. Whitley
Assistant Secretary

ATTACHMENT A

VIRGINIA PUBLIC SCHOOL AUTHORITY

A SERIES RESOLUTION AUTHORIZING THE ISSUANCE, PURSUANT TO A BOND RESOLUTION ADOPTED OCTOBER 23, 1997, AS AMENDED AND RESTATED, BY THE VIRGINIA PUBLIC SCHOOL AUTHORITY, OF VIRGINIA PUBLIC SCHOOL AUTHORITY SCHOOL FINANCING BONDS (1997 RESOLUTION), FOR THE PURPOSE OF PROVIDING FUNDS FOR THE PURCHASE OF LOCAL SCHOOL BONDS AND FOR REFUNDING FOR DEBT SERVICE SAVINGS A PORTION OF THE AUTHORITY'S OUTSTANDING BONDS AND OTHER INDEBTEDNESS; AND AUTHORIZING THE OFFICERS OF THE AUTHORITY TO CARRY OUT THE PURPOSES AND INTENT OF THIS RESOLUTION.

BE IT RESOLVED by the Board of Commissioners of the Virginia Public School Authority:

Section 1. **Findings.**

(a) **Bond Resolution.** The Virginia Public School Authority (the "Authority") adopted, on October 23, 1997, a resolution entitled:

A RESOLUTION AUTHORIZING THE ISSUANCE FROM TIME TO TIME OF BONDS AND OTHER INDEBTEDNESS OF THE VIRGINIA PUBLIC SCHOOL AUTHORITY, INCLUDING BONDS TO REFUND SUCH BONDS AND OTHER INDEBTEDNESS, FOR THE PURPOSE OF PROVIDING FUNDS FOR THE PURCHASE OF LOCAL SCHOOL BONDS AND, THEREBY, FOR THE MAKING OF LOANS TO COUNTIES, CITIES AND TOWNS FOR PUBLIC SCHOOL PROJECTS; AND SETTING FORTH THE RIGHTS AND REMEDIES OF THE HOLDERS OF SUCH BONDS AND OTHER INDEBTEDNESS.

(as amended and restated on October 5, 1998, the "Bond Resolution" and, together with this Series Resolution, the "Resolution").

(b) **Outstanding Bonds.** The Authority has heretofore issued under the Bond Resolution thirty-six (36) series of Bonds dated, designated and in the principal amount, as follows:

<u>Dated</u>	<u>Designation</u>	<u>Principal Amount</u>
November 1, 1997	School Financing and Refunding Bonds (1997 Resolution) Series 1997-I	\$224,285,000

April 1, 1998	School Financing and Refunding Bonds (1997 Resolution) Series 1998 A	\$130,715,000
November 1, 1998	School Financing Bonds (1997 Resolution) Series 1998 B	\$105,025,000
May 1, 1999	School Financing Bonds (1997 Resolution) Series 1999 A	\$153,040,000
November 1, 1999	School Financing Bonds (1997 Resolution) Series 1999 B	\$91,770,000
May 1, 2000	School Financing Bonds (1997 Resolution) Series 2000 A	\$100,175,000
November 1, 2000	School Financing Bonds (1997 Resolution) Series 2000 B	\$106,200,000
May 1, 2001	School Financing Bonds (1997 Resolution) Series 2001 A	\$153,940,000
November 1, 2001	School Financing Bonds (1997 Resolution) Series 2001 B	\$142,400,000
November 1, 2001	School Financing Bonds (1997 Resolution) Series 2001 C	\$41,500,000
May 1, 2002	School Financing Bonds (1997 Resolution) Series 2002 A	\$111,510,000
November 1, 2002	School Financing Bonds (1997 Resolution) Series 2002 B	\$155,545,000
May 1, 2003	School Financing Bonds (1997 Resolution) Series 2003 A	\$113,155,000
May 1, 2003	School Refunding Bonds (1997 Resolution) Series 2003 B	\$74,850,000
November 1, 2003	School Financing Bonds (1997 Resolution) Series 2003 C	\$190,645,000
December 11, 2003	School Financing Bonds (1997 Resolution) Refunding Series 2003 D	\$286,670,000
May 1, 2004	School Financing Bonds (1997 Resolution) Series 2004 A	\$123,585,000
November 1, 2004	School Financing Bonds (1997 Resolution) Series 2004 B	\$145,340,000
December 8, 2004	School Financing Bonds (1997 Resolution) Refunding Series 2004 C	\$156,125,000

December 8, 2004	School Financing Bonds (1997 Resolution) Refunding Series 2004 D (Federally Taxable)	\$3,460,000
March 15, 2005	School Financing Bonds (1997 Resolution) Refunding Series 2005 A	\$55,200,000
April 20, 2005	School Financing Bonds (1997 Resolution) Refunding Series 2005 B	\$230,580,000
May 1, 2005	School Financing Bonds (1997 Resolution) Series 2005 C	\$134,360,000
November 1, 2005	School Financing Bonds (1997 Resolution) Series 2005 D	\$199,315,000
May 1, 2006	School Financing Bonds (1997 Resolution) Series 2006 A	\$202,175,000
November 1, 2006	School Financing Bonds (1997 Resolution) Series 2006 B	\$240,955,000
May 1, 2007	School Financing Bonds (1997 Resolution) Series 2007 A	\$112,235,000
November 1, 2007	School Financing Bonds (1997 Resolution) Series 2007 B	\$223,080,000
May 1, 2008	School Financing Bonds (1997 Resolution) Series 2008 A	\$134,950,000
December 1, 2008	School Financing Bonds (1997 Resolution) Series 2008 B	\$118,930,000
March 12, 2009	School Financing Bonds (1997 Resolution) Refunding Series 2009 A	\$114,180,000
May 1, 2009	School Financing Bonds (1997 Resolution) Series 2009 B	\$200,435,000
October 27, 2009	School Financing Bonds (1997 Resolution) Refunding Series 2009 C	\$481,285,000
December 1, 2009	School Financing Bonds (1997 Resolution) Series 2009 D	\$11,645,000
May 13, 2010	School Financing Bonds (1997 Resolution) Series 2010 A	\$45,805,000

May 13, 2010

School Financing Bonds
(1997 Resolution) Series 2010 B
(Federally Taxable)

\$63,840,000

(c) **Bonds to Purchase Local School Bonds.** The Board of Commissioners of the Authority (the “Board”) has determined to authorize the issuance of one or more Series of additional Bonds pursuant to the Bond Resolution to provide funds for the purpose of purchasing Local School Bonds.

(d) **Bonds to Refund Bonds.** The Board has also determined to authorize the issuance of one or more Series of refunding Bonds pursuant to the Bond Resolution to provide funds for the purpose of refunding a portion of its outstanding Bonds and Other Indebtedness, provided that significant debt service savings (within the meaning of Section 5(b) hereof) are achieved. The Board has determined, based on the advice of its Financial Advisor, that under foreseeable market conditions, a portion of the Bonds heretofore issued by the Authority and outstanding under the Resolution and Other Indebtedness of the Authority which may be refunded to achieve significant debt service savings. Bonds that may be candidates for refunding for significant debt service savings are further described in Exhibit B and are referred to herein collectively as the “Refunding Candidates”.

(e) **Authority for Series Resolution.** This Series Resolution is adopted pursuant to the provisions of Sections 208 and 209 of the Bond Resolution.

Section 2. **Definitions.**

(a) **Record Date.** The term “Regular Record Date” shall mean with respect to the New Bonds (hereinafter defined) authorized by this Series Resolution the 15th day of the month (whether or not a business day) next preceding each Interest Payment Date.

(b) **Other Terms.** All capitalized terms used but not defined in this Series Resolution shall have the meanings given by the Bond Resolution.

Section 3. **Authorization of Bonds.**

(a) **Bond Sale Agreements.** The agreement that the Authority will purchase, and that the cities and counties listed in Exhibit A (“2010 Fall Local Issuers”) that are borrowing money from the Authority will sell and issue, their Local School Bonds described in Exhibit A (“2010 Fall Local School Bonds”) will be evidenced by Bond Sale Agreements. The form of the Bond Sale Agreement between the Authority and each of the 2010 Fall Local Issuers is hereby approved, and the execution and delivery by an Assistant Treasurer of the Authority, by and on behalf of the Authority, of each Bond Sale Agreement is hereby authorized. By the terms of the Bond Sale Agreements, the Authority will agree, subject to certain conditions, to purchase the 2010 Fall Local School Bonds.

(b) **Continuing Disclosure.** As a condition to the Authority’s purchase commitment under the Bond Sale Agreements, each 2010 Fall Local Issuer of 2010 Fall Local School Bonds

shall at or prior to closing deliver to the Authority an executed Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) substantially in the form of Appendix F of the Bond Sale Agreement pursuant to which each such 2010 Fall Local Issuer shall undertake primary responsibility for compliance with applicable continuing disclosure requirements as prescribed therein. Notwithstanding any other provision of this Series Resolution, failure of any 2010 Fall Local Issuer to comply with its Continuing Disclosure Agreement shall not be considered an event of default under the Bond Resolution. However, the Authority will, and any holder (as defined in Section 12(b) hereof) of the New Bonds (hereinafter defined) may, consistent with the requirements contained in Section 11 of the Continuing Disclosure Agreement, take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause a 2010 Fall Local Issuer to comply with its continuing disclosure obligations under its Continuing Disclosure Agreement.

(c) **Authorization Pursuant to the Bond Resolution.** There are hereby authorized: (i) pursuant to Section 208 of the Bond Resolution, additional Bonds in one or more Series for the purpose of providing funds for the purchase of the 2010 Fall Local School Bonds (the “2010 Fall New Money Bonds”), the aggregate principal amount of which shall be adjusted to provide each 2010 Fall Local Issuer, to the fullest extent practicable taking into account, among other things, principles of fairness and prevailing market conditions, a purchase price and a proceeds amount for its Local School Bonds substantially equal to the proceeds it requested, as provided in the related Bond Sale Agreement, and (ii) pursuant to Section 209 of the Bond Resolution, refunding Bonds in one or more Series (the “Refunding Bonds” and, together with the 2010 Fall New Money Bonds, the “New Bonds”) for the purpose of providing funds for the refunding of all or a portion of the Refunding Candidates.

(d) **Certain Details of the New Bonds.** The 2010 Fall New Money Bonds authorized in subsection (c)(i) pursuant to Section 208 of the Bond Resolution shall be issued as Current Interest Bonds, shall be dated, shall bear interest payable semi-annually on February 1 and August 1 of each year (the first such Interest Payment Date to be August 1, 2011) and shall have the serial and term (if any) maturities with such principal amounts and with such Amortization Requirements (if any), due on August 1, in such years, not later than 2040, all as subsequently provided in this Series Resolution. Such 2010 Fall New Money Bonds shall be designated “School Financing Bonds (1997 Resolution) Series 2010 _” (the blank to be completed to with an appropriate letter to identify the Series, respectively). The Refunding Bonds authorized in subsection (c)(ii) pursuant to Section 209 of the Bond Resolution shall be issued as Current Interest Bonds, shall be dated, shall bear interest on such dates and shall have the serial and term (if any) maturities with such principal amounts and with such Amortization Requirements (if any), due annually or semi-annually on such dates all as determined by the Treasurer or an Assistant Treasurer, as such officer, in consultation with the Authority’s Financial Advisor, may deem advisable, all as subsequently provided in this Series Resolution. Such Refunding Bonds shall be designated “School Financing Bonds (1997 Resolution) Refunding Series 201_ _” (the blanks to be completed with the year of issuance and an appropriate letter to identify the Series, respectively).

Interest on any New Bond that is payable on any Interest Payment Date shall be paid by check or draft or by bank wire to the person in whose name that Bond (or one or more

Predecessor Bonds) is registered at the close of business on the Regular Record Date for such Interest Payment Date.

(e) **Book Entry.** Initially, one bond certificate for each maturity shall be issued to The Depository Trust Company, New York, New York (“DTC”), which is designated as the securities depository for the New Bonds, or its nominee, and immobilized in its custody. So long as DTC is acting as securities depository for the New Bonds, a book-entry system shall be employed, evidencing ownership of the New Bonds in principal amounts of \$5,000 and multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Principal of, premium, if any, and interest on the New Bonds shall be payable in clearinghouse funds to DTC or its nominee as registered owner of the New Bonds. Principal, premium, if any, and interest shall be payable in lawful money of the United States of America by the Bond Registrar. Transfer of principal, premium, if any, and interest payments to participants of DTC shall be the responsibility of DTC. Transfer of principal, premium, if any, and interest payments to beneficial owners shall be the responsibility of such participants and other nominees of beneficial owners. The Authority shall not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as securities depository for the New Bonds, (b) the Authority determines that DTC is incapable of discharging its duties or that continuation with DTC as securities depository is not in the best interest of the Authority, or (c) the Authority determines that continuation of the book-entry system of evidence and transfer of ownership of the New Bonds is not in the best interest of the Authority or the beneficial owners of the New Bonds, the Authority shall discontinue the book-entry system with DTC. If the Authority fails to identify another qualified securities depository to replace DTC, the Authority shall cause the execution and delivery of replacement bonds in the form of fully registered certificates, substantially in the form as set forth in the Bond Resolution with such variations, omissions or insertions that are necessary or desirable in the delivery of replacement certificates, and registration of transfer of the New Bonds shall be permitted. If no qualified securities depository is the registered owner of New Bonds, registration of transfer of New Bonds and exchange of certificates may be effected at the office of the Bond Registrar.

So long as DTC is the securities depository for the New Bonds, it shall be the registered owner of the New Bonds, and references in this resolution to registered owners or holders of the New Bonds shall mean DTC or its nominee and shall not mean the beneficial owners of the New Bonds.

Section 4. **Redemption Provisions.**

(a) **Optional Redemption.** (i) The 2010 Fall New Money Bonds of each Series maturing after August 1, 2020 may be redeemed prior to their respective maturities, at the option of the Authority, from any moneys that may be made available for such purpose, either in whole or in part on any date not earlier than August 1, 2020, at the Redemption Price equal to par plus accrued interest to the redemption date. The Board hereby delegates to the Treasurer or an Assistant Treasurer (each a “Delegate”), with respect to each Series of the 2010 Fall New Money

Bonds, the power to change such optional redemption provisions as such officer, in consultation with the Authority's Financial Advisor, may deem advisable; provided, however, that in any event the 2010 Fall New Money Bonds of each Series shall first become subject to redemption at the option of the Authority within ten and one-half years after their date of issuance and at a redemption price not exceeding 102%.

(ii) A Delegate is hereby authorized, with respect to each Series of the Refunding Bonds, to determine the optional redemption provisions, if any, as such Delegate, in consultation with the Authority's Financial Advisor, may deem advisable, and the Delegate may provide that the Refunding Bonds shall not be subject to optional redemption before their respective maturities.

(iii) Any notice of optional redemption of the New Bonds may state that it is conditioned upon there being available on the redemption date an amount of money sufficient to pay the Redemption Price plus interest accrued and unpaid to the redemption date, and any conditional notice so given may be rescinded at any time to and including the redemption date if such condition so specified is not satisfied. If a redemption does not occur after a conditional notice is given due to an insufficient amount of funds on deposit with the State Treasurer, the corresponding notice of redemption shall be deemed to have been revoked *nunc pro tunc*.

(iv) If the Authority gives an unconditional notice of redemption, then on the redemption date the New Bonds called for redemption will become due and payable. If the Authority gives a conditional notice of redemption, and money to pay the Redemption Price of the affected New Bonds shall have been set aside in escrow with the State Treasurer or other Depository for the purpose of paying such New Bonds, then on the redemption date the New Bonds will become due and payable. In either case, if on the redemption date the State Treasurer holds money to pay the New Bonds called for redemption, thereafter, no interest will accrue on those New Bonds, and a Bondholder's right will be to receive payment of the Redemption Price, plus accrued interest, if any, upon surrender of those New Bonds.

(b) **Mandatory Redemption.** The term New Bonds, if any, shall be called for redemption, in part, in the principal amounts equal to the respective Amortization Requirements for such term New Bonds (less the principal amount of any term New Bond retired by purchase and otherwise subject to adjustment as provided in the Bond Resolution) from moneys in the 1997 Sinking Fund at a Redemption Price of par plus accrued interest thereon to the date fixed for redemption on each August 1, or February 1 if there are February 1 maturities, preceding their maturity for which there is an Amortization Requirement.

(c) **In General.** Any such redemption, either in whole or in part, shall be made in the manner and under the terms and conditions provided in the Bond Resolution.

Section 5. **Delegation and Standards.** The Board hereby delegates to the Delegates, each of whom may exercise the power with respect to each Series of New Bonds, to determine and carry out the following:

(a) **Method of Sale.** To determine whether any Series of the New Bonds shall be offered and sold via one or more of the following methods: (i) a competitive sale, or (ii) a

negotiated sale. If the method of sale determined to be utilized is a negotiated sale, a Delegate is hereby authorized to negotiate the sale of any Series of New Bonds to one or more of the underwriters to be selected by the Authority from among the firms comprising the Authority's underwriting team, which shall be comprised of underwriters selected by the Virginia Department of Treasury in connection with its October 2008 Request for Proposals for underwriting services (the "Underwriters"), and to execute with the Underwriters a Bond Purchase Agreement in substantially the form approved and executed in connection with the Authority's Series 2010 A Bonds and Series 2010 B Bonds, a copy of which has been presented at the meeting at which this Series Resolution is adopted (the "Purchase Contract"), the terms of which Purchase Contract shall not conflict with the provisions of the Resolution;

(b) **Refunding Bonds.** (i) To determine the aggregate principal amount of the Refunding Bonds required for the purpose of refunding the Refunding Candidates selected in accordance with the provisions of subparagraph (ii) of this Section 5(b) to be refunded (the "Refunded Bonds"), such amount to be the amount required to provide for the payment and redemption of the Refunded Bonds and to pay costs of issuance;

(ii) To determine which, if any, of the Refunding Candidates, shall be refunded by Refunding Bonds and thus become Refunded Bonds using the following criteria: based on a determination of the Authority's Financial Advisor in writing, any Bonds the refunding of which shall achieve an aggregate present value debt service savings equal to at least three percent (3%) of the par amount of the callable Refunded Bonds;

(iii) To select an Escrow Agent or Agents (hereinafter defined) and a firm of independent accountants or other qualified financial consultants (a "Verification Agent") to verify the mathematical sufficiency of the proceeds of the Refunding Bonds and other moneys to redeem and pay the Refunded Bonds; and

(iv) To determine any other provisions deemed advisable by a Delegate and not in conflict with the provisions of the Resolution.

(c) **2010 Fall New Money Bonds.** To determine whether the 2010 Fall New Money Bonds shall be issued in one or more Series, such determination to be made with the advice of the Authority's Financial Advisor, and to take into account, among other things, principles of fairness in establishing the prices to be paid to the 2010 Fall Local Issuers for their 2010 Fall Local School Bonds;

(d) **Principal Amount of the 2010 Fall New Money Bonds.** To determine the aggregate principal amount of each Series of the 2010 Fall New Money Bonds, such amount, together with other available moneys, to be equal to a sum sufficient (i) to purchase the 2010 Fall Local School Bonds related to such Series, and (ii) to pay costs of issuance allocable to such Series;

(e) **Interest Rates.** To determine the interest rate or rates on each Series of New Bonds, no such rate to exceed 6.50% per annum;

(f) **Maturities.** To determine the maturities and maturity amounts of each Series of the New Bonds, no maturity to extend beyond August 1, 2040;

(g) **Serial and Term Bonds.** To determine which New Bonds, if any and of which Series, are serial Bonds and which are term Bonds, and the Amortization Requirements therefor;

(h) **Changes in Redemption Provisions.** To determine any changes (permitted by Section 4(a) of this Series Resolution) in the optional redemption provisions for the 2010 Fall New Money Bonds and to fix the optional redemption provisions, if any, of the Refunding Bonds;

(i) **Dated Date.** To determine the dated date or dates of each Series of New Bonds;

(j) **Date of Sale.** To determine the date or dates of sale of each Series of New Bonds; provided that if the Refunding Bonds are sold simultaneously with a Series of 2010 Fall New Money Bonds, a Delegate shall make a finding that the arbitrage yield on such Series of 2010 Fall New Money Bonds is not materially lower than the arbitrage yield that would otherwise have been produced on such 2010 Fall New Money Bonds if such yields were to be calculated separately;

(k) **Taxable Bonds/Build America Local School Bonds.** Notwithstanding any provision of this Series Resolution to the contrary,

(i) At the request of any 2010 Fall Local Issuer, to issue as permitted by Section 1208 of the Bond Resolution, a separate Series of 2010 Fall New Money Bonds the interest on which shall be includible in income for federal income tax purposes and not subject to the Authority's covenant set forth in Section 11 of this Series Resolution ("Taxable Bonds"). The interest rate or rates on any Series of Taxable Bonds shall not exceed 8.00% per annum. The proceeds of any such Taxable Bonds shall be applied to the purchase of 2010 Fall Local School Bonds that shall be issued by the 2010 Fall Local Issuers as "Build America Bonds" pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended;

(ii) In consultation with the Authority's Financial Advisor, to determine the optional redemption provisions for all or two or more portions of the Taxable Bonds, such possible provisions to include, without limitation, redemption provisions similar to those described in subsection 4(a) and redemption provisions that would make the Taxable Bonds subject to redemption at a "make whole" premium; and

(iii) To provide that the Taxable Bonds shall not be subject to the legal defeasance provisions of the Bond Resolution but may be subject to economic defeasance as provided in the Official Statement relating to such bonds, such provisions to be deemed to be incorporated herein the same as if they were set forth in this Series Resolution; and

(l) **Other Provisions.** To determine any other provisions deemed advisable by a Delegate and not in conflict with the provisions of the Resolution.

The delegation set forth above and in Section 6(c), for any Series of Bonds to be sold by competitive sale, is further subject to (i) the Financial Advisor's having recommended that the lowest conforming bid or bids to purchase the New Bonds be accepted, (ii) the Delegate to whom the authority to accept the lowest conforming bid has been delegated shall have determined that the bid conforms in all material respects to the requirements of the related Notice of Sale, (iii) the Financial Advisor and such Delegate shall have determined that the bid to be accepted is the lowest bid conforming to the terms of the related Notice of Sale, (iv) the true interest cost rate of such bid shall not exceed six and one-half percent (6.50%) per annum, except that the maximum true interest cost rate for any Series of Taxable Bonds shall not exceed eight percent (8%) per annum, and (v) the Board's not meeting on the date of the sale of New Bonds for the purpose of receiving the bids to purchase the New Bonds.

Delegates exercising authority granted by this Series Resolution shall execute a Certificate or Certificates evidencing determinations or other actions taken pursuant to the authority granted in the Resolution, and any such Certificate shall be conclusive evidence of the action or determination of such Delegate as stated therein.

Section 6. Sale of the New Bonds.

(a) **Summary Notice of Sale.** The publication of a Summary Notice of Sale, one in connection with the proposed issuance of each Series or multiple Series of New Bonds to be sold by competitive sale on the same date, in *The Bond Buyer*, a financial journal published in New York, New York, and devoted primarily to municipal bonds, in substantially the form presented at the meeting at which this Series Resolution is adopted, is hereby approved and authorized.

(b) **Official Notice of Sale and Electronic Bidding Process.** The distribution of an Official Notices of Sale, one in connection with the proposed issuance of each Series or multiple Series of the New Bonds to be sold by competitive sale on the same date, in substantially the form presented at the meeting at which this Series Resolution is adopted as modified to address the particular circumstances supporting the use of different Series, and the steps to be taken by the Treasurer or an Assistant Treasurer of the Authority to receive bids for each Series of the New Bonds through Parity are hereby approved and authorized.

(c) **Sale and Award of the Bonds.** (i) A Delegate is hereby authorized to sell the 2010 Fall New Money Bonds of each Series by negotiated sale or at public sale, by electronic competitive bidding, or any other method deemed advisable in consultation with the Financial Advisor to the Authority, on a date or dates determined in consultation with the Financial Advisor to the Authority, but in no event later than December 31, 2010;

(ii) A Delegate is hereby authorized to sell the Refunding Bonds of each Series at a public sale, by electronic competitive bidding or other method deemed advisable in consultation with the Financial Advisor to the Authority on a date determined in consultation with the Financial Advisor when the objectives of the issuance of such Bonds and the criteria set hereby with respect to debt service savings can be met, but in no event later than the date of the next succeeding Board meeting;

(iii) If the 2010 Fall New Money Bonds and the Refunding Bonds shall be sold on the same day, a Delegate shall divide them into separate Series;

(iv) The New Bonds of each Series shall be awarded at a price not less than 99.50% of par. The New Bonds of each Series to be sold at competitive bidding shall be sold to the bidder whose bid for the New Bonds of such Series provides the lowest “true” interest cost rate to the Authority (each a “Purchaser”). Each Purchaser shall be required to submit its good faith deposit in the form of a wire transfer not later than 12:00 Noon Richmond, Virginia Time on the next Business Day following the award;

(v) If the New Bonds of any Series are determined to be sold via a negotiated sale, there is hereby authorized the execution and delivery, pursuant to the provisions of Section 5(a)(ii) hereof, of the Purchase Contract, relating to the sale such Series of New Bonds to the Underwriters; and

(vi) A Delegate is hereby authorized to accept an offer of the Underwriters, in the form of the Purchase Contract, pursuant to the provisions of Section 5(a)(ii) hereof, to purchase all of the New Bonds of any Series at a purchase price reflecting an underwriting discount, not to exceed 1.00% of the par amount of such New Bonds less any original issue discount.

(d) **Official Statement.** The form of the Preliminary Official Statement (the “Preliminary Official Statement”) is hereby approved and the distribution of the Preliminary Official Statement, in substantially the form presented at the meeting at which this Series Resolution is adopted, is hereby authorized; except that with respect to the Refunding Bonds, such form of Preliminary Official Statement is hereby approved with such modifications to reflect the issuance of the Refunding Bonds and the refunding of the Refunding Candidates. The use by each Purchaser and/or the Underwriters, as the case may be, for the purpose of making a bona fide public offering of the related Series of New Bonds, of the final Official Statement, dated the date of the sale and award (the “Official Statement”), in substantially the form of the Preliminary Official Statement, is hereby authorized, and the Chairman or Vice Chairman and the Treasurer or an Assistant Treasurer are hereby authorized by and on behalf of the Authority to deem final the Preliminary Official Statement for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, approve the terms of and publish an Official Statement describing each Series of the New Bonds and sign and deliver an Official Statement to each Purchaser and/or the Underwriters, as the case may be.

(e) **2010 Spring Local School Bond Rates.** The interest rates on each of the 2010 Fall Local School Bonds to be purchased by the Authority shall be 5 basis points (0.05%) above the interest rates on the corresponding maturities of the serial 2010 Fall New Money Bonds and the term 2010 Fall New Money Bonds, if any, of the related Series.

Section 7. Execution, Authentication and Delivery of New Bonds. The New Bonds of each Series shall be executed as authorized by the Bond Resolution and delivered to the Bond Registrar. The Authority hereby authorizes and directs the Bond Registrar to authenticate and deliver the New Bonds of each Series to the related Purchaser and/or Underwriters, as the case may be, in accordance with the provisions of the Resolution but only upon payment to the

Treasurer of the Authority of the purchase price of the New Bonds of such Series and the accrued interest thereon, if any.

Section 8. Application of Bond Proceeds and Other Funds.

(a) **Accrued Interest.** The Treasurer of the Authority shall deposit to separate accounts in the 1997 Sinking Fund so much of the proceeds of the New Bonds of each Series, if any, as represents accrued interest on the related Series of the New Bonds.

(b) **Deposit to 1997 Purchase Fund.** The Treasurer of the Authority shall deposit to separate accounts in the 1997 Purchase Fund so much of the proceeds of the related Series of the 2010 Fall New Money Bonds as is required to purchase the 2010 Fall Local School Bonds in accordance with the applicable Bond Sale Agreements approved in Section 3(a) of this Series Resolution.

(c) **Deposit to the Escrow Fund.** The Treasurer of the Authority shall deposit to the Escrow Fund created under the Escrow Deposit Agreement authorized by Section 15(a) so much of the proceeds of each Series of the Refunding Bonds as is required to acquire Defeasance Obligations and make a cash deposit, if any, sufficient to defease the Refunded Bonds.

(d) **Deposit to the General Fund.** For application to the payment of the costs and expenses of the issuance of each Series of New Bonds, the Treasurer of the Authority shall deposit to the General Fund any remaining balance of the proceeds of such Series of New Bonds.

(e) **Transfers from the General Fund.** For application to the payment of a portion of the interest due on August 1, 2011 on each Series of the 2010 Fall New Money Bonds, the Treasurer of the Authority shall transfer from the General Fund of the Authority and deposit to a related account in the 1997 Sinking Fund an amount up to the amount of the interest to accrue on the 2010 Fall New Money Bonds during the period commencing July 15, 2011 and ending July 31, 2011 plus \$5,000.

(f) **2010 Fall Local School Bonds to be Held in General Pledge Fund.** The 2010 Fall Local School Bonds purchased with the proceeds of the 2010 Fall New Money Bonds shall be delivered to the Depository of the General Pledge Fund and held in accordance with the provisions of Article IV of the Bond Resolution.

Section 9. Pledge of 2010 Fall Local School Bonds; Disposition of Local School Bonds. The principal, interest and redemption premium components of all the 2010 Fall Local School Bonds, which are to be held in the General Pledge Fund pursuant to Section 8(f), shall be credited to the 1997 Resolution Pledge Account of the General Pledge Fund. The Authority hereby grants to the holders from time to time of the New Bonds, the outstanding Bonds and any additional Bonds issued and outstanding under the Bond Resolution a security interest in all the principal, interest and redemption premium components credited to the 1997 Resolution Pledge Account.

To the extent that the Refunding Bonds shall refund Other Indebtedness issued pursuant to that certain Bond Resolution adopted by the Board of the Authority on October 23, 2008,

Authorizing and Securing Not to Exceed \$75,000,000 Special Obligation School Financing Bonds Fluvanna County Series 2008 (the “Fluvanna Bond Resolution”) that are Refunding Candidates, the Board hereby, in accordance with Section 404 of the Fluvanna Bond Resolution, determines that it is in the best interests of the Authority without consideration to dispose of the local school bonds, or principal, interest, or redemption premium components thereof which correlate to the outstanding bonds issued pursuant to the Fluvanna Bond Resolution (the “Fluvanna Transferred Local School Bonds”), held in the Fluvanna County Purchase Fund (as such term is defined in the Fluvanna Bond Resolution). Such disposition shall be made only with the effect that the Fluvanna Transferred Local School Bonds, or principal, interest, or redemption premium components thereof disposed, become security for the Authority’s Bonds issued under the 1997 Resolution. The Board hereby authorizes and directs the State Treasurer to effect such disposition. The Board further authorizes a Delegate to execute a certificate stating that all the applicable conditions specified in Section 404 of the Fluvanna Bond Resolution for such disposition have been met. The execution of such certificate shall be a condition to the delivery of the Refunding Bonds if any bonds issued pursuant to the Fluvanna Bond Resolution are refunded by the Fluvanna Bond Resolution

Section 10. Redemption or Defeasance of 2010 Fall New Money Bonds for 2010 Fall Local Issuers’ Failure to Close. Unless otherwise directed by the Board, the Authority hereby authorizes and directs the State Treasurer, in accordance with Section 406 of the Bond Resolution, (i) to transfer from the 1997 Purchase Fund, to a special subaccount in the 1997 Sinking Fund, an amount of moneys equal to the aggregate purchase price of any 2010 Fall Local School Bonds, and, if so directed by the Treasurer or an Assistant Treasurer of the Authority, the investment income allocable thereto, that shall not have been delivered to the Authority within 60 days of the delivery date of the 2010 Fall New Money Bonds and to take the necessary steps to redeem in accordance with Section 4(a) or defease not less than a principal amount of the 2010 Fall New Money Bonds, of the related Series and with maturities corresponding to the maturities of such 2010 Fall Local School Bonds, that corresponds to the aggregate amount of such undelivered 2010 Fall Local School Bonds, and (ii) to withdraw from the General Fund of the Authority, if and to the extent necessary, such additional funds as may be required to effect the redemption or defeasance of such principal amount of the 2010 Fall New Money Bonds.

Section 11. Tax Covenant. The Authority covenants to take all action, and to refrain from taking any action, necessary under the Internal Revenue Code of 1986, as amended, to ensure that interest on each Series of New Bonds will remain excludable from gross income for federal income tax purposes to the same extent as it is excludable on the date of closing on the New Bonds.

Section 12. **Continuing Disclosure Undertakings.**

(a) **Purpose.** This continuing disclosure undertaking is being made by the Authority with respect to each Series of New Bonds for the benefit of the holders and in order to assist the Participating Underwriters (defined below) in complying with the Rule (defined below). The Authority acknowledges that it is undertaking primary responsibility for any reports, notices or disclosures that may be required under this Section 12.

(b) **Definitions.** In addition to the definitions elsewhere set forth in this Series Resolution, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Authority pursuant to, and as described in, subsections (c) and (d) of this Section 12.

“Dissemination Agent” shall mean the Authority, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by such Authority and which has filed with such Authority a written acceptance of such designation.

“Fiscal Year” shall mean the twelve-month period, at the end of which the Authority’s financial position and the results of its operations for the preceding twelve months are determined. Currently the Authority’s Fiscal Year begins July 1 and continues through June 30 of the next calendar year.

“[H]older” shall mean, for purposes of this Section 12, any person who is a record owner or beneficial owner of a Bond.

“Listed Events” shall mean, with respect to any Series of New Bonds issued prior to December 1, 2010, any of the events listed in subsection (b)(5)(i)(C) of the Rule which are as follows:

- (i) principal and interest payment delinquencies
- (ii) non-payment related defaults
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties
- (v) substitution of credit or liquidity providers, or their failure to perform
- (vi) adverse tax opinions or events affecting the tax-exempt status of the security
- (vii) modifications to rights of security holders
- (viii) bond calls
- (ix) defeasances

- (x) release, substitution, or sale of property securing repayment of the securities
- (xi) rating changes;

“Listed Events” shall mean, with respect to any Series of New Bonds issued on or after December 1, 2010, any of the events listed in subsection (b)(5)(i)(C) of the Rule which are as follows:

- (i) principal and interest payment delinquencies
- (ii) non-payment related defaults, if material
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties
- (v) substitution of credit or liquidity providers, or their failure to perform
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of security holders, if material
- (viii) bond calls, if material
- (ix) defeasances
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material
- (xi) rating changes;

“MOP” shall mean (i) a Local Issuer that has outstanding Local School Bonds held to the credit of the General Pledge Fund and the principal, interest and redemption premium components on which are credited to the 1997 Resolution Pledge Account in an aggregate principal amount that exceeds 10% of the aggregate principal amount of the Authority’s outstanding Bonds and (ii) the Commonwealth.

“MSRB” shall mean the Municipal Securities Rulemaking Board, or any successor thereto or to the functions of the MSRB contemplated by this Undertaking.

“Participating Underwriter” shall mean any of the original underwriters of the Authority’s New Bonds required to comply with the Rule in connection with the offering of such Bonds.

“Rule” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“Undertaking” shall mean the continuing disclosure undertaking assumed by the Authority in this Section 12.

(c) **Provision of Annual Reports; Audited Financial Statements.**

(i) Not later than 10 months after the end of each Fiscal Year, commencing with the Fiscal Year ended June 30, 2010, the Authority shall, or shall cause the Dissemination Agent (if different from the Authority) to, provide to the MSRB, in the electronic format prescribed by the MSRB, an Annual Report which is consistent with the requirements of subsection (d) of this Section 12. Not later than 10 days prior to said date, the Authority shall provide the Annual Report to the Dissemination Agent (if applicable). In each case, the Annual Report (A) may be submitted as a single document or as separate documents comprising a package, (B) may cross-reference other information as provided in subsection (d) of this Section 12, and (C) shall include such financial statements as may be required by the Rule.

(ii) The annual financial statements of the Authority shall be prepared on the basis of generally accepted accounting principles and will be audited by either the Auditor of Public Accounts or a firm of independent certified public accountants. Copies of the audited annual financial statements, which may be filed separately from the Annual Report, will be filed with the Repositories when they become publicly available.

(iii) If the Authority fails to provide an Annual Report to the MSRB by the date required in clause (i), or to file its audited annual financial statements when available as described in clause (ii), the Authority shall send an appropriate notice to the Municipal Securities Rulemaking Board and any State Repository in substantially the form attached hereto as Exhibit C.

(d) **Content of Annual Reports.** Each Annual Report required to be filed hereunder shall contain or incorporate by reference, at a minimum, the following information, all with a view toward assisting Participating Underwriters in complying with the Rule:

(i) Updated information showing the expected “Income Available to Pay Debt Service” as of the date of issuance of the most recent Series of Bonds issued during the period beginning July 1 and ending on the date of the Annual Report. In the event no Bonds were issued during the aforementioned time period, the updated information shall be as of the end of the preceding Fiscal Year.

(ii) Updated information showing the names of the Local Issuers and the principal amount of their Local School Bonds held in the General Pledge Fund and an updated list showing the names of the Local Issuers who are MOPs as of the end of the preceding Fiscal Year, who have ceased to be MOPs during the preceding Fiscal Year and who were MOPs as of the date of issuance of the most recent Series of Bonds issued during the period beginning July 1 and ending on the date of the Annual Report. In the

event no Bonds were issued during the aforementioned time period, the updated information shall be as of the end of the preceding Fiscal Year.

(iii) A summary of receipts and disbursements for the Literary Fund for the preceding Fiscal Year.

(iv) A summary of information respecting appropriations made by the Virginia General Assembly from the Literary Fund for the current biennium.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Authority, which have been filed with the MSRB or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Authority shall clearly identify each such other document so incorporated by reference.

(e) **Reporting of Listed Events.** The Authority will provide in a timely manner to the MSRB notice of any of the Listed Events with respect to the New Bonds. The Authority does not undertake to provide the above-described notice in the event of a mandatory, scheduled redemption, not otherwise contingent upon the occurrence of an event, if (i) the terms, dates and amounts of redemption are set forth in detail in the Official Statement, (ii) the only open issue is which New Bonds will be redeemed in the case of a partial redemption, (iii) notice of redemption is given to the Bondholders as required under the terms of the Bond Resolution, and (iv) public notice of the redemption is given pursuant to 1934 Act Release No. 23856 of the Securities and Exchange Commission, even if the originally scheduled amounts may be reduced by prior optional redemptions or Bond purchases.

(f) **Dissemination Agent.** The Authority may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its Undertaking and may discharge any such Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Authority shall be the Dissemination Agent.

(g) **Amendment.** Notwithstanding any other provision of the Bond Resolution, the Authority may amend its Undertaking as set forth in this Section 12 if such amendment is supported by an opinion of independent counsel with expertise in federal securities laws to the effect that such amendment is permitted or required by the Rule.

(h) **Additional Information.** Nothing in this Section 12 shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Section 12 or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Section 12. If the Authority chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Section 12, the Authority shall have no obligation under this Section 12 to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

(i) **Default.** Any of the persons referred to in subsection (j) may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court

order, to cause the Authority to file its Annual Report or to give notice of a Listed Event. In addition, holders of not less than a majority in aggregate principal amount of any Series of the New Bonds outstanding may take such actions as may be permitted by law to challenge the adequacy of any information provided pursuant to this Continuing Disclosure Undertaking, or to enforce any other obligation of the Authority hereunder. A default under this Section 12 shall not be deemed an event of default under the Bond Resolution or the New Bonds, and the sole remedy under this Section 12 in the event of any failure of the Authority to comply with its Undertaking shall be an action to compel performance. Nothing in this provision shall be deemed to restrict the rights or remedies of any holder pursuant to the Securities Exchange Act of 1934, the rules and regulations promulgated thereunder, or other applicable laws.

(j) **Beneficiaries.** This Undertaking shall inure solely to the benefit of the Authority, the Participating Underwriters, and holders from time to time of the Authority's New Bonds, and shall create no rights in any other person or entity.

(k) **Obligated Persons.** The Authority has determined that the Commonwealth is an "obligated person", within the meaning of the Rule, that is or may be material to the New Bonds, as evidenced by its inclusion in the definition of MOP. In addition, the Authority has established in the definition of a MOP the objective criteria that it will apply consistently, on a continuing basis, in determining whether a particular Local Issuer is an "obligated person," within the meaning of the Rule, that is or may be material to the New Bonds. The Authority covenants that it will require each Local Issuer that is or may become a MOP to execute and deliver to the Authority an undertaking by which the Local Issuer will agree that if it becomes a MOP, it will, so long as it remains a MOP, file annually the financial information, operating data, and financial statements, and provide notices of Listed Events with respect to its bonds held in the General Pledge Fund and credited to the 1997 Resolution Pledge Account if material, as required by the Rule.

(l) **Termination.** The obligations of the Authority pursuant to its Undertaking with respect to each Series of New Bonds shall terminate upon the earlier to occur of the legal defeasance or final retirement of the New Bonds of such Series.

Section 13. **Other Amendments.** In addition to the amendments authorized by Section 12(g) above, the Authority may, prior to the delivery of each Series of New Bonds, amend its Undertaking to reflect any changes thereto requested by the Participating Underwriters or otherwise deemed by the Treasurer of the Authority to be in the best interests of the Authority and not inconsistent with the Rule, and Section 12 shall be deemed amended to the extent of any such amendments without further action by the Board of Commissioners of the Authority, anything in this Section 13 or in the Bond Resolution to the contrary notwithstanding.

Section 14. **Appointments.** The Board hereby makes the following appointments under the Resolution in connection with the custody and investment of the proceeds and the registration of the Bonds:

(a) **Bond Registrar.** The State Treasurer is hereby appointed Bond Registrar for each Series of the Bonds, provided that the Board may appoint a substitute therefor.

(b) **Depository.** The Depository, at the time being, currently Wachovia Bank, National Association, of the State Non-Arbitrage Program under the Depository Agreement with the Treasury Board, and its successors and assigns, is hereby appointed Depository under the Proceeds Agreement (hereinafter mentioned) for any Individual Portfolio (as therein defined). The State Treasurer is hereby appointed the Depository of the General Pledge Fund and the 1997 Resolution Pledge Account.

(c) **Paying Agent.** The State Treasurer is hereby appointed Paying Agent for each Series of New Bonds, provided that the Board may appoint a substitute therefor.

(d) **Investment Manager.** The Investment Manager, at the time being, currently PFM Asset Management LLC, of the State Non-Arbitrage Program, and its successors and assigns, is hereby appointed Investment Manager under the Proceeds Agreement defined below.

(e) **Proceeds Agreement.** The form of the Proceeds Agreement, to be dated the date of delivery of the related Series of 2010 Fall New Money Bonds (the "Proceeds Agreement"), by and among the Authority, the Depository, the Investment Manager, and the localities therein named, providing for the custody, investment in the State Non-Arbitrage Program and disbursement of the proceeds credited to the 1997 Purchase Fund, is hereby approved, and the execution and delivery of the Proceeds Agreement by and on behalf of the Authority by the Treasurer or an Assistant Treasurer of the Authority is hereby authorized.

Section 15. **Miscellaneous.**

(a) A Delegate is hereby authorized to execute and deliver an Escrow Deposit Agreement. Defeasance Obligations and any cash in the amounts required are to be credited to the Escrow Fund created under such Agreement and applied to the payment and redemption of the Refunded Bonds in accordance with its terms. The Board hereby authorizes the Escrow Agent to submit a subscription for purchase and issue of United States Treasury Securities – State and Local Government Series or, alternatively, the Delegate, with the advice of the Financial Advisor, to obtain not less than three bids for a portfolio of Defeasance Securities. If the Delegate shall determine that the same shall improve the efficiency of the Escrow Fund created under the Escrow Agreement, the Delegate is further authorized to enter into agreements and give instructions for the purchase of Defeasance Securities for periods when the moneys credited to the Escrow Fund would otherwise be uninvested.

(b) **Form of Instruments.** The approval by the Board of the forms of the Preliminary Official Statement, the Official Notice of Sale, the Summary Notice of Sale, the Purchase Contract, the Proceeds Agreement and the Bond Sale Agreements shall be deemed to be of the forms of such instruments presented to the Board and to extend to such minor changes and additions to and omissions from such forms as the officers of the Authority executing the same shall approve as not being inconsistent with the purposes and intent of the Resolution, their execution and delivery of such instruments being conclusive evidence of their approval of such changes, additions and omissions. Copies of the forms of the Preliminary Official Statement, the Official Notice of Sale, the Summary Notice of Sale, the Purchase Contract, the Proceeds Agreement and the Bond Sale Agreements shall be deposited in the official records of the Authority with the minutes of the meeting at which they were approved.

(c) **Further Actions.** The officers and staff of the Authority, the Bond Registrar, the Depository, the Investment Manager, the Paying Agent and the State Treasurer are hereby requested and authorized to take such further actions as may be required to implement the purposes and intent of the Resolution. In particular, a Delegate is authorized to take such action as shall be necessary or appropriate to obtain a rating or ratings for the New Bonds from any nationally recognized rating service or services. The Delegate is further authorized to obtain the services of a qualified bank or trust company to serve as escrow agent under the Escrow Deposit Agreement and of a Verification Agent to provide verification and yield computations with respect to the sufficiency of the Escrow Fund and the yield on the Refunding Bonds and the Defeasance Obligations in the Escrow Fund.

Section 16. **Effective Date.** This Series Resolution shall take effect immediately upon its adoption.

Section 17. **Inconsistent Provisions.** In the event of a conflict or inconsistency between this Series Resolution and any other document, the provisions of this Series Resolution shall control.

Adopted: September 9, 2010.

A Copy - Teste:

Assistant Secretary,
Virginia Public School Authority

EXHIBIT A

THE 2010 FALL LOCAL ISSUERS AND 2010 FALL LOCAL SCHOOL BONDS

2010 Fall Local Issuers	Proceeds Requested/Principal Amount of 2010 Fall Local School Bonds Being Purchased ¹
Albemarle County	\$ 7,830,000
Buckingham County	25,115,000
Lancaster County	2,435,000
Stafford County	8,255,000

¹ Subject to adjustment of application amount prior to execution of Bond Sale Agreements. The principal amount of the 2010 Fall Local School Bonds is subject to adjustment on the date of sale of the 2010 Fall New Money Bonds to generate an amount of proceeds for the respective 2010 Fall Local Issuers substantially equal to the application amount of proceeds requested by such 2010 Fall Local Issuers.

EXHIBIT B

Refunding Candidates:

(a) Any portion of the Bonds heretofore issued by the Authority and outstanding under the Bond Resolution the refunding of which shall achieve the aggregate present value debt service savings equal to at least 3.00% of the par amount of the callable Refunded Bonds.

(b) Any portion of the Other Indebtedness issued pursuant to the Fluvanna Bond Resolution and outstanding thereunder the refunding of which shall achieve the aggregate present value debt service savings equal to at least 3.00% of the par amount of the callable bonds issued under the Fluvanna Bond Resolution.

EXHIBIT C

**NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT
[AUDITED ANNUAL FINANCIAL STATEMENTS]**

VIRGINIA PUBLIC SCHOOL AUTHORITY
School Financing Bonds (1997 Resolution)
[Refunding] Series 20__ _

CUSIP NO. _____

Dated: [November] [1], 2010

NOTICE IS HEREBY GIVEN that the Virginia Public School Authority has not provided an Annual Report [Audited Annual Financial Statements] as required by Section 12 of the Series Resolution which was adopted on September 9, 2010, by the Board of Commissioners of the Virginia Public School Authority and which authorized the bonds described above. [The Authority anticipates that the Annual Report [Audited Annual Financial Statements] will be filed by _____.]

Dated: _____

VIRGINIA PUBLIC SCHOOL AUTHORITY

By: _____