

COMMONWEALTH OF VIRGINIA
VIRGINIA PUBLIC SCHOOL AUTHORITY (VPSA)
Board of Commissioners Meeting
Fall Board Meeting – October 29, 2013, 11:00 A.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
Manju S. Ganeriwala
David A. Von Moll
Kent C. Dickey, designee for Dr. Patricia Wright

Members Absent: Kanchana Thamodaran

Others Attending:	Arthur Anderson	McGuire Woods LLP
	Lisa Williams	McGuire Woods LLP
	James Traudt	Davenport & Company LLC
	Ty Wellford	Davenport & Company LLC
	Caroline Heggie	Davenport & Company LLC
	Elizabeth Myers	Office of the Attorney General
	Evie Whitley	Department of the Treasury
	Janet Aylor	Department of the Treasury
	Melissa Palmer	Department of the Treasury

Call to Order and Public Comment

Ms. Skidmore called the meeting to order at 11:01 A.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

An amended page to the motion was distributed (Attachment A). Ms. Skidmore asked for a motion for approval of the minutes of the June 4, 2013 Board meeting. Mr. Von Moll moved, as amended, to adopt the minutes of the June 4, 2013 meeting as presented; Mr. Dickey seconded, and the motion carried unanimously.

Introduction of New Bond Counsel and Financial Advisor

Ms. Janet Aylor introduced Arthur Anderson and Lisa Williams of McGuire Woods LLP as the selected VPSA bond counsel and James Traudt, Ty Wellford and Caroline Heggie of Davenport & Company LLC as the selected VPSA financial advisor.

Consideration of the Issuance of VPSA School Financing Bonds (1997 Resolution) Series 2013 Fall Bonds

Ms. Palmer reviewed the amended Preliminary Financing Summary and presented the Participant List for the proposed issuance of not to exceed \$43,430,000 School Financing Bonds (1997 Resolution), Series 2013 B (Attachment B).

An amended page to the motion was distributed (Attachment C). Mr. Dickey moved, as amended, that the Authority approve the list of applications for the participants in the VPSA 2013 Fall Bonds sale as presented by staff contingent upon the submission of all items necessary to complete their respective VPSA pooled bond applications; Mr. Von Moll seconded and the motion carried unanimously.

Ms. Williams from McGuire Woods LLP, VPSA's Bond Counsel, presented Series Resolution No. 13-05 authorizing the issuance of the VPSA Fall Bonds for Board consideration. She noted that the Series Resolution authorizes Refunding Bonds, in addition to the Fall pooled bonds, and referred the Board to page 1 of Resolution No.13-05 and stated that refunding candidates shall achieve the aggregate present value debt service savings equal to at least 3.00% of the par amount of the callable Refunded Bonds.

An amended page to the motion was distributed (Attachment D). Ms. Ganeriwala moved, as amended, the adoption of Series Resolution No. 13-05; Mr. Dickey seconded, and the motion carried unanimously as shown below:

YEAS: Brenda Skidmore, Chairman
Ben Loyola, Vice Chairman
Manju S. Ganeriwala
David A. Von Moll
Kent C. Dickey, designee for Dr. Patricia Wright

NAYS: None

Consideration of the Issuance of VPSA School Tax Credit Bonds (Qualified Zone Academy Bonds) Series 2013-1

Ms. Whitley provided an overview of the Qualified Zone Academy Bonds (QZAB) program and reviewed the Preliminary Financing Summary and the Cost of Issuance Budget (Attachment E) for the School Tax Credit Bonds (QZAB) Series 2013-1.

Mr. Anderson from McGuire Woods LLP, VPSA's Bond Counsel, reviewed Resolution No. 13-06 authorizing the issuance of the School Tax Credit Bonds (QZAB) Series 2013-1 (Attachment F).

Mr. Anderson referred the Board to the Section 2(d) of Resolution No. 13-06 and noted the supplemental interest rate cap of 3.00%. Ms. Ganeriwala stated that the supplemental interest rate seemed very high. Mr. Loyola proposed lowering the supplemental interest rate cap. Ms. Ganeriwala suggested that the supplemental interest rate be lowered to not exceed 2.00% per

annum. Mr. Traudt from Davenport & Company LLC, Financial Advisor for the transaction, stated that every effort would be made to achieve the required supplemental interest rate that would not exceed 2.00% per annum. He stated that they will assess the primary buyers in the market and cost of issuance with or without ratings to determine the feasibility of lowering the supplemental interest rate.

An amended page to the motion was distributed (Attachment G). Ms. Ganeriwala moved, as amended, to adopt the Resolution No. 13-06, as amended, to lower the supplemental interest rate (Attachment H), Mr. Von Moll seconded and the motion carried unanimously as shown below:

YEAS: Brenda Skidmore, Chairman
Ben Loyola, Vice Chairman
Manju S. Ganeriwala
David A. Von Moll
Kent C. Dickey, designee for Patricia Wright

NAYS: None

Other Business

Award of \$6 Million in School Security Equipment Grants Press Release

Ms. Aylor reviewed Governor McDonnell's press release regarding the award of \$6 million in School Security Equipment Grants. She stated that a portion of the proceeds of the VPSA School Technology and Security Notes Series I, issued in May 2013, was used to fund the competitive grants to help offset the costs associated with the purchase of appropriate security equipment. Eighty six school divisions and educational programs were awarded the grants and four hundred fifty nine schools and educational facilities will receive security upgrades.

Results of Sale and Final Financing Summary

2013 Stand-Alone Bond Sale – Prince William County – Ms. Palmer reviewed the Final Financing Summary for the \$59,990,000 Special Obligation School Financing Bonds Prince William County Series 2013. She stated the true interest cost for the issuance was 3.346838%.

Adjournment

An amended page to the motion was distributed (Attachment I). There being no further business to be brought before the Board, Mr. Dickey moved, as amended, that the meeting be adjourned; Mr. Von Moll seconded and the motion carried unanimously at 11:47 A.M.

Respectfully submitted,

Janet A. Aylor
Assistant Secretary

ATTACHMENT A

**Virginia Public School Authority
Board Meeting – October 29, 2013**

I move the adoption of the minutes of the June 4, 2013 meeting, as presented.

Motion: _____ Second: _____

ATTACHMENT B

PRELIMINARY FINANCING SUMMARY

Virginia Public School Authority \$43,430,000* School Financing Bonds (1997 Resolution) Series 2013 B October 29, 2013

- Title:** \$43,430,000* School Financing Bonds (1997 Resolution) Series 2013 B (the “Bonds”).
- Issuer:** Virginia Public School Authority (the “Authority”).
- Constitutional Reference:** Article X, Section 9(d).
- Legislative Reference:** Chapter 11 Title 22.1 of the *Code of Virginia*, as amended.
- Purpose:** The proceeds of the Bonds will be used to (i) purchase \$43,430,000* general obligation school Bonds issued by certain Virginia localities that are to use the proceeds for capital projects for their public schools and (ii) pay a portion of the issuance cost of the bonds.
- Security:** The Bonds will be secured by (i) principal and interest payments on the general obligation school bonds held by the Authority and pledged to the payment of the Bonds, (ii) the State Aid Intercept Provision and (iii) a state general fund sum sufficient appropriation. The Bonds do not constitute a debt or pledge of the faith and credit of the Commonwealth of Virginia.
- Method of Sale:** Competitive, using electronic bidding.
- Sale Date:** November 5, 2013*
- Dated Date:** November 21, 2013*
- Delivery Date:** November 21, 2013*
- Bond Structure:** Serial bonds maturing annually in years 2014 through 2040*, paying current semiannual interest and annual principal and structured on a blended amortization basis to accommodate the schedules requested by the participants.
- Payment Dates:** *Principal:* Annually on August 1, beginning August 1, 2014; with a final maturity of August 1, 2040*.
Interest: Semi-annually on February 1 and August 1; beginning August 1, 2014.

*Preliminary, subject to change

PRELIMINARY FINANCING SUMMARY

Virginia Public School Authority
\$43,430,000* School Financing Bonds (1997 Resolution) Series 2013 B
October 29, 2013

**Optional
Redemption
Provision*:**

The Bonds due on and after August 1, 2024 may be redeemed prior to their respective maturities at the option of the Authority, in whole or in part at any time on any date beginning August 1, 2023, at the redemption price of par, together with interest accrued to the date fixed for redemption.

Denomination: \$5,000 or multiples thereof.

**Registration
Provisions:** Book-entry only bonds.

True Interest Cost: TBD

Expected Ratings: Fitch Ratings: AA+
Moody's Investors Service: Aa1
Standard & Poor's Rating Service: AA+

Underwriter: TBD

Bond Counsel: McGuire Woods LLP, Richmond, Virginia.

Financial Advisor: Davenport & Company LLC, Richmond, Virginia.

**Registrar/
Paying Agent:** State Treasurer

**Estimated Costs
of Issuance:** \$210,850* excluding underwriters' discount.

*Preliminary, subject to change.

ATTACHMENT C

**Virginia Public School Authority
Board Meeting – October 29, 2013**

I move that the Authority approve the list of applications for the participants in the VPSA 2013 Fall Bonds sale as presented by staff and the submission of all items necessary to complete their respective VPSA pooled bond applications.

Motion: _____ Second: _____

ATTACHMENT D

**Virginia Public School Authority
Board Meeting – October 29, 2013**

I move the adoption of Resolution No. 13-05, a Series Resolution authorizing the issuance of the VPSA 2013 Fall Bonds, as presented at this meeting.

Motion: _____ Second: _____

ATTACHMENT E

PRELIMINARY FINANCING SUMMARY

Virginia Public School Authority \$7,200,000* School Tax Credit Bonds (Qualified Zone Academy Bonds) Series 2013-1 October 29, 2013

- Title:** \$7,200,000* School Tax Credit Bonds (Qualified Zone Academy Bonds), Series 2013-1 (the “Bonds”).
- Issuer:** Virginia Public School Authority (the “Authority”) pursuant to the Qualified Zone Academy Bond program authorized by the Tax Extenders and Alternative Minimum Tax Relief Act of 2008.
- Constitutional Reference:** Article X, Section 9(d).
- Legislative Reference:** Chapter 11 Title 22.1 of the *Code of Virginia*, as amended.
- Purpose:** The proceeds of the Bonds will be used to (i) purchase up to \$7,200,000 general obligation school Bonds issued by certain Virginia localities that are to use the proceeds for capital projects for their public schools and (ii) pay a portion of the issuance cost of the bonds.
- Security:** The Bonds will be secured by (i) principal payments on the general obligation school bonds held by the Authority and pledged to the payment of the Bonds, (ii) the State Aid Intercept Provision and (iii) a state general fund sum sufficient appropriation. The Bonds do not constitute a debt or pledge of the faith and credit of the Commonwealth of Virginia.
- Method of Sale:** Private Placement or Negotiated Public Sale
- Sale Date:** TBD* but not later than December 31, 2013
- Dated Date:** Dated as of Closing*
- Delivery Date:** TBD*
- Bond Structure:** Single Maturity (Bullet Maturity) bonds with a maximum maturity not in excess of the maximum term established by the United States Department of Treasury in accordance with Section 54A of the Tax Code at the time of closing.
- Payment Dates:** *Principal:* At final maturity.

*Preliminary, subject to change

PRELIMINARY FINANCING SUMMARY

Virginia Public School Authority
\$7,200,000* School Tax Credit Bonds (Qualified Zone Academy Bonds) Series 2013-1
October 29, 2013

Denomination: \$5,000 or multiples thereof.

Registration

Provisions: Book-entry only bonds.

True Interest Cost: TBD based on the Rate for Qualified Tax Credit Bonds established by the U.S. Department of the Treasury

Expected Ratings:

Fitch Ratings:	AA+
Moody's Investors Service:	Aa1
Standard & Poor's Rating Service:	AA+

Private Placement

Purchaser/

Underwriter: TBD

Bond Counsel: McGuire Woods LLP, Richmond, VA

Financial Advisor: Davenport & Company LLC, Richmond, Virginia.

Registrar/

Paying Agent: U.S. Bank

Estimated Costs

of Issuance: \$196,000* excluding underwriters' discount.

*Preliminary, subject to change.

VIRGINIA PUBLIC SCHOOL AUTHORITY
Qualified Zone Academy Bonds Series 2013-1
\$8,000,000 QZAB Series 2013-1

\$8,000,000

Cost of Issuance Budget

	Budget
Bond Counsel	\$ 49,500
Bond Counsel Expenses	10,000
Financial Advisor	53,500
Financial Advisor Expenses	1,000
Official Statement Printer	5,000
Ratings*	38,000
Trustee	11,000
VPSA Internal Expenses	25,500
Other Expenses-Electronic posting - i-Deal	2,500
Total	\$ 196,000

	Budget
* Ratings: <i>Fitch</i>	\$15,000
<i>Moody's</i>	\$11,000
<i>S&P</i>	\$12,000
	\$38,000

ATTACHMENT F

VIRGINIA PUBLIC SCHOOL AUTHORITY

- RESOLUTION -

**AUTHORIZING THE ISSUANCE OF
UP TO \$7,200,000 IN SCHOOL TAX CREDIT BONDS
SERIES 2013-1**

October 29, 2013

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 \$7,200,000 (as more particularly described below, the "2013-1 Bonds"); and

WHEREAS, VPSA will use the proceeds of the 2013-1 Bonds to (i) purchase the local school bonds (the "2013-1 Local School Bonds") of Craig County, Virginia, and/or the City of Petersburg, Virginia (the "2013-1 Localities") to which the Virginia Secretary of Education has allocated 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 2013-1 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 2013-1 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 2013-1 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 2013-1 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 2013-1. The 2013-1 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 2013-1 Bonds may be issued under two or more series designations. The 2013-1 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 2013-1 Bonds in accordance with the Master Indenture and the Sixth Supplemental Indenture to purchase the 2013-1 Local School Bonds from the 2013-1 Localities to finance the cost of the Qualified Projects of the 2013-1 Localities, and pay the issuance costs of the 2013-1 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 2013-1 Bonds to determine and carry out the following:

(a) *Method of Sale.* To determine whether any or all of the 2013-1 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 2013-1 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 2013-1 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 2013-1 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) 2013-1 Bonds. To determine whether the 2013-1 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 2013-1 Localities for their 2013-1 Local School Bonds;

(c) Principal Amount of the 2013-1 Bonds. To determine the aggregate principal amount of the 2013-1 Bonds, such amount, together with other available moneys, to be equal to a sum sufficient (i) to purchase the 2013-1 Local School Bonds, and (ii) to pay the issuance costs of the 2013-1 Bonds, but to be not in excess of \$7,200,000;

(d) Supplemental Interest Rates. To determine any required supplement interest rate or rates on the 2013-1 Bonds or any series thereof, with no such rate to exceed 3.00% per annum;

(e) Maturities. To determine the maturities and maturity amounts of the 2013-1 Bonds, no maturity to extend beyond December 31, 2035, although it is noted that the 2013-1 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 2013-1 Bonds set forth in Article IV of the Sixth Supplemental Indenture;

(g) Dated Date. To determine the dated date or dates of the 2013-1 Bonds or any series thereof;

(h) Date of Sale. To determine the date or dates of sale of the 2013-1 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 2013-1 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, 2013. 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 2013-1 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 2013-1 Bonds less any original issue discount.

4. The forms of the Sixth Supplemental Indenture, the 2013-1 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 2013-1 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 2013-1 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 2013-1 Bonds prepared, to have the 2013-1 Bonds executed pursuant to the terms of the Master Indenture and the Sixth Supplemental Indenture, to deliver the 2013-1 Bonds to the Trustee for authentication, and to cause the 2013-1 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 2013-1 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 2013-1 Bonds to constitute such document as the final Official Statement for the 2013-1 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 2013-1 Bonds.

7. A Delegate is authorized to provide that any supplemental interest rates on the 2013-1 Local School Bonds to be purchased by VPSA shall be five basis points (0.05%) above the interest rates on the corresponding 2013-1 Bonds or that each 2013-1 Locality will pay an upfront flat fee to compensate VPSA for the on-going costs related to administering the 2013-1 Bonds.

8. A Delegate is authorized and directed to execute and deliver on VPSA's behalf simultaneously with the issuance of the 2013-1 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 2013-1 Bonds and include such covenants as may be necessary to establish and maintain the status of the 2013-1 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 2013-1 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 2013-1 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 2013-1 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 shall take effect immediately.

Adopted: October 29, 2013

A Copy - Teste:

Assistant Secretary/Treasurer,
Virginia Public School Authority

ATTACHMENT G

**Virginia Public School Authority
Board Meeting – October 29, 2013**

I move the adoption of Resolution No. 13-06, a Series Resolution authorizing the issuance of the VPSA School Tax Credit Bonds (Qualified Zone Academy Bonds), Series 2013-1, as presented at this meeting.

Motion: _____ Second: _____

ATTACHMENT H

VIRGINIA PUBLIC SCHOOL AUTHORITY

- RESOLUTION -

**AUTHORIZING THE ISSUANCE OF
UP TO \$7,200,000 IN SCHOOL TAX CREDIT BONDS
SERIES 2013-1**

October 29, 2013

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 \$7,200,000 (as more particularly described below, the "2013-1 Bonds"); and

WHEREAS, VPSA will use the proceeds of the 2013-1 Bonds to (i) purchase the local school bonds (the "2013-1 Local School Bonds") of Craig County, Virginia, and/or the City of Petersburg, Virginia (the "2013-1 Localities") to which the Virginia Secretary of Education has allocated 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 2013-1 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 2013-1 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 2013-1 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 2013-1 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 2013-1. The 2013-1 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 2013-1 Bonds may be issued under two or more series designations. The 2013-1 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 2013-1 Bonds in accordance with the Master Indenture and the Sixth Supplemental Indenture to purchase the 2013-1 Local School Bonds from the 2013-1 Localities to finance the cost of the Qualified Projects of the 2013-1 Localities, and pay the issuance costs of the 2013-1 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 2013-1 Bonds to determine and carry out the following:

(a) *Method of Sale.* To determine whether any or all of the 2013-1 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 2013-1 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 2013-1 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 2013-1 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) 2013-1 Bonds. To determine whether the 2013-1 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 2013-1 Localities for their 2013-1 Local School Bonds;

(c) Principal Amount of the 2013-1 Bonds. To determine the aggregate principal amount of the 2013-1 Bonds, such amount, together with other available moneys, to be equal to a sum sufficient (i) to purchase the 2013-1 Local School Bonds, and (ii) to pay the issuance costs of the 2013-1 Bonds, but to be not in excess of \$7,200,000;

(d) Supplemental Interest Rates. To determine any required supplement interest rate or rates on the 2013-1 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 2013-1 Bonds, no maturity to extend beyond December 31, 2035, although it is noted that the 2013-1 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 2013-1 Bonds set forth in Article IV of the Sixth Supplemental Indenture;

(g) Dated Date. To determine the dated date or dates of the 2013-1 Bonds or any series thereof;

(h) Date of Sale. To determine the date or dates of sale of the 2013-1 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 2013-1 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, 2013. 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 2013-1 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 2013-1 Bonds less any original issue discount.

4. The forms of the Sixth Supplemental Indenture, the 2013-1 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 2013-1 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 2013-1 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 2013-1 Bonds prepared, to have the 2013-1 Bonds executed pursuant to the terms of the Master Indenture and the Sixth Supplemental Indenture, to deliver the 2013-1 Bonds to the Trustee for authentication, and to cause the 2013-1 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 2013-1 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 2013-1 Bonds to constitute such document as the final Official Statement for the 2013-1 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 2013-1 Bonds.

7. A Delegate is authorized to provide that any supplemental interest rates on the 2013-1 Local School Bonds to be purchased by VPSA shall be five basis points (0.05%) above the interest rates on the corresponding 2013-1 Bonds or that each 2013-1 Locality will pay an upfront flat fee to compensate VPSA for the on-going costs related to administering the 2013-1 Bonds.

8. A Delegate is authorized and directed to execute and deliver on VPSA's behalf simultaneously with the issuance of the 2013-1 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 2013-1 Bonds and include such covenants as may be necessary to establish and maintain the status of the 2013-1 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 2013-1 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 2013-1 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 2013-1 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 shall take effect immediately.

Adopted: October 29, 2013

A Copy - Teste:

Assistant Secretary/Treasurer,
Virginia Public School Authority

ATTACHMENT I

**Virginia Public School Authority
Board Meeting – October 29, 2013**

I move that we adjourn.

Motion: _____ Second: _____