

COMMONWEALTH OF VIRGINIA
VIRGINIA PUBLIC SCHOOL AUTHORITY (VPSA)
Board of Commissioners Meeting
Fall Board Meeting – September 25, 2014, 2:00 p.m.
Treasury Board Conference Room, Third Floor
James Monroe Building
101 North 14th Street, Richmond Virginia

Members Present: Brenda L. Skidmore, Chairman
Ben Loyola, Vice Chairman
Jay Bhandari
Walter Mika
Manju S. Ganeriwala
David A. Von Moll
Kent C. Dickey, designee for Dr. Steven Staples

Members Absent: Douglas Combs

Others Attending:

Lisa Williams	McGuire Woods LLP
Ty Wellford	Davenport & Company LLC
Caroline Heggie	Davenport & Company LLC
Kevin Rotty	PFM
Don Ferguson	Office of the Attorney General
Melissa Palmer	Department of the Treasury
Evelyn Whitley	Department of the Treasury
Deidre G. Jett	Department of the Treasury
Bradley Jones	Department of the Treasury
Michael Walsh	Department of the Treasury
Jesse Bausch	Sands Anderson PC
Douglas Stanley	Warren County
Ted Cole	Davenport & Company LLC

Call to Order and Public Comment

Ms. Skidmore called the meeting to order at 2:02 P.M. She stated the first order of business was to provide an opportunity for any public comment. There was no public comment.

Approval of Minutes

Ms. Skidmore asked for a motion for approval of the minutes of the April 2, 2014 Board meeting. Ms. Ganeriwala moved to adopt the minutes of the April 2, 2014 meeting as presented; Mr. Loyola seconded, and the motion carried.

Introduction of New Board Member Mr. Jay Bhandari and Mr. Walter Mika

Ms. Skidmore introduced Mr. Jay Bhandari and Mr. Walter Mika as the new Board of Commissioners members. Mr. Mika's biography was distributed (Attachment A).

Ms. Whitley introduced Deidre Jett as the new VPSA Public Finance Manager.

Consideration of the Issuance of VPSA School Financing Bonds (1997 Resolution) Series 2014 Fall Bonds

Ms. Jett reviewed the Preliminary Financing Summary and presented the amended Participant List for the proposed issuance of approximately \$154,730,000 School Financing Bonds (1997 Resolution) Series 2014 C (Attachment B). She stated the bonds are expected to be sold competitively on October 29, 2014 and the anticipated delivery date is on or about November 20, 2014. Ms. Jett stated that Smyth County is refunding for the purpose of restructuring outstanding Literary Loans and Smyth County's 2011 B General Obligation Literary Loan Anticipation Notes. Ms. Jett stated that Warren County has requested to issue bonds as part of the pool or as a stand-alone.

Ms. Ganeriwala moved approval of the list of applications for the participants in the VPSA 2014 Fall Bonds sale as presented by staff and the submission of all items necessary to complete their respective VPSA pooled bond applications as amended; Mr. Von Moll seconded and the motion carried unanimously.

Ms. Williams from McGuire Woods LLP, VPSA's Bond Counsel for the transaction, presented Series Resolution No. 14-05 authorizing the issuance of the VPSA Fall Bonds for Board consideration. Ms. Williams stated that the Resolution allows for refunding any portion of the bonds issued by the Authority and outstanding under the 1997 Bond Resolution.

Mr. Von Moll moved the adoption of Series Resolution No. 14-05; Mr. Dickey seconded, and the motion carried unanimously as shown below:

YEAS: Brenda L. Skidmore, Chairman
Ben Loyola, Vice Chairman
Jay Bhandari
Walter Mika
Manju S. Ganeriwala
David A. Von Moll
Kent C. Dickey, designee for Dr. Steven Staples

NAYS: None

Consideration of the Issuance of VPSA Special Obligation School Financing Bonds, Warren County Series 2014

Ms. Jett reviewed the Preliminary Financing Summary for the \$45,500,000 Special Obligation School Financing Bonds Warren County Series 2014. She stated that Warren County staff was present. Ms. Jett explained that the County is considering three financing options; participating in the pool sale, the stand-alone structure, and a combination of pool and bank placement financing. She stated that the Warren County standalone bonds' tentative expected sale date is between November 1, 2014 and April 1, 2015.

Ms. Ganeriwala requested that a County representative explain the three financing options and the reason the County is considering other options beyond participating in the pool sale.

Mr. Douglas Stanley, Warren County Administrator, stated that about ten year ago, Warren County School Board and Board of Supervisors adopted an aggressive new Capital Improvement Plan. He explained that as part of the plan the County wanted to change the configuration from one high school, one junior high school, and one middle school to a configuration of two high schools and two middle schools. Mr. Stanley stated that as part of that process, the County has already constructed the new 1,200 student Skyline High School which opened in 2007. He stated that in 2007, the junior high school was converted to the new Warren County High School. Mr. Stanley stated that in 2010, the renovation of the former Warren County High School, built in 1940, to Warren County Middle School was completed. He stated that the fourth and final part of the plan is the construction of an 800 pupil, 154,800 square foot middle school with an estimated total cost of approximately \$46.7 million. Mr. Stanley stated that the County plans to advertise for bids in early January, receive bids about the third week of February, and begin construction about the third week of March. He explained that the three financing options including participating in the VPSA pool, stand-alone financing, and a combination of VPSA pool and bank placement will be presented to the Warren County Board of Supervisors at the October 7, 2014 meeting. Mr. Stanley stated that the County has participated in a pool financing in which the County wanted to refinance but was unable to refinance because the pool was unable to refinance. He stated that two years ago the regional jail authority of which Warren County was a member was kicked out of a Virginia Resources Authority pooled bond sale because one of the constituents in another jurisdiction (which was also part of the regional jail authority) filed a lawsuit claiming that the lease revenue bond was unconstitutional. Mr. Stanley stated that as a consequence, the regional jail authority had to issue bonds as a standalone which resulted in an increase in insurance costs for Warren County

Ted Cole from Davenport & Company LLC, Warren County's Financial Advisor for the transaction, stated that a large pool bond sale of \$150,000,000 has the potential to price differently than a \$40,000,000 stand-alone structure.

Ms. Ganeriwala asked what the rating difference between VPSA and Warren County was.

Mr. Cole stated that it was very difficult to quantify the difference between the ratings. He noted that timing and flexibility is important to Warren County and the County will have more flexibility to refinance in a stand-alone structure than in a pool bond sale.

Mr. Von Moll asked if any locality could withdraw from the pool bond sale without causing detriment to the other pool participant.

Ms. Whitley stated that a locality could withdraw from the pool without affecting the other pool participants.

Mr. Cole stated that Warren County has received bank proposals for the VPSA pool and bank loan hybrid financing option.

Mr. Bhandari moved the adoption of Resolution 14-06 authorizing not to exceed \$45,500,000 Special Obligation School Financing Bonds Warren County Series 2014; Mr. Loyola seconded and the motion carried unanimously as shown below:

YEAS: Brenda Skidmore, Chairman
Ben Loyola, Vice Chairman
Jay Bhandari
Walter Mika
Manju S. Ganeriwala
David A. Von Moll
Kent C. Dickey, designee for Dr. Steven Staples

NAYS: None

Consideration of the Issuance of VPSA School Tax Credit Bonds (Qualified Zone Academy Bonds) Series 2014-1

Ms. Jett provided an overview of the Qualified Zone Academy Bonds (QZAB) program and reviewed the Preliminary Financing Summary and the Cost of Issuance Budget for the School Tax Credit Bonds (QZAB) Series 2014-1.

Ms. Whitley stated that VPSA had issued QZABs in the past but for a single stand-alone issuer. She stated that authorizing the issuance of QZABs as a pool bond sale would be more advantageous for the localities.

Ms. Williams reviewed Resolution No. 14-07 authorizing the issuance of the School Tax Credit Bonds (QZAB) Series 2014-1. Amended pages to the Resolution were distributed that included a schedule that list the 2014-1 localities to which the Virginia Secretary of Education has offered to allocate portions of Virginia's Qualified Zone Academy Bond allocation (Attachment C). Mr. Mika moved the adoption of Resolution No. 14-07 as amended; Ms. Ganeriwala seconded, and the motion carried unanimously as shown below:

YEAS: Brenda Skidmore, Chairman
Ben Loyola, Vice Chairman
Jay Bhandari
Walter Mika

Manju S. Ganeriwala
David A. Von Moll
Kent C. Dickey, designee for Dr. Steven Staples

NAYS: None

Consideration of the Municipalities Continuing Disclosure Cooperation Initiative

Ms. Whitley reviewed the Municipalities Continuing Disclosure Cooperation (MCDC) Initiative. She stated that the purpose of the MCDC initiative is to provide issuers and underwriters the opportunity to self report instances of material misstatements in bond offering documents regarding the issuer's prior compliance with the continuing disclosure provisions of Rule 15c2-12. Ms. Whitley stated that SEC Rule 15c2-12 prohibits an underwriter from purchasing or selling municipal securities unless an issuer has committed to annually provide continuing disclosure as specified in a written Continuing Disclosure Agreement. She stated that the SEC does not directly regulate state and local governments. She stated that the underwriters' deadline to self report was September 10, 2014 and the issuers' deadline to self report is December 1, 2014. Ms. Whitley stated there is no decision on self reporting.

Ms. Skidmore asked if there are any parameters as to what is considered material.

Ms. Whitley stated that the SEC has not defined materiality. She stated that VPSA has drafted a motion that would give the Treasurer the authority to enter into an agreement without reconvening another VPSA Board meeting. Ms. Whitley stated that a decision will be made in consultation with the Office of the Attorney General and Bond Counsel.

Ms. Skidmore asked if the Board would be notified upon any change in the decision.

Ms. Whitley stated that the Board would be informed of any changes.

Ms Ganeriwala asked what would be the role of the Office of the Attorney General.

Mr. Ferguson stated that the Office of the Attorney General would advise the Virginia Department of the Treasury.

Mr. Von Moll asked if there were any penalties for self reporting.

Ms. Williams stated that if the issuer enters into an initiative before the deadline there would be no financial penalty. She stated that there was no fraudulent intent and because VPSA is constantly in the market the information is readily available.

Ms. Skidmore asked to clarify that the decision would be made by the Treasurer in consultation with the Office of the Attorney General and Bond Counsel.

Ms. Whitley confirmed that the Treasurer would consult with the Attorney General and Bond Counsel in her decision.

Mr. Ferguson suggested an amendment to the motion to include the chairman in the final decision.

Mr. Von Moll moved that the State Treasurer is authorized to act on behalf of the Virginia Public School Authority in consultation with the Chairman, the Office of the Attorney General and bond counsel to the Virginia Public School Authority regarding any settlement that may be deemed appropriate in regards to the Security and Exchange Commission's Municipal Continuing Disclosure Cooperative (MCDC) Initiative as amended; Mr. Dickey seconded and the motion carried unanimously.

Other Business

Election of Assistant Secretary and Assistant Treasurer #1 for Fiscal Year 2015

Ms. Ganeriwala moved the nomination and election of the following officer to the Virginia Public School Authority for the fiscal year 2015: the Treasury Public Finance Manager (#TRS027) as Assistant Secretary and Assistant Treasurer #1; Mr. Von Moll seconded, and the motion carried unanimously.

Results of Sale and Final Financing Summary

Series 2014 A School Financing Bonds and 2014 B School Financing Refunding Bonds –

Ms. Palmer reviewed the Final Financing Summary for the \$51,510,000 School Financing Bonds (1997 Resolution) Series 2014 A and \$215,405,000 School Financing Refunding Bonds (1997 Resolution) Series 2014 B. She stated the Series 2014 A and Refunding Series 2014 B bonds sold competitively on April 24, 2014 at a true interest cost of 3.136351% and 2.230819%, respectively with a delivery date of May 15, 2014. She stated that Refunding Series 2014 B resulted in \$17,210,569.80 in present value savings or 7.569910% of the refunded bonds. Ms. Palmer stated that \$16.0 million will be distributed to the nineteen localities that were the participants in the outstanding issues that were refunded and the Literary Fund will benefit by \$3.9 million of the savings attributable to local participants that had received an interest rate subsidy from the Literary Fund in their original bond issue.

School Technology and Security Notes Series II – Ms. Palmer reviewed the Final Financing Summary for the \$63,000,000 School Technology and Security Notes Series II. She stated the bonds sold competitively on May 6, 2014 at a true interest cost of 1.024827%.

Adjournment

There being no further business to be brought before the Board, Mr. Von Moll moved that the meeting be adjourned; Mr. Loyola seconded and the motion carried unanimously at 3:12 P.M.

Respectfully submitted,

Deidre G. Jett
Assistant Secretary

ATTACHMENT A

Walter J. Mika, Jr.
5612 Eastbourne Dr.
Springfield, Virginia 22151
H 703-978-5732
Cell 703-861-9228
wmika@aol.com
waltharriet@gmail.com

TESTING EXPERIENCE

Monitored and administered state and county testing programs for 28 years.

Administered SAT exams.

I served as an international monitor over the last two decades for PIRLS, PISA and TIMSS tests. The process required training that guaranteed that the test were conducted to International standards and that the schools visited included private and public schools and the classes visited were also randomly selected. Our observations required extensive reports that were then evaluated for comparison with other countries schools

I was also responsible for selecting qualified monitor assistants to meet the number of classes required by the international groups

GOVERNMENTAL

Served as consultant to U.S. Department of Education on basics skills education in 1978.

Chaired advisory group on teacher training and education for State Board of Education.

Extensive lobbying experience at national, state and local level of government on educational issues.

Developed legislative programs at local, state, and national associations.

Chaired National Education Association Legislative committee.

Taught government and politics in Senior High school for 28 years.

Developed and conducted a campaign training program for local and state candidates for elected office.

Member of working panel on education reform of the Rockefeller National Commission on Children.

ADMINISTRATIVE-SUPERVISORY

President of limited-partnership board that built and managed a 270 unit retirement housing building at Tyson's Corners in Fairfax county. Our board has managed the facility for three and a half decades.

Served as full-time president of the Virginia Education Association 56 staff members and of a 6,800 member county organization with twelve staff members.

Supervised an average of 140 students a school day for twenty-eight years.

Supervised a student government, school newspaper and service organization.

FINANCIAL

Developed annual budgets for Fairfax education associations.

Served ten years as a trustee for the Virginia state retirement system. Served four years as vice chair of the board.

Elected to five terms as trustee of Fairfax County education retirement system and served as Vice Chair for four years. During the fifteen years of service the Board directly hired managers and supervised investments.

Participated in the development of numerous salary and benefit packages for Fairfax teachers.

Participated in more than 50 workshops and training sessions on retirement and investing.

Was a leader in the development of a managed care health plan for Fairfax County Public Schools.

Serve as a trustee of Virginia Education Association employee retirement fund.

COMMUNICATIONS

Wrote articles on education for journals, newspapers, and newsletters.

Prepared publications from planning through production.

Spoke before conventions of up to 8,500 people and have been featured speaker for civic and professional groups.

Testified before Congressional and state legislative committees.

LEADERSHIP

In addition to service as full-time president of a state and county organization have presided at conventions of over 800 delegates.

Served as Vice Chair of Virginia retirement system for 7 years.

Chaired legislative groups for local, state and national educator groups.

Served on Boards of Directors of Fairfax Education Association, 16 years; Virginia Education Association, 18 years; National Education Association, 6 years; and Retirement Housing Corporation, 16 years.

Taught more than 4,000 students and managed hundreds of classroom situations.

Chaired more than thirty committees for education and civic organizations.

Organizer and trainer for workshops on leadership, management and current affairs.

EMPLOYMENT

1999 , 2001, 2003, 2005 International monitor for International Education Assessment of Amsterdam, The Netherlands. Test monitored were the TIMSS and PIRLS international exams. Test monitor for PISA during last two cycles of testing.

1990-97 Teacher of Government and Economics, Lake Braddock Secondary School, Burke, Virginia.

1988-90 President, Fairfax Education Association, Fairfax, Virginia.

1982-88 Teacher, Lake Braddock Secondary School, Burke.

1980-82 President, Virginia Education Association, Richmond, Virginia.

1974-80 Teacher, Lake Braddock Secondary School, Fairfax.

1964-74 Teacher, Edison High School, Alexandria, Virginia.

1961-64 Residence hall counselor, University of Maryland, College Park, Maryland.

EDUCATION:

Advanced semester credit hours in history, government, economics, writing, and computers.

R.J. Reynolds Fellowship for Economics, University of North Carolina.

Three summers, doctoral work University of Maryland.

Master of Arts in history, University of Maryland.

Bachelor of Science in Education, Kent State University.

Bachelor of Arts in history and journalism, Kent State University.

MEMBERSHIPS

Phi Delta Kappa, education fraternity; Phi Alpha Theta, national history fraternity; Kiwanians; National Education Association; Virginia Education Association; Fairfax Education Association, Fairfax County Retired Educators.

PERSONAL

Married for 43 years to a Fairfax teacher, Harriet B. Mika; one son, David, age 35. MY wife died in March, 2013.

Member of Holy Spirit Catholic Church in Annandale Va.

Currently I am an Officer of two retirement groups and a member of several other organizations.

ATTACHMENT B

VPSA (97 RESOLUTION) SERIES 2014 C
Schedule of participants and related information (NON-SUBSIDIZED)
As of 9/22/14

County/City	Credit Ratings	Proceeds Requested	Maximum Authorized Par Amt.	Project	Bond Counsel	Financial Advisor	Resolutions Received	BSA Appendix D
Augusta County 20 years level debt service beginning July 15, 2015 Reimburse	Fitch: NR Moody's: NR S&P: NR	\$18,600,000	\$19,600,000	Construct a new 91,050 square foot elementary school facility to accommodate 750 students in grades Pre-K through 5th by providing instructional and support services. Project attributes include administrative and core support areas including principal office, guidance office, media center, cafeteria and dining spaces, providing space for remedial and specialized instruction and physical education recreational use, with separation of bus and parent drop offs. The project will replace the current Riverheads Elementary School which has a failing electrical, mechanical, and plumbing infrastructure. The existing facility will be demolished once the new facility is complete.	Stephen Johnson Troutman Sanders	N/A	School Bd - Y Board of Sp - N	N - BSAs N - App D
Fluvanna County 15 years level debt service beginning July 15, 2015	Fitch: NR Moody's: Aa2 S&P: AA	\$5,125,000	\$5,600,000	HVAC, gymnasium, and locker room improvements to middle school.	Richard Hulbert Jr. Kaufman & Canoles, P.C.	Dianne Klaiss Raymond James	School Bd - Y Board of Sp - N	N - BSAs N - App D
Frederick County 20 years level principal beginning July 15, 2015	Fitch: NR Moody's: Aa2 ¹ S&P: NR	\$15,000,000	\$15,000,000	Construction of a replacement Frederick County Middle School.	Lisa Williams McGuire Woods, LLP ⁴	N/A	School Bd - Y Board of Sp - N	N - BSAs N - App D
Loudoun County 20 years level principal beginning July 15, 2015	Fitch: AAA Moody's: Aaa S&P: AAA	\$12,205,000	\$12,205,000	Design and construct a ten classroom addition to Broad Run High School, as well as expand the cafeteria, two resource spaces, a health room, and make improvements to student circulation. Additional improvements would include a new senior parking lot and bus loop extension to meet ADA requirements. Athletic program improvements include path construction to athletic fields, drainage improvements, ticket booth upgrades, new or renovated press boxes and concession stands for baseball and softball fields, stadium upgrades involving fencing, press box, ADA compliant paths, stadium synthetic turf and track replacement, a synthetic turf practice field, a new shot put area, and a parking lot expansion and resurfacing. The project also includes removal and remediation of the fueling station area currently located at the high school.	Bruce Serchuk Elizabeth Columbo Nixon Peabody, LLP	N/A	School Bd - Y Board of Sp - Y	N - BSAs N - App D
County of Roanoke 20 years level principal beginning July 15, 2015 Reimburse	Fitch: AA+ Moody's: Aa1 ³ S&P: AA+	\$20,000,000	\$20,000,000	Renovation of the existing Glenvar High School including the addition of classrooms, improved security, expansion of classroom size, new instructional areas, upgraded auditorium and gymnasium, new media center and cafeteria, reclaimed auxiliary gymnasium, bus lot relocation, and reconfigured parking lot.	Lisa Williams McGuire Woods, LLP ⁴	N/A	School Bd - Y Board of Sp - N	N - BSAs N - App D
Smyth County Structured principal amortization with cash flow relief in FY 15 - FY 19 Permanent financing is wrapped around the County's remaining debt structure after factoring in the restructuring of the outstanding Literary Loans. Interim financing Project completed Refunding for the purpose of restructuring debt 20 year final maturity	Fitch: NR Moody's: A2/Aa3 ² S&P: A ²	\$12,640,000	\$13,275,000	Refund approximately \$3,829,119 of outstanding Literary Loans for Atkins Elementary, Northwood Middle School, Chilhowie High and Middle School, Marion Senior High School, Northwood High School, Marion Middle School, Marion Intermediate School, and Chilhowie Elementary School. Permanent financing by refunding approximately \$10,330,000 of outstanding Smyth County's 2011B General Obligation Literary Loan Anticipation Notes (\$2,000,000 of Literary Loan Anticipation Notes unspent proceeds remain).	Lisa Williams McGuire Woods, LLP ⁴	Roland Kooch Davenport & Company LLC ⁵	School Bd - Y Board of Sp - N	N - BSAs N - App D

VPSA ('97 RESOLUTION) SERIES 2014 C
 Schedule of participants and related information (NON-SUBSIDIZED)
 As of 9/22/14

County/City	Credit Ratings	Proceeds Requested	Maximum Authorized Par Amt.	Project	Bond Counsel	Financial Advisor	Resolutions Received	BSA Appendix D
Stafford County 20 years level debt service for \$11,800,000 renovation and rebuild projects beginning July 15, 2015 15 years level debt service for \$5,375,000 infrastructure upgrades beginning July 15, 2015	Fitch: AA+ Moody's: Aa2 S&P: AA+	\$17,175,000	\$17,175,000	Rebuild of Stafford High School, additions/renovations of Brooke Point High School, Colonial Forge High School, and Mountain View High School. Infrastructure upgrades to repair interior finishes at Hampton Oakes Elementary School, locks at Stafford Middle School, Gari Melcher's Complex, Support Services, and Alvin Y. Bandy Administrative Complex, pavement at Hartwood Elementary School and Hampton Oakes Elementary, a track at Brooke Point High School, and mechanical systems at A.G. Wright Middle School,	Lisa Williams McGuire Woods, LLP ⁴	N/A	School Bd - Y Board of Sp - N	N - BSAs Y - App D
Warren County 30 years level debt service beginning July 15, 2015	Fitch: AA- ³ Moody's: Aa3 ³ S&P: AA	\$44,500,000	\$45,500,000	Construction of a new middle school with a size of roughly 155,000 square feet.	Dan Siegel Sands Anderson PC	Ted Cole Davenport & Company LLC ⁵	School Bd - Y Board of Sp - N	N - BSAs N - App D
York County 20 years level debt service beginning July 15, 2015 Reimburse	Fitch: NR Moody's: Aa1 S&P: AAA	\$9,485,000	\$10,000,000	York Middle School roof replacement, kitchen refurbishment at various schools due to deteriorated condition of existing equipment. Grafton Complex window repair, Seafood Elementary School six classroom addition, Grafton Bethel Elementary School HVAC replacement, Grafton Bethel Elementary roof replacement, Magruder Elementary School metal roof replacement, Bruton high School gym bleachers replacement, Tabb High School gym bleacher replacement, Mount Vernon Elementary School floor tile replacement, and Tabb Middle School bus parking lot construction.	Lisa Williams McGuire Woods, LLP ⁴	N/A	School Bd - Y Board of Sp - N	N - BSAs N - App D
TOTAL NON-SUBSIDY		\$154,730,000						
TOTAL SUBSIDY		\$0						
GRAND TOTAL		\$154,730,000						

¹ Moody's, Issuer Rating

² State Aid Enhanced

³ Most recent General Obligation rating shown. Rating was withdrawn since public bonds are no longer outstanding.

⁴ McGuire Woods LLP, Richmond, Virginia, Bond Counsel to the Authority also serves as bond counsel to the Counties of Frederick, Roanoke, Smyth, Stafford and York, each of which is a 2014C Local Issuer.

⁵ Davenport & Company, LLC, Financial Advisor to the Authority also serves as a financial advisor to the Counties of Smyth and Warren.

ATTACHMENT C

VIRGINIA PUBLIC SCHOOL AUTHORITY

- RESOLUTION -

**AUTHORIZING THE ISSUANCE OF
UP TO \$15,000,000 IN SCHOOL TAX CREDIT BONDS
SERIES 2014-1**

September 25, 2014

WHEREAS, the Virginia Public School Authority ("VPSA") was duly created under and pursuant to Chapter 194 of the Acts of Assembly of Virginia of 1962 (as presently codified and amended, being Sections 22.1-162 through 22.1-175, inclusive, of Chapter 11, Title 22.1, Code of Virginia, 1950 (the "Enabling Act")), as a public body corporate and an agency and instrumentality of the Commonwealth of Virginia (the "Commonwealth"), and the Board of Commissioners of VPSA (the "Board"), also created by the Enabling Act, is the governing body of VPSA; and

WHEREAS, by a resolution adopted by the Board on September 11, 2009 (the "Program Resolution"), VPSA established the School Tax Credit Bond Program (the "Program") and authorized the execution and delivery of the Master Indenture, under which VPSA has provided for the issuance from time to time of VPSA School Tax Credit Bonds for the purpose of providing funds for the purchase of local school bonds to finance the cost of capital projects for school purposes that qualify for such financing ("Qualified Projects"); and

WHEREAS, the Program Resolution and the Master Indenture contemplate that the VPSA School Tax Credit Bonds will be (i) payable primarily from payments of the principal of and interest, if any, on the local school bonds and the investment earnings on the local school bond principal payments and (ii) secured primarily by a pledge of such payments and earnings, as well as the "state-aid intercept," funds in the Literary Fund available and appropriated for such purpose, and any funds in the general fund of the Commonwealth appropriated for such purpose as provided in Section 22.1-167.2 of the Enabling Act; and

WHEREAS, to further the purposes of the Enabling Act and the Program, VPSA has determined to issue the sixth Series of VPSA School Tax Credit Bonds under the Master Indenture in an aggregate principal amount of up to \$15,000,000 (as more particularly described below, the "2014-1 Bonds"); and

WHEREAS, VPSA will use the proceeds of the 2014-1 Bonds to (i) purchase the local school bonds (the "2014-1 Local School Bonds") of ~~City of Richmond, Virginia, the City of Petersburg, Virginia, and/or the City of Franklin, Virginia~~ (any or all of the localities listed on Schedule 1 attached hereto collectively, the "2014-1 Localities"), to which the Virginia Secretary of Education has ~~allocated~~offered to allocate portions of Virginia's Qualified Zone Academy Bond allocation under Section 54E(c) of the Internal Revenue Code of 1986, as

amended (the "Tax Code") to finance the cost of Qualified Projects, and (ii) pay the issuance costs of the 2014-1 Bonds; and

WHEREAS, the Master Indenture provides that, as a condition to the issuance and authentication of any Series of VPSA School Tax Credit Bonds, VPSA shall deliver to the Trustee a Supplemental Indenture and in connection therewith, VPSA has prepared a Sixth Supplemental Trust Indenture (the "Sixth Supplemental Indenture"), between VPSA and the Trustee; and

WHEREAS, the Sixth Supplemental Indenture will set forth, among other things, the specific payment and redemption provisions for the 2014-1 Bonds; and

WHEREAS, the foregoing arrangements will be reflected in the following documents, forms of which have been presented to this Board at this meeting: (i) the Sixth Supplemental Indenture, to which the form of the 2014-1 Bonds is attached as Exhibit A; and (ii) a model Bond Sale Agreement (a "Bond Sale Agreement") to be entered into between VPSA and each of the 2014-1 Localities; and

WHEREAS, unless otherwise defined, each capitalized term used in this Resolution shall have the meaning given it in the Program Resolution, the Master Indenture or the Sixth Supplemental Indenture;

After careful consideration and to further the public purposes for which VPSA was created, NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF VPSA THAT:

1. There is hereby authorized the issuance of School Tax Credit Bonds of VPSA to be known as the School Tax Credit Bonds (Qualified Zone Academy Bonds), Series 2014-1. The 2014-1 Bonds will be issued as a single Series for purposes of the Master Indenture, but for purposes of the Sixth Supplemental Indenture and the Tax Code portions of the 2014-1 Bonds may be issued under two or more series designations. The 2014-1 Bonds shall be in substantially the form attached as Exhibit A to the Sixth Supplemental Indenture. VPSA shall use the proceeds of the issuance and sale of the 2014-1 Bonds in accordance with the Master Indenture and the Sixth Supplemental Indenture to purchase the 2014-1 Local School Bonds from the 2014-1 Localities to finance the cost of the Qualified Projects of the 2014-1 Localities, and pay the issuance costs of the 2014-1 Bonds.

2. The Board hereby delegates to the Secretary/Treasurer and any Assistant Secretary/Treasurer, any of whom may act (each a "Delegate" and, collectively, the "Delegates"), the power with respect to the 2014-1 Bonds to determine and carry out the following:

(a) *Method of Sale.* To determine whether any or all of the 2014-1 Bonds shall be offered or sold via the following methods: (i) a private placement or (ii) a negotiated public sale. If the chosen method is a negotiated public sale, a Delegate is hereby authorized to negotiate the sale of the pertinent 2014-1 Bonds with any of the firms comprising VPSA's underwriting team, which is composed of underwriters selected by the Virginia Department of

Treasury in connection with its DM 11-001 2011 Request for Proposals for Underwriting Services (the "Underwriters"). If the chosen method is a private placement, a Delegate is authorized to solicit proposals from a group of banks and other potential investors for the purchase of the pertinent 2014-1 Bonds. For either chosen method, a Delegate is authorized and to execute on VPSA's behalf with the Underwriters or with any private placement purchaser of the 2014-1 Bonds (a "Purchaser") a Bond Purchase Agreement in substantially the form approved and executed in connection with VPSA's School Tax Credit Bonds (Qualified School Construction Bonds), Series 2009-1 (the "Bond Purchase Agreement"), the terms of which Bond Purchase Agreement shall not conflict with the provisions of this Resolution;

(b) *2014-1 Bonds.* To determine whether the 2014-1 Bonds shall be issued in one or more series, such determination to be made with the advice of VPSA's Financial Advisor, and to take into account, among other things, principles of fairness in establishing the prices to be paid to the 2014-1 Localities for their 2014-1 Local School Bonds;

(c) *Principal Amount of the 2014-1 Bonds.* To determine the aggregate principal amount of the 2014-1 Bonds, such amount, together with other available moneys, to be equal to a sum sufficient (i) to purchase the 2014-1 Local School Bonds, and (ii) to pay the issuance costs of the 2014-1 Bonds, but to be not in excess of \$15,000,000;

(d) *Supplemental Interest Rates.* To determine any required supplement interest rate or rates on the 2014-1 Bonds or any series thereof, with no such rate to exceed 2.00% per annum;

(e) *Maturities.* To determine the maturities and maturity amounts of the 2014-1 Bonds, no maturity to extend beyond December 31, 2035, although it is noted that the 2014-1 Bonds or each series thereof is likely to be issued with a single maturity with a term not in excess of the maximum term established by the U.S. Secretary of Treasury in accordance with Section 54A of the Tax Code;

(f) *Changes in Redemption Provisions.* To determine any changes in the redemption provisions for the 2014-1 Bonds set forth in Article IV of the Sixth Supplemental Indenture;

(g) *Dated Date.* To determine the dated date or dates of the 2014-1 Bonds or any series thereof;

(h) *Date of Sale.* To determine the date or dates of sale of the 2014-1 Bonds or any series thereof; and

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

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

3. A Delegate is hereby authorized to sell the 2014-1 Bonds at one time or from time to time by private placement or negotiated public sale on a date or dates determined in consultation with the Financial Advisor to VPSA, but in no event later than December 31, 2014. A Delegate is hereby authorized to accept an offer of a Purchaser or the Underwriters, in the form of the Bond Purchase Agreement, to purchase all of the 2014-1 Bonds or any series at a purchase price reflecting a purchaser's or an underwriting discount not to exceed 2.00% of the par amount of such 2014-1 Bonds less any original issue discount.

4. The forms of the Sixth Supplemental Indenture, the 2014-1 Bonds, the Bond Purchase Agreement and the model Bond Sale Agreement are approved. The Chairman and any Delegate are authorized to execute and deliver on VPSA's behalf, and, if required, to affix and attest VPSA's seal on, the Sixth Supplemental Indenture, the 2014-1 Bonds, the Bond Purchase Agreement and the Bond Sale Agreements in substantially the forms submitted to this meeting, with such changes, insertions or omissions as may be approved by the Chairman or the Delegate. Such approval shall be evidenced conclusively by the execution and delivery of such documents on VPSA's behalf. Each officer of VPSA is authorized to execute and deliver on VPSA's behalf such other instruments, documents or certificates, and to do and perform such things and acts as he or she shall deem necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Program Resolution, the Master Indenture, the Sixth Supplemental Indenture, the Bond Purchase Agreement, the Bond Sale Agreements or the 2014-1 Bonds. Any of the foregoing previously done or performed by any officer of VPSA is in all respects approved, ratified and confirmed.

5. A Delegate is authorized and directed to have the 2014-1 Bonds prepared, to have the 2014-1 Bonds executed pursuant to the terms of the Master Indenture and the Sixth Supplemental Indenture, to deliver the 2014-1 Bonds to the Trustee for authentication, and to cause the 2014-1 Bonds so executed and authenticated to be delivered to or for the account of the Underwriters or winning bidders upon payment of the purchase price thereof.

6. If the chosen method of sale of all or any series of the 2014-1 Bonds is a negotiated public sale, a Delegate is authorized to prepare a Preliminary Official Statement in substantially the form used in the sale of the 2012-1 Bonds, with such changes, insertions or omissions as may be approved by the Delegate in consultation with VPSA's General Counsel, Bond Counsel and Financial Advisor. The Delegates, any of whom may act, in consultation with VPSA's General Counsel, Bond Counsel and Financial Advisor, are further authorized to deem the POS final on VPSA's behalf in accordance with Rule 15c2-12 of the U.S. Securities and Exchange Commission, to make such changes to the POS after the sale of the 2014-1 Bonds to constitute such document as the final Official Statement for the 2014-1 Bonds, to execute such final Official Statement and to prepare, execute, publish and distribute any other disclosure or sale documents as may be deemed necessary or appropriate to effect the negotiated public sale of the 2014-1 Bonds.

7. A Delegate is authorized to provide that any supplemental interest rates on the 2014-1 Local School Bonds to be purchased by VPSA shall be five basis points (0.05%) above the interest rates on the corresponding 2014-1 Bonds or that each 2014-1 Locality will pay an

upfront flat fee to compensate VPSA for the on-going costs related to administering the 2014-1 Bonds.

8. A Delegate is authorized and directed to execute and deliver on VPSA's behalf simultaneously with the issuance of the 2014-1 Bonds a Tax Regulatory Agreement and/or similar agreements or certificates. The Tax Regulatory Agreement and/or similar agreements or certificates shall set forth the expected use of and investment of all or any portion of the proceeds of the 2014-1 Bonds and include such covenants as may be necessary to establish and maintain the status of the 2014-1 Bonds as Qualified Zone Academy Bonds under the Tax Code. A Delegate is further authorized to make on behalf of VPSA such elections under the Tax Code with respect to the 2014-1 Bonds as he or she may deem to be in the best interests of VPSA after consultation with VPSA's Bond Counsel and Financial Advisor.

9. The investment of all monies deposited in any of the funds or accounts established by the Master Indenture and the Sixth Supplemental Indenture will be governed by the sections of the Master Indenture and the Sixth Supplemental Indenture related to permitted investments. In addition, a Delegate authorized to contract with the Virginia State Non-Arbitrage Program and/or an arbitrage rebate consulting firm to provide investment and/or arbitrage compliance services with respect to the 2014-1 Bonds.

10. Each officer of VPSA is authorized to execute and deliver on VPSA's behalf such other instruments, documents or certificates, and to do and perform such things and acts as he or she shall deem necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Program Resolution, the Master Indenture, the Sixth Supplemental Indenture, the Bond Purchase Agreement, the Bond Sale Agreements or the 2014-1 Bonds. Any of the foregoing previously done or performed by any officer of VPSA is in all respects approved, ratified and confirmed. Each of the authorizations provided to the Chairman in this Resolution may be carried out by the Vice-Chairman in the absence of the Chairman.

11. This Resolution supersedes the resolution adopted on October 29, 2013, and entitled "RESOLUTION AUTHORIZING THE ISSUANCE OF UP TO \$7,200,000 IN SCHOOL TAX CREDIT BONDS, SERIES 2013-1."

12. This Resolution shall take effect immediately.

Adopted: September 25, 2014

A Copy - Teste:

Assistant Secretary/Treasurer,

SCHEDULE 1

LIST OF 2014-1 LOCALITIES

City of Danville

City of Franklin

City of Martinsville

City of Petersburg

City of Richmond

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Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
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Moved to	0
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