

**VIRGINIA COLLEGE BUILDING AUTHORITY BOARD MEETING**

**November 21, 2011 10:30 a.m.**  
Treasury Board Conference Room  
James Monroe Building  
101 North 14<sup>th</sup> Street, 3<sup>rd</sup> Floor  
Richmond, Virginia

Members Present: Anne C.H. Conner, Chairman  
Peter A. Blake  
Jefferson “Jeff” S. Cooper  
Allison Cryor DiNardo  
Bryce E. Reeves  
David A. Von Moll

Members Absent: Vinod B. Agarwal  
Manju S. Ganeriwala  
Joseph S. Testa  
Daniel S. Timberlake  
John R. Vogt

Others Present: Janet A. Aylor Assistant Secretary, VCBA, Department of the Treasury  
Jeanine Black Department of the Treasury  
Demetrius Carmichael Shenandoah University  
Russell Carmichael State Council of Higher Education  
Sherwanda Cawthorn Department of the Treasury  
Donald Ferguson, Esq. Attorney General’s Office  
James Johnson Morgan Keegan & Company, Inc.  
Christopher G. Kulp, Esq. Hunton & Williams LLP  
Warren C. Redfern, Jr. BB&T Capital Markets  
Charles Shimer, Esq. Kutak Rock LLP  
Robert S. Young Department of the Treasury  
Treasury Staff and others attended

**Call to Order and Approval of Minutes**

Ms. Conner called the meeting to order at 10:56 a.m. After welcoming visitors, she congratulated Mr. Bryce Reeves on his new role as Senator-Elect. She also noted that Mr. Reeves submitted a letter of resignation from the board as of November 22, 2011 and indicated that the board looks forward to working with him in his new role as State Senator. Ms. Conner then asked if there were any members of the public present that wished to comment on Board activities, as well as directed visitors to the sign-up sheet for the Shenandoah University public hearing, if needed. There were no public comments.

Ms. Conner then asked if there were any comments on or corrections to the minutes of the

September 16, 2011 Virginia College Building Authority meeting. Hearing none, she requested a motion for approval of the minutes. Mr. Reeves made the motion; Mr. Von Moll seconded, and the motion carried unanimously by all members present.

### **Consideration of the Shenandoah University Financing Application**

Ms. Aylor introduced the financing team for this project. She then reviewed the Preliminary Financing Summary for the proposed issuance of up to \$40,000,000 of Virginia College Building Authority Educational Facilities Revenue Refunding Bonds (Shenandoah Project), Series 2011. Mr. James Johnson from Morgan Keegan & Company, financial advisory to the University, reviewed the financing for the project and briefed the board on the details of the project. A discussion ensued.

### **Public Hearing**

The public hearing was opened at 11:09 a.m. and closed at 11:09 a.m., after no members of the public asked to speak. The minutes of the public hearing are attached hereto as Attachment B.

Mr. Christopher Kulp from Hunton & Williams, bond counsel to Shenandoah University, reviewed the Resolution. Mr. Charles Shimer from Kutak Rock, bond counsel to the Authority, confirmed that he reviewed, recommended changes that have been incorporated in the documents, and approved the documents. Mr. Cooper moved the approval of the Resolution (Attachment A) of the Virginia College Building Authority authorizing the issuance and sale of its Educational Facilities Revenue Refunding Bonds (Shenandoah University Project), Series 2011; Mr. Reeves seconded the motion, and the motion was unanimously adopted.

### **Final Financing Summary**

Ms. Black reviewed the Final Financing Summary for the Virginia College Building Authority Educational Facilities Revenue Bonds (Public Higher Education Financing Program), Series 2011A.

### **Adjournment**

Having no other business to be brought before the Board, the meeting was adjourned at 11:15 a.m.

Respectfully submitted,  
Janet A. Aylor  
Assistant Secretary

/s/ Janet A. Aylor

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

**RESOLUTION OF  
VIRGINIA COLLEGE BUILDING AUTHORITY**

**WHEREAS**, Shenandoah University (the “University”) has filed with the Virginia College Building Authority (the “Authority”) an application requesting the Authority, pursuant to the Educational Facilities Authority Act (Title 23, Chapter 3.3, Code of Virginia of 1950, as amended) (the “Act”), to issue its revenue bonds (the “Bonds”) and to lend the proceeds from the sale thereof to the University for the purposes of (a) refinancing projects in accordance with the Act by effecting the refunding of (i) the outstanding amount of the \$22,245,000 Educational Facilities First Mortgage Revenue Bonds (Shenandoah University Project), Series 1998 (the “1998 Bonds”), issued by the Industrial Development Authority of the City of Winchester, (ii) the outstanding amount of the \$1,800,000 Educational Facilities Refunding Revenue Note (Shenandoah University Project), Series 2004 (the “2004 Note”), issued by the Virginia Small Business Financing Authority, and (iii) the outstanding amount of the \$21,895,000 Variable Rate Demand/Fixed Rate Educational Facilities Revenue Bonds (Shenandoah University Project), Series 2006 (the “2006 Bonds,” and, collectively with the 1998 Bonds and the 2004 Note, the “Prior Bonds”), issued by the Authority, and (b) financing certain expenses of issuing the Bonds and refunding the Prior Bonds;

**WHEREAS**, the University has obtained a commitment from Branch Banking & Trust Company (the “Purchaser”) to purchase the Bonds;

**WHEREAS**, a public hearing has been held on the date hereof in conformity with the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”); and

**WHEREAS**, there have been presented to this meeting drafts of a Bond Purchase and Loan Agreement (the “Loan Agreement”) between the Authority, the University and the Purchaser, including the form of the Bonds and the form of the University’s promissory note (the “Note,” and together with the Loan Agreement and the Bonds, the “Documents”), which the Authority proposes to execute or approve to carry out the issuance and sale of the Bonds for the benefit of the University and the refunding of the Prior Bonds, copies of which instruments shall be filed with the records of the Authority:

**BE IT RESOLVED BY THE VIRGINIA COLLEGE BUILDING AUTHORITY:**

1. The Authority finds and determines that the issuance of the Bonds and the loan to the University of the proceeds from the sale thereof to be used, together with other funds available to the University, to effect the refunding of the Prior Bonds and to pay certain expenses of issuing the Bonds and refunding the Prior Bonds, will be consistent with the purpose of the Act. The Authority approves the application of the University and authorizes the issuance of the Bonds and the loan of the proceeds from the sale thereof to the University.

2. The Authority authorizes the issuance and sale of the Bonds to the Purchaser, which has been selected by the University, upon terms that shall be satisfactory to the University and to the Treasurer of the Authority (the “Treasurer”); provided, however, that (a) the aggregate principal amount of the Bonds shall not exceed \$40,000,000, (b) the Bonds shall be dated the

date of their issuance, (c) the Bonds shall mature no later than December 31, 2038, (d) the Bonds shall bear interest at a variable rate as provided in the Loan Agreement, (e) the Bonds shall be in registered form and issued as a single bond delivered to the Purchaser, (f) the Bonds shall be subject to optional redemption at a redemption price of 100% of the principal amount of the Bonds to be redeemed, and (g) the Bonds shall be subject to a put at the option of the Purchaser as provided in the Loan Agreement.

3. The Authority authorizes and directs the Treasurer, subject to the limitations set forth in paragraph 2, to approve the details of the Bonds and their sale, all of which shall also be acceptable to the University, including without limitation, the principal amount to be issued, the maturity schedule, the interest rate provisions, and the redemption provisions. Following the sale of the Bonds, the Treasurer shall file a certificate with the Secretary of the Authority setting forth the final terms of the Bonds. The actions of the Treasurer shall be conclusive, and no further action shall be necessary on the part of the Authority.

4. The Authority authorizes and directs the Chairman, the Vice-Chairman and the Treasurer of the Authority, any of whom may act, to execute and deliver the Documents, which shall be in substantially the forms presented to this meeting, which are approved, with such completions, omissions, insertions and changes not inconsistent with this resolution as may be acceptable to the University and approved by the officer of the Authority executing such Documents, his or her execution thereof to constitute conclusive evidence of such officer's approval of any such completions, omissions, insertions and changes.

5. The Chairman and Vice Chairman of the Authority, either of whom may act, are authorized and directed to execute the Bonds by manual or facsimile signature, and the Secretary and the Assistant Secretary of the Authority, any of whom may act, are authorized and directed to have the seal of the Authority affixed or printed thereon and to attest such seal by his or her manual or facsimile signature. The Chairman and Vice Chairman of the Authority, either of whom may act, are authorized and directed to deliver the Bonds to, or at the direction of, the Purchaser upon the terms provided in the Loan Agreement.

6. The Chairman and Vice Chairman of the Authority, either of whom may act, are authorized and directed to execute the assignment or endorsement form on the Note, thereby assigning it to the Purchaser, and to direct the University to make all payments thereunder to the Purchaser to provide for payment of the Bonds.

7. The Authority authorizes and directs its officers to execute and deliver all certificates, instruments and documents and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Bonds and the refunding of the Prior Bonds, including, without limitation, execution of escrow deposit agreements or otherwise provide for the redemption and payment of the Prior Bonds, and execution and delivery of a certificate, based on representations of the University, setting forth the expected use and investment of the proceeds of the Bonds to show that such expected use and investment will not violate the provisions of the Code, and regulations thereunder, applicable to "arbitrage bonds," making any elections, at the request of the University, that such officers deem desirable regarding any provision requiring rebate to the United States of "arbitrage profits" earned on

investment of proceeds of the Bonds, and providing for the University to pay any such rebate amount.

8. All costs and expenses incurred in connection with the Bonds, including without limitation, the one-time fee and expenses of the Authority, including fees and expenses of counsel for the Authority, shall be paid promptly from proceeds of the Bonds or other funds provided by the University. If for any reason the Bonds are not issued, it is understood that all such fees and expenses incurred shall be paid promptly by the University upon presentation of an invoice and the Authority shall have no responsibility therefor. The Authority's one-time fee equal to 1/10 of 1% of the initial principal amount of the Bonds, other than Bonds allocable to refunding the Authority's 2006 Bonds, shall be incurred and payable to the Authority upon issuance of the Bonds.

9. The Authority hereby recommends and requests that the Governor of the Commonwealth of Virginia approve the issuance of the Bonds pursuant to Section 147(f) of the Code.

10. At the request of the University, the Authority hereby appoints Hunton & Williams LLP as bond counsel to supervise the proceedings and approve the legality of the issuance of the Bonds.

11. The Authority authorizes and confirms all other actions of the officers and staff of the Authority that are in conformity with the purpose or intent of this resolution and in furtherance of the refunding of the Prior Bonds, the issuance and sale of the Bonds and the lending of the proceeds from the sale thereof to the University.

12. This resolution shall take effect immediately upon its adoption.

VIRGINIA COLLEGE BUILDING AUTHORITY

Minutes of the Public Hearing  
in Connection with the Issuance of Bonds for the Benefit of Lynchburg College  
November 21, 2011 10:30 a.m.  
3rd Floor Conference Room, James Monroe Building  
Richmond, Virginia

Members Present: Anne C.H. Conner, Chairman  
Peter A. Blake  
Jefferson "Jeff" S. Cooper  
Allison Cryor DiNardo  
Bryce E. Reeves  
David A. Von Moll

Members Absent: Vinod B. Agarwal  
Manju S. Ganeriwala  
Joseph S. Testa  
Daniel S. Timberlake  
John R. Vogt

Others Present: Janet A. Aylor Assistant Secretary, VCBA, Department  
of the Treasury  
Jeanine Black Department of the Treasury  
Demetrius Carmichael Shenandoah University  
Russell Carmichael State Council of Higher Education  
Sherwanda Cawthorn Department of the Treasury  
Donald Ferguson, Esq. Attorney General's Office  
James Johnson Morgan Keegan & Company, Inc.  
Christopher G. Kulp, Esq. Hunton & Williams LLP  
Warren C. Redfern, Jr. BB&T Capital Markets  
Charles Shimer, Esq. Kutak Rock LLP  
Robert S. Young Department of the Treasury  
Treasury Staff and others attended

Ms. Conner opened the public hearing at 11:09 a.m.

Ms. Conner asked if anyone wished to address the Board.

No members of the public addressed the board at the hearing.

Ms. Conner closed the public hearing at 11:09 a.m.

Respectfully submitted,

/s/ Janet A. Aylor  
Assistant Secretary