

In the opinion of Bond Counsel, under current law and subject to the conditions described in "TAX MATTERS" herein, interest on the 2015D Tax-Exempt Bonds (a) is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (b) is not treated as a preference item in calculating the alternative minimum tax imposed under the Code on individuals and corporations. However, interest on the 2015D Tax-Exempt Bonds must be included in the calculation of a corporation's federal alternative minimum tax. In the opinion of Bond Counsel, under current law and subject to the conditions described in "TAX MATTERS" herein, interest on the 2015D Taxable Bonds (a) is **includable** in gross income for federal income tax purposes. Bond Counsel is further of the opinion that interest on the 2015D Bonds is exempt from income taxation by the Commonwealth of Virginia (the "Commonwealth"). See "TAX MATTERS" herein regarding certain other tax considerations.



**\$166,980,000 Infrastructure and State Moral Obligation Revenue Bonds**  
**(Virginia Pooled Financing Program) Series 2015D**  
**consisting of**

**\$107,760,000 Infrastructure Revenue Bonds (Tax-Exempt)**

**\$4,475,000 Infrastructure Revenue Bonds (Taxable)**

**\$52,290,000 State Moral Obligation Revenue Bonds (Tax-Exempt)**

**\$2,455,000 State Moral Obligation Revenue Bonds (Taxable)**

**Dated: Date of Delivery**

**Due: November 1, as shown on the inside cover page**

This Official Statement has been prepared by the Virginia Resources Authority ("VRA") to provide information on the above-referenced bonds (collectively, the "2015D Bonds"). Selected information is presented on this cover page for the convenience of the user. To make an informed decision regarding the 2015D Bonds, a prospective investor should read this Official Statement in its entirety. Unless otherwise defined, all capitalized terms used on this cover page have the meanings assigned to them herein.

**Security**

The 2015D Bonds are limited obligations of VRA, payable from (a) the payments under the Local Obligations, (b) the amounts held in certain funds and accounts and (c) the earnings, if any, derived from the investment of such funds and accounts, all as more fully described herein. The pledge and grant of payments under the Local Obligations securing the 2015D Moral Obligation Bonds is in all respects junior and subordinate to the pledge and grant securing the 2015D Infrastructure Revenue Bonds.

Neither the Commonwealth nor any political subdivision thereof, including VRA, will be obligated to pay the principal of, premium, if any, or interest on the 2015D Bonds or other costs incident thereto except from the revenues, money or property of VRA pledged for such purpose. Neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the 2015D Bonds. **VRA has no taxing power.**

**Purpose**

The net 2015D Bond proceeds will be used to purchase or acquire the 2015D Local Obligations issued by the 2015D Local Governments to finance or refinance Qualified Projects.

**Issued Pursuant to**

Master Indenture of Trust dated as of December 1, 2003, as previously supplemented and amended and as further supplemented by a Thirty-Fourth Supplemental Series Indenture of Trust dated as of November 1, 2015, between VRA and U.S. Bank National Association, as successor trustee.

**Interest Rates/Yields**

See inside cover pages.

**Redemption**

See inside cover pages.

**Interest Payment Dates**

May 1 and November 1, commencing May 1, 2016.

**Interest Computation**

360-day year comprised of 12 months of 30 days each.

**Denomination**

\$5,000 or integral multiples thereof.

**Regular Record Date**

The 15th day of the month preceding each payment date.

**Registration**

Book-entry only through the facilities of The Depository Trust Company.

**Trustee**

U.S. Bank National Association, Richmond, Virginia.

**Bond Counsel**

McGuireWoods LLP, Richmond, Virginia.

**General Counsel**

Stephanie L. Hamlett, Esquire.

**Underwriters' Counsel**

Troutman Sanders LLP, Richmond, Virginia.

**Financial Advisor**

Davenport & Company LLC, Richmond, Virginia.

**Conditions Affecting Issuance**

The 2015D Bonds are offered when, as and if issued, subject to, among other conditions, the approving legal opinion of McGuireWoods LLP, Bond Counsel.

**Closing/Delivery Date**

On or about November 18, 2015.

**Underwriters for 2015D Infrastructure Revenue Bonds and 2015D Taxable Moral Obligation Bonds:**

**Raymond James**  
**Jefferies**

**Siebert Brandford Shank & Co., L.L.C.**  
**Loop Capital Markets**

**Winning Bidder of the 2015D Tax-Exempt Moral Obligation Bonds:**

**Morgan Stanley**

**VIRGINIA RESOURCES AUTHORITY**  
**\$107,760,000 Infrastructure Revenue Bonds**  
**(Virginia Pooled Financing Program), Series 2015D (Tax-Exempt)**  
**(Base CUSIP: 92818L)\*\***  
**\$85,395,000 Serial Bonds**

<u>Maturity</u> <u>November 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP**</u> <u>Suffix</u>
2016	\$2,085,000	2.000%	0.250%	101.664%	M74
2017	2,225,000	5.000	0.610	108.508	M82
2018	2,690,000	5.000	0.850	112.075	M90
2019	2,825,000	5.000	1.030	115.338	N24
2020	3,580,000	3.000	1.300	108.128	N32
2021	4,575,000	5.000	1.510	119.796	N40
2022	4,815,000	5.000	1.710	121.479	N57
2023	3,070,000	5.000	1.920	122.614	N65
2023	2,000,000	3.000	1.920	107.929	Q62
2024	4,950,000	5.000	2.110	123.463	N73
2025	4,265,000	4.000	2.260	115.429	N81
2026	4,515,000	5.000	2.350	123.394*	N99
2027	5,220,000	5.000	2.450	122.399*	P22
2028	4,830,000	5.000	2.530	121.611*	P30
2029	4,155,000	3.000	3.100	98.873	P48
2030	4,045,000	3.000	3.130	98.456	P55
2031	4,320,000	5.000	2.810	118.897*	P63
2032	4,515,000	5.000	2.870	118.325*	P71
2033	4,130,000	4.000	3.320	105.721*	P89
2034	4,295,000	4.000	3.360	105.374*	P97
2035	4,305,000	4.000	3.410	104.942*	Q21
2036	3,985,000	3.500	3.600	98.536	Q39

**\$12,040,000 5.000% 2015D Tax-Exempt Infrastructure Revenue Term Bonds due November 1, 2040, Priced at 115.421%\* to Yield 3.180% CUSIP\*\* Suffix Q47**

**\$10,325,000 5.000% 2015D Tax-Exempt Infrastructure Revenue Term Bonds due November 1, 2045, Priced at 114.777%\* to Yield 3.250% CUSIP\*\* Suffix Q54**

\* Priced to first optional redemption date of November 1, 2025.

\*\* See the paragraph titled "Use of CUSIP Numbers in this Official Statement" in Section One - Summary of the 2015D Bonds and the Virginia Pooled Financing Program, regarding the use of CUSIP numbers in this Official Statement.

**VIRGINIA RESOURCES AUTHORITY**

**\$52,290,000 State Moral Obligation Revenue Bonds  
(Virginia Pooled Financing Program), Series 2015D (Tax-Exempt)  
(Base CUSIP: 92818L)\*\***

**\$44,635,000 Serial Bonds**

<u>Maturity November 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP** Suffix</u>
2016	\$1,000,000	5.000%	0.300%	104.468%	J60
2017	1,015,000	5.000	0.650	108.426	J78
2018	1,215,000	5.000	0.900	111.920	J86
2019	1,300,000	5.000	1.100	115.044	J94
2020	1,695,000	5.000	1.350	117.428	K27
2021	2,110,000	5.000	1.600	119.231	K35
2022	2,225,000	5.000	1.800	120.824	K43
2023	2,330,000	5.000	2.000	121.955	K50
2024	2,300,000	5.000	2.180	122.822	K68
2025	2,015,000	5.000	2.300	123.895	K76
2026	2,100,000	3.000	2.450	104.830*	K84
2027	2,460,000	3.000	2.570	103.754*	K92
2028	2,255,000	3.000	2.750	102.162*	L26
2029	1,915,000	3.000	2.900	100.858*	L34
2030	1,875,000	3.000	3.100	98.809	L42
2031	2,025,000	3.000	3.161	98.000	L59
2032	2,495,000	3.125	3.280	98.000	L67
2033	1,940,000	3.250	3.400	98.000	L75
2034	2,020,000	3.375	3.500	98.277	L83
2035	2,190,000	3.500	3.600	98.583	L91
2036	1,885,000	4.000	3.500	104.170*	M25
2037	1,960,000	4.000	3.550	103.743*	M33
2038	2,310,000	3.500	3.695	97.000	M41

**\$1,645,000 3.625% 2015D Tax-Exempt Moral Obligation Term Bonds due  
November 1, 2040, Priced at 98.000% to Yield 3.749% CUSIP\*\* Suffix M58**

**\$6,010,000 4.000% 2015D Tax-Exempt Moral Obligation Term Bonds due  
November 1, 2045, Priced at 102.059%\* to Yield 3.750% CUSIP\*\* Suffix M66**

\* Priced to first optional redemption date of November 1, 2025.

\*\* See the paragraph titled "Use of CUSIP Numbers in this Official Statement" in Section One - Summary of the 2015D Bonds and the Virginia Pooled Financing Program, regarding the use of CUSIP numbers in this Official Statement.

**VIRGINIA RESOURCES AUTHORITY**

**\$4,475,000 Infrastructure Revenue Bonds  
(Virginia Pooled Financing Program), Series 2015D (Taxable)  
(Base CUSIP: 92818L)\*\***

<b><u>Maturity</u> <u>November 1</u></b>	<b><u>Principal</u> <u>Amount</u></b>	<b><u>Interest</u> <u>Rate</u></b>	<b><u>Yield</u></b>	<b><u>Price</u></b>	<b><u>CUSIP**</u> <u>Suffix</u></b>
2016	\$335,000	0.800%	0.800%	100.000%	G22
2017	345,000	1.100	1.100	100.000	G30
2018	350,000	1.450	1.450	100.000	G48
2019	355,000	2.000	2.000	100.000	G55
2020	1,135,000	2.180	2.180	100.000	G63
2021	370,000	2.450	2.450	100.000	G71
2022	380,000	2.650	2.650	100.000	G89
2023	390,000	2.850	2.850	100.000	G97
2024	400,000	3.050	3.050	100.000	H21
2025	415,000	3.200	3.200	100.000	H39

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\*\* See the paragraph titled "Use of CUSIP Numbers in this Official Statement" in Section One - Summary of the 2015D Bonds and the Virginia Pooled Financing Program, regarding the use of CUSIP numbers in this Official Statement.

**VIRGINIA RESOURCES AUTHORITY**

**\$2,455,000 State Moral Obligation Revenue Bonds  
(Virginia Pooled Financing Program), Series 2015D (Taxable)  
(Base CUSIP: 92818L)\*\***

<b><u>Maturity</u></b> <b><u>November 1</u></b>	<b><u>Principal</u></b> <b><u>Amount</u></b>	<b><u>Interest</u></b> <b><u>Rate</u></b>	<b><u>Yield</u></b>	<b><u>Price</u></b>	<b><u>CUSIP**</u></b> <b><u>Suffix</u></b>
2016	\$160,000	0.900%	0.900%	100.000%	H47
2017	160,000	1.200	1.200	100.000	H54
2018	160,000	1.550	1.550	100.000	H62
2019	165,000	2.100	2.100	100.000	H70
2020	530,000	2.300	2.300	100.000	H88
2021	175,000	2.600	2.600	100.000	H96
2022	180,000	2.800	2.800	100.000	J29
2023	185,000	3.000	3.000	100.000	J37
2024	190,000	3.200	3.200	100.000	J45
2025	550,000	3.350	3.350	100.000	J52

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\*\* See the paragraph titled "Use of CUSIP Numbers in this Official Statement" in Section One - Summary of the 2015D Bonds and the Virginia Pooled Financing Program, regarding the use of CUSIP numbers in this Official Statement.

## Redemption Provisions

*Optional Redemption of 2015D Tax-Exempt Bonds.* The 2015D Tax-Exempt Bonds maturing on or after November 1, 2026, may be redeemed prior to their respective maturities, at the option of VRA, from any moneys that may be made available for such purpose, either in whole or in part (in \$5,000 increments), on any date and in such order as VRA may determine on and after November 1, 2025, at a redemption price equal to 100% of the principal amount of such 2015D Tax-Exempt Bonds to be redeemed together with the unpaid interest accrued thereon to the date fixed for redemption.

*Mandatory Sinking Fund Redemption for the 2015D Tax-Exempt Infrastructure Revenue Bonds.* The 2015D Tax-Exempt Infrastructure Revenue Bonds maturing on November 1, 2040 are subject to mandatory sinking fund redemption in part, on November 1 in the years and in the amounts set forth below, at a redemption price equal to 100% of the principal amount of such 2015D Tax-Exempt Infrastructure Revenue Bonds to be redeemed plus the unpaid interest accrued thereon to the date fixed for redemption, all in the manner provided in the Indenture:

<u>Year</u>	<u>Amount</u>
2037	\$4,175,000
2038	4,380,000
2039	1,705,000
2040 (Final Maturity)	1,780,000

The 2015D Tax-Exempt Infrastructure Revenue Bonds maturing on November 1, 2045 are subject to mandatory sinking fund redemption in part, on November 1 in the years and in the amounts set forth below, at a redemption price equal to 100% of the principal amount of such 2015D Tax-Exempt Infrastructure Revenue Bonds to be redeemed plus the unpaid interest accrued thereon to the date fixed for redemption, all in the manner provided in the Indenture:

<u>Year</u>	<u>Amount</u>
2041	\$1,870,000
2042	1,960,000
2043	2,065,000
2044	2,160,000
2045 (Final Maturity)	2,270,000

*Mandatory Sinking Fund Redemption for the 2015D Tax-Exempt Moral Obligation Bonds.* The 2015D Tax-Exempt Moral Obligation Bonds maturing on November 1, 2040, are subject to mandatory sinking fund redemption in part, on November 1 in the years and in the amounts set forth below, at a redemption price equal to 100% of the principal amount of such 2015D Tax-Exempt Moral Obligation Bonds to be redeemed plus the unpaid interest accrued thereon to the date fixed for redemption, all in the manner provided in the Indenture:

<u>Year</u>	<u>Amount</u>
2039	\$800,000
2040 (Final Maturity)	845,000

The 2015D Tax-Exempt Moral Obligation Bonds maturing on November 1, 2045, are subject to mandatory sinking fund redemption in part, on November 1 in the years and in the amounts set forth below, at a redemption price equal to 100% of the principal amount of such 2015D Tax-Exempt Moral Obligation Bonds to be redeemed plus the unpaid interest accrued thereon to the date fixed for redemption, all in the manner provided in the Indenture:

<u>Year</u>	<u>Amount</u>
2041	\$885,000
2042	925,000
2043	965,000
2044	1,020,000
2045 (Final Maturity)	2,215,000

The 2015D Bonds are being issued under exemptions from any registration requirements under the Securities Act of 1933, as amended, and any registration requirements under the securities laws of the Commonwealth.

No dealer, broker, salesman or other person has been authorized by VRA to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by VRA. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2015D Bonds by any person in any jurisdiction in which it is unlawful for such person to make an offer, solicitation or sale. This Official Statement is not to be construed as a contract or agreement between VRA and the purchasers or owners of any of the 2015D Bonds. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in affairs of VRA or in any other matters described herein since the date hereof or, as in the case of certain information incorporated herein by reference to certain publicly available documents, since the date of such documents.

The information set forth herein has been obtained from VRA and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a representation by any of such sources as to information provided by any other source. All quotations from, and summaries and explanations of, provisions of law and documents herein do not purport to be complete and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact.

This Official Statement contains statements which, to the extent they are not recitations of historical fact, constitute "forward-looking statements." In this respect, the words, "estimate," "project," "anticipate," "expect," "intend," "believe," and similar expressions identify forward-looking statements. A number of factors affecting VRA and its financial results could cause actual results to differ materially from those stated in the forward-looking statements.

The Underwriters, as hereinafter defined in the subsection "UNDERWRITING OF CERTAIN 2015D BONDS" in Section Four, and the Winning Bidder as hereinafter defined in the subsection "SALE OF 2015D TAX-EXEMPT MORAL OBLIGATION BONDS BY COMPETITIVE BIDDING" in Section Four, may engage in transactions that stabilize, maintain or otherwise affect the price of the 2015D Bonds, including transactions to (i) over allot in arranging the sales of the 2015D Bonds and (ii) make purchases in sales of 2015D Bonds, for long or short accounts, on a when-issued basis or otherwise, at such prices, in such amounts and in such manner as the Underwriters or the Winning Bidder may determine. Such stabilization, if commenced, may be discontinued at any time.

The Underwriters have provided the following sentence for inclusion in the Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibility to investors under federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and which has the same meaning as "final official statement" in SEC rule 15c2-12.

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**OFFICIAL STATEMENT  
of the  
VIRGINIA RESOURCES AUTHORITY**

**\$107,760,000**  
**Infrastructure Revenue Bonds**  
**(Virginia Pooled Financing Program),**  
**Series 2015D (Tax-Exempt)**

**\$4,475,000**  
**Infrastructure Revenue Bonds**  
**(Virginia Pooled Financing Program),**  
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**\$52,290,000**  
**State Moral Obligation Revenue Bonds**  
**(Virginia Pooled Financing Program),**  
**Series 2015D (Tax-Exempt)**

**\$2,455,000**  
**State Moral Obligation Revenue Bonds**  
**(Virginia Pooled Financing Program),**  
**Series 2015D (Taxable)**

**SECTION ONE: INTRODUCTION**

*The following introductory information is furnished solely to provide limited introductory information regarding the 2015D Bonds and the Virginia Pooled Financing Program and does not purport to be comprehensive. All such information is qualified in its entirety by reference to the more detailed descriptions appearing in this Official Statement, including the appendices hereto. All capitalized terms not otherwise defined shall have the meanings assigned to them as set forth in Appendix A.*

**General**

This Official Statement (including the cover page, the inside cover page and the appendices hereto) is furnished to provide information concerning the above-referenced bonds (respectively, the "2015D Tax-Exempt Infrastructure Revenue Bonds" and the "2015D Taxable Infrastructure Revenue Bonds" (collectively, the "2015D Infrastructure Revenue Bonds") and the "2015D Tax-Exempt Moral Obligation Bonds" and the "2015D Taxable Moral Obligation Bonds" (collectively, the "2015D Moral Obligation Bonds" and, together with the 2015D Infrastructure Revenue Bonds, the "2015D Bonds"). The above-referenced Tax-Exempt bonds will be referred to collectively as the "2015D Tax-Exempt Bonds" and the Taxable bonds as the "2015D Taxable Bonds." The Virginia Resources Authority ("VRA") is issuing the 2015D Bonds to provide funding in connection with VRA's Virginia Pooled Financing Program. VRA has approved and authorized the use of this Official Statement in connection with the sale of the 2015D Bonds. The information speaks as of its date and is not intended to indicate future or continuing trends in the financial position of VRA, the Commonwealth of Virginia (the "Commonwealth") or any of the Local Governments, as hereinafter defined.

The 2015D Bonds are being issued pursuant to the Virginia Resources Authority Act (the "Act"), Chapter 21, Title 62.1 of the Code of Virginia of 1950, as amended (the "Virginia Code"), resolutions adopted by VRA's Board of Directors on June 2, 2015 (the "2015D Resolutions"), and a Master Indenture of Trust dated as of December 1, 2003, as previously supplemented and amended (the "Master Indenture"), between VRA and U.S. Bank National Association, as successor trustee (the "Trustee"), and as further supplemented by a Thirty-Fourth

Supplemental Series Indenture of Trust dated as of November 1, 2015 (the "Thirty-Fourth Supplemental Series Indenture"), between VRA and the Trustee. The Master Indenture and the Thirty-Fourth Supplemental Series Indenture are sometimes together referred to herein as the "Indenture."

"Moral Obligation," as used in the preceding paragraphs and throughout this Official Statement, refers to the non-legally-binding "moral" obligation of the Commonwealth to maintain the required balance in the Capital Reserve Fund securing the 2015D Moral Obligation Bonds and all other Moral Obligation Bonds issued under the Indenture as described under the heading "Capital Reserve Fund" in the subsection "SECURITY AND SOURCES OF PAYMENT FOR THE 2015D BONDS – Moral Obligation Bonds" in Section Two.

### **Summary of the 2015D Bonds and the Virginia Pooled Financing Program**

<i>The Issuer</i>	VRA, which was created by the Act and is organized and exists as a public body corporate and a political subdivision of the Commonwealth.
<i>Principal Payments</i>	November 1, as set forth on the inside cover pages.
<i>Interest Payments</i>	May 1 and November 1, commencing May 1, 2016.
<i>Interest Calculation</i>	360-day year comprised of 12 months of 30 days each.
<i>Regular Record Date</i>	The 15 <sup>th</sup> day of the month preceding each payment date.
<i>Authorized Denominations</i>	\$5,000 and integral multiples thereof.
<i>Registration</i>	Book-entry only through the facilities of The Depository Trust Company, New York, New York ("DTC").
<i>Settlement</i>	Same-day funds through DTC.
<i>Closing/Delivery Date</i>	On or about November 18, 2015.
<i>Ratings</i>	2015D Infrastructure Revenue Bonds: Aaa (Moody's), AAA (S&P) 2015D Moral Obligation Bonds: Aa2 (Moody's), AA (S&P) A more complete description of the ratings is provided in the subsection "RATINGS" in Section Four.
<i>Optional Redemption</i>	The 2015D Bonds maturing on or after November 1, 2026, are subject to optional redemption on and after November 1, 2025, at a redemption price equal to 100% of the principal amount of such 2015D Bonds to be redeemed together with the unpaid interest accrued thereon to the date fixed for redemption.  See the heading "Redemption" in the subsection "DESCRIPTION OF THE 2015D BONDS" in Section Two.

*Mandatory Sinking  
Fund Redemption*

See the inside cover pages of this Official Statement and under the heading "Redemption" in the subsection "DESCRIPTION OF THE 2015D BONDS" in Section Two for a description of the mandatory sinking fund redemption provisions applicable to the 2015D Bonds.

*Use of Proceeds*

VRA will use the net proceeds of the 2015D Bonds (a) to purchase or acquire local bonds and financing leases (collectively, the "2015D Local Obligations") issued or entered into by certain Local Governments, as hereinafter defined (collectively, the "2015D Local Governments"), to finance or refinance Qualified Projects, (b) to provide for a deposit to the Capital Reserve Fund, as hereinafter defined, and (c) to pay costs of issuance related to the 2015D Bonds. See the subsection "PLAN OF FINANCE AND REFUNDING" in Section Two.

*Virginia Pooled  
Financing Program*

The Virginia Pooled Financing Program enables Virginia counties, cities, towns and other local authorities (as more particularly defined in Appendix A, each a "Local Government"), to finance or refinance infrastructure and other projects specified under the Act (as more particularly defined in the subsection "VIRGINIA POOLED FINANCING PROGRAM" in Section Three, each a "Qualified Project"). See the subsection "VIRGINIA POOLED FINANCING PROGRAM" in Section Three.

*Categories of Virginia  
Pooled Financing  
Program Bonds*

VRA issues two categories of Virginia Pooled Financing Program Bonds under the Master Indenture: Infrastructure Revenue Bonds (the "Infrastructure Revenue Bonds") and State Moral Obligation Revenue Bonds (the "Moral Obligation Bonds"). Infrastructure Revenue Bonds and Moral Obligation Bonds are referred to collectively as the "Bonds."

*Payment of the Bonds*

The primary source of payment on the 2015D Bonds is the payments that VRA receives on Local Obligations.

VRA expects to structure the specific amounts payable under the Local Obligations to be sufficient in timing and amount, when combined with the investment earnings and balances expected to be transferred from the Capital Reserve Fund, to provide for the full and timely payment of the debt service on the Bonds and VRA's annual administrative fees and charges when due (the "Administrative Charges"). See the subsection "VIRGINIA POOLED FINANCING PROGRAM" in Section Three.

*Infrastructure Revenue Bond Security* The 2015D Infrastructure Revenue Bonds and all other Infrastructure Revenue Bonds are limited obligations of VRA secured by a senior lien on all Local Obligation payments. Infrastructure Revenue Bonds are also secured by an Operating Reserve Fund, which was valued at \$7,747,821.58, as of September 30, 2015. See the subsection "SECURITY AND SOURCES OF PAYMENT FOR THE 2015D BONDS" in Section Two.

*Operating Reserve Fund* The Operating Reserve Fund is available to the Trustee in the event that there are insufficient funds available to pay debt service on the Infrastructure Revenue Bonds. See the subsection "SECURITY AND SOURCES OF PAYMENT FOR THE 2015D BONDS" in Section Two.

*Moral Obligation Bond Security* The 2015D Moral Obligation Bonds and all other Moral Obligation Bonds are limited obligations of VRA secured by a junior lien on all Local Obligation payments. Moral Obligation Bonds are also secured by the Capital Reserve Fund. See the subsection "SECURITY AND SOURCES OF PAYMENT FOR THE 2015D BONDS" in Section Two.

*Capital Reserve Fund* The Capital Reserve Fund is funded in an amount at least equal to the maximum annual debt service on the Moral Obligation Bonds and is available to the Trustee in the event that there are insufficient funds available to pay debt service on the Moral Obligation Bonds. The Commonwealth of Virginia has a Moral Obligation to replenish any deficiency in the Capital Reserve Fund. See the subsection "SECURITY AND SOURCES OF PAYMENT FOR THE 2015D BONDS" in Section Two.

*Security for Local Obligations* Local Obligations are secured by one or more of the following pledges:

- General Obligation
- Revenue
- Moral Obligation (of a Local Government)
- Special Fund
- Financing Lease

See the subsection "SECURITY FOR THE LOCAL OBLIGATIONS" in Section Two.

*State Aid Intercept* VRA is authorized by law and has covenanted in the Master Indenture to take any and all action to cause the interception of the state aid provided to certain Local Governments that fail to make a payment on their Local Obligations when due. **The intercept provision applies only to counties, cities and towns, and does not apply to regional or local authorities.** VRA has never had to use

this remedy. See the information under the heading "Commonwealth Aid Intercept Provision" in the subsection "SECURITY FOR THE LOCAL OBLIGATIONS" in Section Two.

*Capitalization Structure of the Virginia Pooled Financing Program*

VRA's current practice is to structure the Virginia Pooled Financing Program so that approximately \$0.70 of each \$1.00 borrowed is funded through Infrastructure Revenue Bonds and approximately \$0.30 of each \$1.00 borrowed is funded through Moral Obligation Bonds. **VRA is not obligated to maintain this structure, and there can be no assurances that VRA will maintain this structure in the future.**

See the subsection "THE VIRGINIA POOLED FINANCING PROGRAM" in Section Three.

*Outstanding Infrastructure Revenue Bonds*

As of September 30, 2015, \$1,579,965,000\* principal amount of the Infrastructure Revenue Bonds was outstanding.

Each Infrastructure Revenue Bond, including each 2015D Infrastructure Revenue Bond, is payable and secured on a parity basis with all other Infrastructure Revenue Bonds. See the subsections "ADDITIONAL INDEBTEDNESS" and "PRIOR SERIES OF BONDS" in Section Two.

*Outstanding Moral Obligation Bonds*

As of September 30, 2015, \$772,435,000\*\* principal amount of the Moral Obligation Bonds was outstanding.

Each Moral Obligation Bond, including each 2015D Moral Obligation Bond, is payable and secured on a parity basis with all other Moral Obligation Bonds. See the subsections "ADDITIONAL INDEBTEDNESS" and "PRIOR SERIES OF BONDS" in Section Two.

*Investment Considerations*

Prospective purchasers of the 2015D Bonds should be aware that investment in the 2015D Bonds entails some degree of risk and uncertainty, and all of the information presented in this Official Statement should be considered carefully before making a decision to invest in the 2015D Bonds. See the subsection "INVESTMENT CONSIDERATIONS" in Section Two.

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\* This amount does not include (1) the \$21,910,000 Infrastructure Revenue Bonds (Virginia Pooled Financing Program), Series 2015C that closed on October 14, 2015, but were not outstanding on September 30, 2015 (the "2015C Infrastructure Revenue Bonds"), (2) Rappahannock Regional Jail Authority's defeasance of \$13,955,000 of the Infrastructure Revenue Bonds (Virginia Pooled Financing Program), Series 2009B (Tax-Exempt), which occurred on October 14, 2015 (the "Defeased 2009B Infrastructure Revenue Bonds"), or (3) the 2015D Bonds.

\*\* This amount does not include (1) the \$9,850,000 State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program), Series 2015C that closed on October 14, 2015, but were not outstanding on September 30, 2015 (the "2015C State Moral Obligation Revenue Bonds"), (2) Rappahannock Regional Jail Authority's defeasance of \$5,985,000 of the State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program), Series 2009B (Tax-Exempt), which occurred on October 14, 2015 (the "Defeased 2009B State Moral Obligation Revenue Bonds"), or (3) the 2015D Bonds.

*Continuing Disclosure* Each of (a) VRA, (b) the Commonwealth and (c) any Local Government that becomes a "Material Local Government" will undertake to provide certain limited information at specified times under certain conditions to assist the Underwriters and the Winning Bidder in complying with the provisions of Rule 15c2-12. No Local Government qualifies as a Material Local Government, and no Local Government qualified as a Material Local Government within the past five years. Within the past five years, VRA is aware that it has not complied with certain of its prior continuing disclosure undertakings. See the subsection "CONTINUING DISCLOSURE UNDER RULE 15c2-12" in Section Four.

*Additional Information* Any question concerning the content of this Official Statement should be directed to Stephanie L. Hamlett, Executive Director and General Counsel, Virginia Resources Authority, 1111 East Main Street, Suite 1920, Richmond, Virginia 23219 (804-644-3100) or Ty Wellford, Davenport & Company LLC, 901 East Cary Street, 14<sup>th</sup> Floor, Richmond, Virginia 23219 (804-697-2915).

*Use of CUSIP Numbers in this Official Statement* The CUSIP (Committee on Uniform Securities Identification Procedures) numbers shown in this Official Statement are assigned by an organization not affiliated with VRA, and VRA is not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely as a convenience to bondholders, and VRA makes no representation as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed at any time based on a number of factors. VRA has not agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers shown herein.

## **SECTION TWO: THE 2015D BONDS**

### **AUTHORITY FOR ISSUANCE OF THE 2015D BONDS**

The 2015D Bonds are being issued pursuant to the Act, the 2015D Resolutions and the Indenture. See Appendix A for a summary of certain provisions of the Indenture.

### **PLAN OF FINANCE AND REFUNDING**

VRA will apply the proceeds of the 2015D Bonds to (a) purchase or acquire the 2015D Local Obligations issued or entered into by the 2015D Local Governments to finance or refinance Qualified Projects, (b) provide for a deposit to the Capital Reserve Fund, and (c) pay costs of issuance. The 2015D Local Obligations will be structured to provide for payments of debt service or rentals at levels, together with expected Capital Reserve Fund earnings and released balances therefrom, that are sufficient in the aggregate to provide for the payment of the 2015D Bonds and VRA's Administrative Charges.

VRA and certain 2015D Local Governments will effect the refinancing of Qualified Projects by refunding and defeasing publicly-sold bonds of VRA or on which the 2015D Local Governments are obligated (the "Refunded Bonds"). The 2015D Local Governments referred to above in this paragraph will be referred to collectively below as the "Refunding 2015D Local Governments."

The Refunded Bonds are listed in Appendix H.

VRA and the Refunding 2015D Local Governments will cause a portion of the proceeds of the 2015D Bonds to be deposited under one or more Escrow Agreements dated as of the date of delivery of the 2015D Bonds and certain other available funds (the "Escrow Agreements"). The Escrow Agreements will provide for the establishment of initial cash balances and investment of the remaining deposits in direct, non-callable obligations of or guaranteed by the United States Treasury (the "Escrowed Securities"). Based on the report of Bingham Arbitrage Rebate Services, Inc., Richmond, Virginia (the "Verification Agent"), the initial cash balances and the maturing principal of and interest on the Escrowed Securities will be sufficient without reinvestment to pay the principal of and premium, if any, and interest on the Refunded Bonds through the earlier of their respective maturity or redemption dates. See the subsection "VERIFICATION OF MATHEMATICAL COMPUTATIONS" in Section Four.

### **DESCRIPTION OF THE 2015D BONDS**

#### **General**

The 2015D Bonds will be dated and will bear interest from their date of delivery, payable on May 1 and November 1 of each year, commencing May 1, 2016, and will mature on November 1 in the years and in the principal amounts set forth on the inside cover pages hereof. The principal of and premium, if any, and interest on the 2015D Bonds will be payable at the corporate trust office of the Trustee in Richmond, Virginia, or at the office designated for such payment by the Trustee or any successor Trustee. Interest on the 2015D Bonds will be payable to the person appearing in the registration books of the Trustee as the registered owner thereof on

the Record Date (as hereinafter defined) by check or draft mailed on the interest payment date to the registered owner or, following appropriate notice to the Trustee, by wire transfer on the interest payment date to any owner of at least \$1,000,000 in aggregate principal amount of the 2015D Bonds. For so long as the 2015D Bonds are registered in book-entry-only form, principal and interest will be payable solely to Cede & Co., the nominee for DTC, as the sole registered owner of the 2015D Bonds, or any qualified securities depository selected by VRA to succeed DTC.

The term "qualified securities depository" means an entity that is registered as a clearing agency under Section 17A of the Securities Exchange Act of 1934 or whose business is confined to the performance of the functions of a clearing agency with respect to exempted securities, as defined in Section 3(a)(12) of such Act for the purposes of Section 17A thereof.

The Thirty-Fourth Supplemental Series Indenture establishes the 15th day of the month preceding each interest payment date as the record date (the "Record Date") for the 2015D Bonds and establishes that interest on the 2015D Bonds shall be computed on the basis of a year of 360 days and twelve 30-day months.

The 2015D Bonds are issuable as fully registered Bonds in denominations of \$5,000 and integral multiples of \$5,000 not exceeding the aggregate principal amount of the 2015D Bonds. The 2015D Bonds may be transferred or exchanged, upon presentation or surrender, as the case may be, at the corporate trust office of the Trustee in Richmond, Virginia, as provided in the Master Indenture, or at such other office designated for such payment by the Trustee or any successor Trustee. Any 2015D Bonds, upon surrender thereof at said corporate trust office of the Trustee, with a written instrument of transfer satisfactory to the Trustee, duly executed in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of 2015D Bonds of the same Series, maturity and interest rate of any other authorized denominations. For every exchange or transfer of 2015D Bonds, VRA or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other government charge required to be paid with respect to such exchange or transfer.

One fully registered 2015D Bond for each maturity of each Series, in the applicable aggregate principal amount of such maturity, will be registered in the name of Cede & Co. and deposited with DTC, in accordance with the Thirty-Fourth Supplemental Series Indenture. So long as 2015D Bonds are required to be registered in the name of Cede & Co., as nominee for DTC, or a successor qualified securities depository or a nominee therefor, transfers of ownership interests in the 2015D Bonds will be settled through the book-entry-only system of DTC or such successor qualified securities depository, if any. For a description of DTC and its book-entry-only system, see Appendix B.

## **Redemption**

*Optional Redemption of 2015D Tax-Exempt Bonds.* The 2015D Tax-Exempt Bonds maturing on or after November 1, 2026, may be redeemed prior to their respective maturities, at the option of VRA, from any moneys that may be made available for such purpose, either in whole or in part (in \$5,000 increments), on any date and in such order as VRA may determine on and after November 1, 2025, at a redemption price equal to 100% of the principal amount of

such 2015D Tax-Exempt Bonds to be redeemed together with the unpaid interest accrued thereon to the date fixed for redemption.

*Mandatory Sinking Fund Redemption for the 2015D Tax-Exempt Infrastructure Revenue Bonds.* The 2015D Tax-Exempt Infrastructure Revenue Bonds maturing on November 1, 2040 are subject to mandatory sinking fund redemption in part, on November 1 in the years and in the amounts set forth below, at a redemption price equal to 100% of the principal amount of such 2015D Tax-Exempt Infrastructure Revenue Bonds to be redeemed plus the unpaid interest accrued thereon to the date fixed for redemption, all in the manner provided in the Indenture:

<u>Year</u>	<u>Amount</u>
2037	\$4,175,000
2038	4,380,000
2039	1,705,000
2040 (Final Maturity)	1,780,000

The 2015D Tax-Exempt Infrastructure Revenue Bonds maturing on November 1, 2045 are subject to mandatory sinking fund redemption in part, on November 1 in the years and in the amounts set forth below, at a redemption price equal to 100% of the principal amount of such 2015D Tax-Exempt Infrastructure Revenue Bonds to be redeemed plus the unpaid interest accrued thereon to the date fixed for redemption, all in the manner provided in the Indenture:

<u>Year</u>	<u>Amount</u>
2041	\$1,870,000
2042	1,960,000
2043	2,065,000
2044	2,160,000
2045 (Final Maturity)	2,270,000

*Mandatory Sinking Fund Redemption for the 2015D Tax-Exempt Moral Obligation Bonds.* The 2015D Tax-Exempt Moral Obligation Bonds maturing on November 1, 2040, are subject to mandatory sinking fund redemption in part, on November 1 in the years and in the amounts set forth below, at a redemption price equal to 100% of the principal amount of such 2015D Tax-Exempt Moral Obligation Bonds to be redeemed plus the unpaid interest accrued thereon to the date fixed for redemption, all in the manner provided in the Indenture:

<u>Year</u>	<u>Amount</u>
2039	\$800,000
2040 (Final Maturity)	845,000

The 2015D Tax-Exempt Moral Obligation Bonds maturing on November 1, 2045, are subject to mandatory sinking fund redemption in part, on November 1 in the years and in the amounts set forth below, at a redemption price equal to 100% of the principal amount of such 2015D Tax-Exempt Moral Obligation Bonds to be redeemed plus the unpaid interest accrued thereon to the date fixed for redemption, all in the manner provided in the Indenture:

<u>Year</u>	<u>Amount</u>
2041	\$885,000
2042	925,000
2043	965,000
2044	1,020,000
2045 (Final Maturity)	2,215,000

*Manner and Notice of Redemption.* The maturities of the 2015D Bonds to be redeemed by optional redemption will be selected by VRA in its discretion. If less than all of the 2015D Bonds of a particular maturity are redeemed, the 2015D Bonds of such maturity to be redeemed will be selected by DTC in accordance with its procedures or if the book entry system has been discontinued, by the Trustee (in its capacity as paying agent) by lot in such manner as the Trustee shall determine.

Each increment of \$5,000 of principal amount will be counted as one 2015D Bond for purposes of selecting 2015D Bonds for partial redemption. If a 2015D Bond is called for partial redemption, a new 2015D Bond representing any unredeemed balance will be issued to the holder.

Notice of redemption of the 2015D Bonds will be mailed by registered or certified mail, postage prepaid, not less than 30 nor more than 60 days prior to the date fixed for redemption, to the registered owners of the 2015D Bonds, or portions thereof, so called, but the failure to so mail such notice with respect to any particular 2015D Bonds will not affect the validity of such call for redemption of any 2015D Bonds with respect to which no such failure has occurred. Such notice may state that the redemption of the 2015D Bonds to be redeemed is conditioned upon the occurrence of certain future events, including, without limitation, the deposit of moneys, in an amount sufficient to effect the redemption, with the Trustee on or before the date fixed for redemption. All 2015D Bonds called for redemption will cease to bear interest on the specified redemption date, provided funds sufficient for the redemption of such 2015D Bonds in accordance with the Master Indenture are on deposit with the Trustee. If such moneys are not available on the redemption date, such 2015D Bonds or portions thereof will continue to bear interest until paid at the same rate they would have borne had they not been called for redemption. On presentation and surrender of the 2015D Bonds called for redemption at the place or places of payment, such 2015D Bonds will be paid and redeemed provided sufficient funds are on deposit with the Trustee.

**So long as DTC or its nominee, Cede & Co., is the registered owner of the 2015D Bonds, any such notices of redemption will be mailed solely to DTC and distribution of such notices to Direct Participants and Indirect Participants (each as defined in Appendix B) will be the sole responsibility of DTC, and distribution of such notices to Beneficial**

**Owners (as defined in Appendix B) will be the sole responsibility of the Direct Participants and Indirect Participants.**

### SOURCES AND USES OF FUNDS

It is anticipated that the proceeds of the 2015D Bonds and other available funds will be used as follows:

Par Amount of the 2015D Bonds	\$166,980,000.00
Net Original Issue Premium	18,061,075.05
Other Funds	1,691,786.58
<b>Total Sources of Funds</b>	<b>\$186,732,861.63</b>
Deposit to Refunding Escrows	\$110,647,410.60
Deposit to Acquisition Fund	
Project Fund	72,112,339.49
Deposit to Capital Reserve Fund <sup>1</sup>	2,664,001.70
VRA Cost of Issuance	654,141.00
Underwriters' Discount <sup>2</sup>	654,968.84
<b>Total Uses of Funds</b>	<b>\$186,732,861.63</b>

<sup>1</sup> Amounts deposited in the Capital Reserve Fund secure the Moral Obligation Bonds; they do not secure the Infrastructure Revenue Bonds.

<sup>2</sup> Provided to the Underwriters and the Winning Bidder, as applicable. See the subsections "UNDERWRITING OF CERTAIN 2015D BONDS" and "SALE OF 2015D TAX-EXEMPT MORAL OBLIGATION BONDS BY COMPETITIVE BIDDING" each in Section Four.

### SECURITY AND SOURCES OF PAYMENT FOR THE 2015D BONDS

#### Limited Obligations

*The 2015D Bonds are limited obligations of VRA. The principal of, premium, if any, and interest on the 2015D Bonds do not constitute a debt of the Commonwealth or any of its political subdivisions other than VRA. Neither the Commonwealth nor any political subdivision thereof, including VRA, will be obligated to pay the principal of, premium, if any, or interest on the 2015D Bonds or other costs incident thereto except from the revenues, money or property of VRA pledged for such purposes. Neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof is pledged to the payment of the principal of or premium, if any, or interest on the 2015D Bonds. VRA has no taxing power.*

## **Infrastructure Revenue Bonds**

*Sources of Payment.* The 2015D Infrastructure Revenue Bonds and the other Infrastructure Revenue Bonds are payable solely from (a) the debt service and rental payments on the Local Obligations, (b) amounts on deposit in certain funds and accounts created under the Indenture, including the Infrastructure Revenue Debt Service Fund and the Operating Reserve Fund, and (c) the earnings, if any, derived from the investment of such funds and accounts. VRA has pledged such amounts for such purpose. See information under the headings "Establishment of Trusts" and "Establishment of Funds and Accounts" in Appendix A.

*Operating Reserve Fund.* The Indenture establishes an Operating Reserve Fund as security for the Infrastructure Revenue Bonds. As of September 30, 2015, the market value of the Operating Reserve Fund was \$7,747,821.58. No additional amounts are expected to be deposited in the Operating Reserve Fund in connection with the issuance of the 2015D Infrastructure Revenue Bonds. No Moral Obligation Bonds are, or will be, secured by the Operating Reserve Fund.

On each payment date, any amount on deposit in the Operating Reserve Fund will be transferred to the Infrastructure Revenue Debt Service Fund if and to the extent, after transfers from the Revenue Fund, amounts on deposit in the Infrastructure Revenue Debt Service Fund are insufficient to pay the principal and interest due on the Infrastructure Revenue Bonds on such date. There is no minimum balance for the Operating Reserve Fund; amounts drawn from the Operating Reserve Fund, if any, to pay debt service on the Infrastructure Revenue Bonds will be replenished from payments made by the Local Governments on their Local Obligations or from other funds available to VRA, but only to the extent required to meet the coverage tests set forth in the following paragraph.

Any amount on deposit in the Operating Reserve Fund (including accumulated investment earnings) which is not required to produce in the then-current and all future Bond Years (a) Revenue Coverage equal to the Required Revenue Coverage, (b) Infrastructure Revenue Bond Debt Service Coverage equal to the Required Infrastructure Revenue Bond Debt Service Coverage, and (c) Infrastructure Revenue Bond Revenue Coverage equal to the Required Infrastructure Revenue Bond Revenue Coverage may be transferred to VRA upon VRA's filing with the Trustee a Projected Revenue Certificate. See the definitions of such terms in Appendix A and information included under the headings "Operation of Revenue and Pledged Funds – Operating Reserve Fund" and "Thirty-Fourth Supplemental Series Indenture – Restrictions on Withdrawal from Operating Reserve Fund" in Appendix A.

## **Moral Obligation Bonds**

*Sources of Payment.* The 2015D Moral Obligation Bonds and the other Moral Obligation Bonds are payable solely from (a) the debt service and rental payments under the Local Obligations, (b) amounts on deposit in certain funds and accounts created under the Indenture, including the Moral Obligation Debt Service Fund and the Capital Reserve Fund and (c) the earnings, if any, derived from the investment of such funds and accounts. VRA has pledged such amounts for such purpose. See information under the headings "Establishment of Trusts" and "Establishment of Funds and Accounts" in Appendix A.

The Indenture provides that the pledge of the Revenues securing the 2015D Moral Obligation Bonds and the other Moral Obligation Bonds is in all respects junior and subordinate to the pledge of such Revenues securing the 2015D Infrastructure Revenue Bonds and the other Infrastructure Revenue Bonds.

*Capital Reserve Fund.* The Indenture establishes a Capital Reserve Fund as security for the Moral Obligation Bonds issued under the Indenture. The Indenture also establishes a minimum amount required to be maintained in the Capital Reserve Fund (the "CRF Reserve Requirement"). For so long as any of the 2015D Moral Obligation Bonds remains Outstanding, the CRF Reserve Requirement will be not less than an amount equal to the maximum Principal and Interest Requirements on the Moral Obligation Bonds Outstanding in the then-current or any future Bond Year. On the date of delivery of the 2015D Bonds, the Capital Reserve Fund will contain an amount of not less than the CRF Reserve Requirement derived from deposits of certain proceeds of the 2015D Bonds and previous Series of Bonds issued by VRA under the Virginia Pooled Financing Program. No Infrastructure Revenue Bonds are, or will be, secured by the Capital Reserve Fund. See information included under the heading "Operation of Revenue Fund and Pledged Funds – Capital Reserve Fund" in Appendix A.

The amounts on deposit in the Capital Reserve Fund will be used solely to cure any deficiencies in the amount on deposit in the Moral Obligation Debt Service Fund to pay the principal of and interest on the Moral Obligation Bonds when due.

On the tenth day after each interest payment date and any other Reserve Determination Date, the Trustee is required to determine whether amounts on deposit in or credited to the Capital Reserve Fund are at least equal to the CRF Reserve Requirement.

The Act and the Indenture also provide that to maintain the Capital Reserve Fund at the CRF Reserve Requirement, the Chairman of VRA, on or before December 1 of each year, must deliver to the Governor and the Secretary of Administration of the Commonwealth a certificate setting forth the amount, if any, required to restore the Capital Reserve Fund to the CRF Reserve Requirement. For this purpose, the Chairman will disregard any deficiency resulting solely from the valuation of investments in the Capital Reserve Fund (as opposed to a transfer therefrom to pay debt service on the Moral Obligation Bonds due to a default on a Local Obligation).

Within five days after the beginning of each session of the General Assembly, the Governor is required to submit to the presiding officer of each house of the General Assembly a budget including, as an agency request for informational purposes only, the amount required, if any, to restore the Capital Reserve Fund to the CRF Reserve Requirement. The General Assembly may, but is not legally obligated to, appropriate to VRA such amount. Any amounts so appropriated and paid shall be delivered by VRA to the Trustee for deposit in the Capital Reserve Fund. As of the date hereof, amounts on deposit in the Capital Reserve Fund have not fallen below the CRF Reserve Requirement and, therefore, the General Assembly has not heretofore been called upon to appropriate funds for replenishment of the Capital Reserve Fund. **Neither this nor any other provision of the Act or the Indenture creates a debt or liability or pledges the faith and credit of the Commonwealth to make any appropriation or payments to VRA for this or any other purpose.**

The General Assembly meets in each even numbered year to establish, among other things, a budget and make appropriations for the ensuing biennial period beginning on the first day of July of such year. The General Assembly also meets in each odd numbered year when amendments to the appropriations act enacted in the previous year and supplemental appropriations may be made.

Certain financial, economic and demographic information about the Commonwealth, including a discussion of certain economic outlook and revenue forecasts, has been incorporated by reference in this Official Statement. See Appendix D.

Any interest earned from the investment of money in the Capital Reserve Fund will be transferred immediately upon receipt to the Revenue Fund or the Rebate Funds to the extent that such transfers will not cause the Capital Reserve Fund to contain less than the CRF Reserve Requirement. The Indenture provides that if the balance on deposit in the Capital Reserve Fund otherwise exceeds the CRF Reserve Requirement, the Trustee will transfer the surplus to the Revenue Fund or the Rebate Funds or otherwise as specified by VRA pursuant to the Indenture.

The Act provides that any subsequent amendment thereof shall not limit the rights vested in VRA with respect to any agreements made with, or remedies available to, the Owners until the principal of and interest on the 2015D Bonds are paid in full.

*Investments in Capital Reserve Fund.* The Thirty-Fourth Supplemental Series Indenture provides that, as long as any of the 2015D Moral Obligation Bonds remains Outstanding, each investment or the provider of each investment purchased with amounts in the Capital Reserve Fund must have a rating at least equal to the then-current rating assigned by each Rating Agency to the Moral Obligation Bonds Outstanding.

*Reduction or Elimination of Moral Obligation to Fund CRF Reserve Requirement.* The Indenture permits VRA, by resolution of its Board of Directors and without obtaining the consent of the Trustee or any Owners of the Bonds, to reduce or eliminate the Commonwealth's Moral Obligation Commitment to fund or replenish the Capital Reserve Fund. Such action requires VRA to satisfy the following two conditions: (a) the resolution must contain a finding by VRA's Board of Directors that such action is not reasonably expected to affect adversely VRA's ability to pay debt service on the Moral Obligation Bonds and (b) VRA must file with the Trustee written confirmation from each Rating Agency providing a rating on any Moral Obligation Bonds that such agency's then-current rating on the Moral Obligation Bonds will not be withdrawn or downgraded as a result of such action.

### **Debt Service Requirements for Bonds**

VRA has required and will continue to require the Local Governments to establish the scheduled debt service or rental payment dates and amounts under their Local Obligations to provide for, when combined with the estimated investment earnings and the balances scheduled to be released from the Capital Reserve Fund, the full and timely payment of the principal of, and premium, if any, and interest on the 2015D Bonds, all other Bonds, and VRA's Administrative Charges when due. See the subsection "PROJECTED CASH FLOWS" in this Section Two.

## **Parity Status**

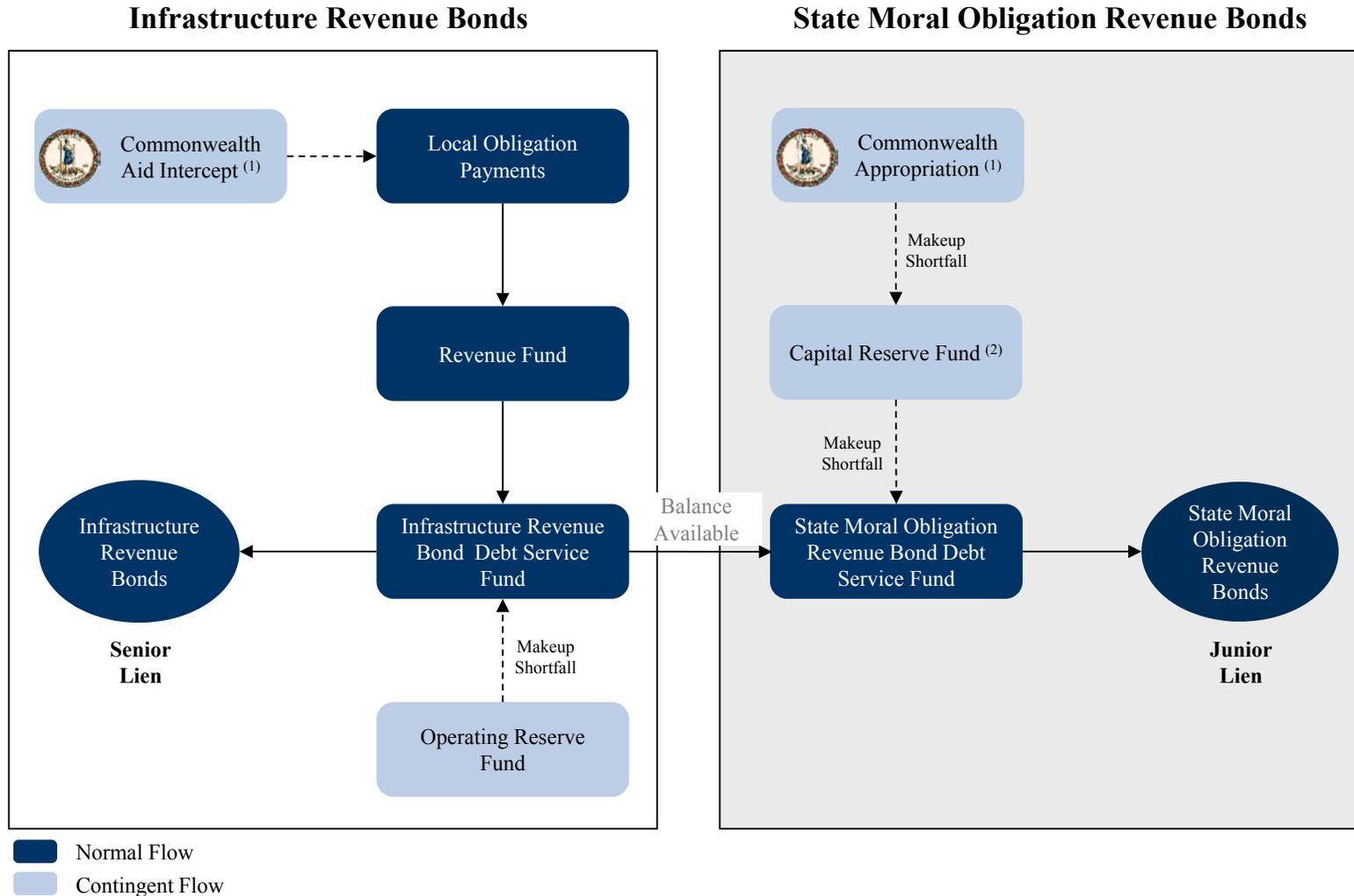
Each Infrastructure Revenue Bond, including each 2015D Infrastructure Revenue Bond, is payable and secured as described in this subsection on a parity basis with all other Infrastructure Revenue Bonds. Each Moral Obligation Bond, including each 2015D Moral Obligation Bond, is also payable and secured as described in this subsection on a parity basis with all other Moral Obligation Bonds. This means, for example, that a default in the payment of a Local Obligation, even if the Local Obligation is not one of the 2015D Local Obligations, may result in a shortfall of Revenues available to pay the scheduled debt service payments on the 2015D Moral Obligation Bonds, as well as all of the other Moral Obligation Bonds then Outstanding. Additionally, in the event of defaults on multiple Local Obligations, Revenues may not be sufficient to pay scheduled debt service on the 2015D Infrastructure Revenue Bonds, as well as the other Infrastructure Revenue Bonds then Outstanding. See the subsections "ADDITIONAL INDEBTEDNESS" and "PRIOR SERIES OF BONDS" in this Section Two.

## **Flow of Funds**

The chart on the following page presents the flow of funds through the funds and accounts established under the Indenture.

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# Flow of Funds



(1) Payable from the Commonwealth to VRA.

(2) Earnings on the Capital Reserve Fund Investments flow into the Revenue Fund.

## ADDITIONAL INDEBTEDNESS

VRA may issue additional Series of Bonds (including either Infrastructure Revenue Bonds or Moral Obligation Bonds) under the Master Indenture subject to certain conditions and limitations set forth in the Master Indenture, including the provision of a Projected Revenue Certificate to the Trustee, which will, giving effect to the issuance of such Series of Bonds, show for each Bond Year (a) Revenue Coverage equal to at least Required Revenue Coverage, (b) Infrastructure Revenue Bond Debt Service Coverage equal to at least Required Infrastructure Revenue Bond Debt Service Coverage and (c) Infrastructure Revenue Bond Revenue Coverage equal to at least Required Infrastructure Revenue Bond Revenue Coverage. The Projected Revenue Certificate will set forth the following:

(1) A schedule of estimated amounts of the following types of Revenues to be available in the then-current and each future Bond Year for the payment of the Principal and Interest Requirements of all of the Bonds and the Administration Charges: (i) scheduled Local Obligation Payments, except on Defaulted Local Obligations, (ii) income receivable from the investment of amounts from time to time held in the Infrastructure Revenue Debt Service Reserve Fund (not currently required to be funded) and the Capital Reserve Fund, (iii) amounts scheduled to be released from the Infrastructure Revenue Debt Service Reserve Fund or the Capital Reserve Fund as a result of the payment at maturity or pursuant to the Amortization Requirements of the Bonds Outstanding and, if applicable, then to be issued, and (iv) any other amounts identified as Revenues in the Projected Revenue Certificate and in a Supplemental Indenture, if there is filed with the Trustee written confirmation from each Rating Agency that the inclusion thereof will not result in the withdrawal or reduction of its then-current rating on any of the Bonds Outstanding.

(2) A schedule of estimated amounts of the following sources to be available in the then-current and each future Bond Year for the payment of the Principal and Interest Requirements of the Infrastructure Revenue Bonds: (i) investment earnings on amounts in the Operating Reserve Fund, (ii) amounts, if any, which are or will be on deposit in the Operating Reserve Fund, and (iii) any other revenues or amounts identified in the Projected Revenue Certificate and in a Supplemental Indenture as Infrastructure Revenue Bond Revenues or Fund balances available for the payment of the Principal and Interest Requirements of the Infrastructure Revenue Bonds, if there is filed with the Trustee written confirmation from each Rating Agency that the inclusion thereof will not result in the withdrawal or reduction of its then-current rating on any of the Infrastructure Revenue Bonds Outstanding.

(3) A schedule of the Principal and Interest Requirements and all Administrative Charges scheduled to become due and payable on each Payment Date in the then-current and each future Bond Year with respect to all Bonds Outstanding and, if applicable, then to be issued.

(4) A schedule of the Principal and Interest Requirements scheduled to become due and payable on each Payment Date in the then-current and each future Bond Year with respect to all Infrastructure Revenue Bonds Outstanding and, if applicable, then to be issued.

(5) The percentage obtained by dividing the sum of estimated Revenues and Infrastructure Revenue Bond Revenues set forth in paragraphs (1) and (2)(i) and (iii) for each of the then-current and future Bond Years by the scheduled Principal and Interest Requirements and

Administrative Charges set forth in paragraph (3) for the same Bond Year ("Revenue Coverage").

(6) The percentage obtained by dividing the sum of estimated Revenues and Infrastructure Revenue Bond Revenues set forth in paragraphs (1) and (2)(i) and (iii) for each of the then-current and future Bond Years by the scheduled Principal and Interest Requirements set forth in paragraph (4) for the same Bond Year ("Infrastructure Revenue Bond Revenue Coverage").

(7) The percentage obtained by dividing the sum of estimated Revenues and Infrastructure Revenue Bond Revenues set forth in paragraphs (1) and (2)(i) and (iii) and the Fund balances set forth in paragraph (2)(ii) and (iii) for each of the then-current and future Bond Years by the scheduled Principal and Interest Requirements set forth in paragraph (4) for the same Bond Year ("Infrastructure Revenue Bond Debt Service Coverage").

In projecting the foregoing, VRA will make the following assumptions: (a) Revenues set forth in paragraph (1) that are scheduled to be retained in the Revenue Fund pursuant to the Indenture will be reflected as Revenues only with respect to the Payment Dates on which the Trustee is to be directed to apply such retained amounts, (b) invested funds will yield an investment return equal to the actual return on such investments at the time of the projection net of any Rebate Amounts to be paid therefrom and will be invested until such time as they are to be applied to the purpose for which they are accumulated; (c) no Local Obligations will be acquired by VRA after the date of the Projected Revenue Certificate; and (d) Administrative Charges will be collected for the remaining term of each Local Obligation at the rate or rates in effect at the time of the calculation.

So long as any 2015D Bonds remain Outstanding, Required Infrastructure Revenue Bond Revenue Coverage means 120% for purposes of any Projected Revenue Certificate delivered in connection with the issuance of additional Infrastructure Revenue Bonds. Both Required Revenue Coverage and Required Infrastructure Revenue Bond Debt Service Coverage mean 100%.

See information included under the heading "Issuance of Bonds" in Appendix A for more information regarding the conditions for issuing additional Bonds.

VRA typically issues bonds in the spring and fall of each calendar year, and, depending on demand from local governments, the summer too. VRA currently anticipates issuing additional Series of Bonds under the Master Indenture in May of 2016.

## PRIOR SERIES OF BONDS

Of the prior Series of Bonds \$1,579,965,000\* principal amount of the Infrastructure Revenue Bonds and \$772,435,000\*\* principal amount of the Moral Obligation Bonds were outstanding as of September 30, 2015. The prior Series of Bonds were issued on the dates and in the original principal amounts as set forth in the following chart:

<u>Issue Date</u>	<u>Original Principal Amount of Infrastructure Revenue Bonds Issued<sup>1</sup></u>	<u>Original Principal Amount of Moral Obligation Bonds Issued<sup>2</sup></u>
December 4, 2003	\$ 65,655,000	\$ 37,590,000
June 30, 2004	60,630,000	33,875,000
November 17, 2004	39,265,000	18,705,000
March 2, 2005	18,115,000	8,190,000
June 8, 2005	22,055,000	9,485,000
December 7, 2005	42,755,000	18,960,000
June 8, 2006	61,550,000	31,160,000
August 31, 2006	17,270,000	8,005,000
December 14, 2006	45,935,000	22,860,000
June 7, 2007	29,790,000	14,465,000
December 13, 2007	46,000,000	21,655,000
June 19, 2008	48,890,000	22,450,000
December 10, 2008	147,495,000	67,945,000
June 17, 2009	170,205,000	83,665,000
November 19, 2009	127,355,000	58,975,000
June 16, 2010	50,470,000	23,170,000
August 18, 2010	28,320,000	12,910,000
November 23, 2010	114,375,000	52,315,000
June 2, 2011	57,250,000	24,265,000
November 16, 2011	157,410,000	68,570,000
June 13, 2012	237,110,000	107,100,000
August 2, 2012	54,080,000	24,975,000
December 6, 2012	36,930,000	16,840,000
June 5, 2013	92,810,000	42,135,000
August 14, 2013	46,410,000	20,080,000
November 20, 2013	17,150,000	7,950,000
May 21, 2014	66,290,000	29,870,000
August 13, 2014	92,405,000	42,085,000
November 19, 2014	107,635,000	47,600,000
December 17, 2014	27,465,000	12,835,000
May 28, 2015	94,885,000	40,450,000
August 19, 2015	48,560,000	21,510,000
October 14, 2015	<u>21,910,000</u>	<u>9,850,000</u>
	<u>\$2,294,430,000</u> <sup>3</sup>	<u>\$1,062,495,000</u> <sup>3</sup>

<sup>1</sup> Prior Series of Bonds issued on or before June 17, 2009 were issued with the designation "Senior Series."

<sup>2</sup> Prior Series of Bonds issued on or before June 17, 2009 were issued with the designation "Subordinate Series."

<sup>3</sup> As of September 30, 2015, \$1,579,965,000\* principal amount of the Infrastructure Revenue Bonds and \$772,435,000\* principal amount of the Moral Obligation Bonds were outstanding.

\* This amount does not include the 2015C Infrastructure Revenue Bonds, the Defeased 2009B Infrastructure Revenue Bonds or the 2015D Bonds.

\*\* This amount does not include the 2015C State Moral Obligation Revenue Bonds, the Defeased 2009B State Moral Obligation Revenue Bonds or the 2015D Bonds.

## SECURITY FOR THE LOCAL OBLIGATIONS

### General

VRA's ability to make full and timely payments of the debt service on the 2015D Bonds is dependent in part on Local Governments making full and timely payments on their respective Local Obligations. It is possible that one or more Local Governments will be unable to make a full or timely payment on their Local Obligations. The Bonds Outstanding, including the 2015D Bonds, have been structured so as to minimize the risk that a default or event of non-appropriation by one or more Local Governments on their Local Obligations will cause a default on the Bonds. Payment of debt service on each Local Obligation will be due at least 30 days prior to the corresponding payment dates of the Bonds.

Under the Indenture, VRA has pledged all of its right, title and interest in and to the Local Obligations (except for the remedies related to the Commonwealth Aid Intercept Provision discussed below) and the payments thereunder to the Trustee for the benefit of the owners from time to time of the Bonds, provided that VRA has reserved the right and license to enjoy and enforce VRA's rights under the Local Obligations so long as no Event of Default with respect to the Bonds shall have occurred and be continuing. Set forth below are descriptions of certain matters relating to the security for the payment of the Local Obligations. As described above, the Local Obligations consist of Local Bonds and Financing Leases.

The Local Governments providing the Local Obligations are expected to consist mainly of Virginia counties, cities and towns with a wide range of governmental powers (collectively, "Localities") and regional authorities, service authorities, sanitation districts and sanitary districts and similar entities in the Commonwealth that have been granted limited powers to provide certain services, such as water, wastewater, solid waste disposal, public safety or transportation services (collectively, "Limited Purpose Local Governments").

The security and sources of payment for each Local Obligation constituting a Local Bond will vary and may consist of (a) a pledge of the full faith and credit of the Local Government to secure the Local Bond (a "General Obligation Local Bond"), (b) a pledge of certain revenues of a revenue-producing undertaking of the Local Government and funds and accounts established under the applicable bond resolution or indenture under and pursuant to which the Local Bond is issued (a "Revenue Local Bond"), which pledge may be on a parity with or subordinate to the pledge of such revenues applicable to other bonds of such Local Government, (c) a combination of (a) and (b) (a "Double-Barrel Local Bond"), or (d) a pledge of amounts annually appropriated at the discretion of the governing body of the Local Government and deposited into a special fund established by the Local Government (a "Special Fund Local Bond").

In certain cases, VRA may require that a Revenue Local Bond be additionally secured and credit enhanced by a subject-to-appropriation, "moral obligation" support agreement provided by a Locality (a "Local Support Agreement") as described in the heading "Local Bonds" below. In some instances, the Local Support Agreement may be issued by the same Locality issuing the Revenue Local Bond; in other instances the Local Support Agreement may be issued by one or more Localities that are member jurisdictions of a Limited Purpose Local Government. Under no circumstances will a Local Support Agreement constitute a debt of a Locality or a pledge of the faith and credit or taxing power of a Locality.

The security and sources of payment for each Local Obligation constituting a Financing Lease will be subject to annual appropriation by the governing body of the Local Government, which will be under no legal obligation to make such appropriation. Under no circumstances will a Financing Lease constitute a debt of a Local Government or a pledge of the faith and credit or taxing power of a Local Government.

## **Local Bonds**

Each Local Obligation constituting a Local Bond will evidence the obligation of the Local Government issuing such bond to repay the principal amount thereof, together with interest on the unpaid principal amount. Local Bonds may be issued and secured as General Obligation Local Bonds, Revenue Local Bonds, Double-Barrel Local Bonds or Special Fund Local Bonds, and VRA will purchase each Local Bond pursuant to an agreement with the respective Local Government (each an "Agreement").

*General Obligation Local Bond.* Only Localities may issue General Obligation Local Bonds. Limited Purpose Local Governments may not issue General Obligation Local Bonds. A Locality issuing a General Obligation Local Bond will pledge its full faith and credit to secure the payment of the principal of, premium, if any, and interest on such Local Bond. The Locality will agree to levy an annual tax upon all property subject to local taxation sufficient to pay the principal of, premium, if any, and interest on its General Obligation Local Bond to the extent other funds of such Locality are not lawfully available and appropriated for such purpose.

*Revenue Local Bond.* A Local Government issuing a Revenue Local Bond pledges the revenues from the ownership or operation or lease of one or more of its water supply, wastewater collection and/or treatment, solid waste disposal, public safety, transportation or other revenue producing facilities, as the case may be (each a "System"), and, to the extent necessary, other appropriated funds to the payment of principal of, premium, if any, and interest on its Revenue Local Bond and its payment obligations under the Agreement, subject to the Local Government's right to apply revenues to the payment of certain operating, maintenance and replacement expenses and, in some cases, senior and parity indebtedness.

As shown in the subsection "THE 2015D LOCAL GOVERNMENTS AND THE OTHER PARTICIPATING LOCAL GOVERNMENTS" in Section Three, VRA has required certain Local Governments to obtain or provide additional security and credit enhancement for their Revenue Local Bonds in the form of subject-to-appropriation or "moral obligation" Local Support Agreements. The affected Local Governments are denoted by the term "MO" in the "Type of Security" columns.

Local Support Agreements include agreements to consider appropriations to replenish a debt service reserve fund securing a Revenue Local Bond or to provide working capital to a Local Government to pay operating costs and the debt service on its Revenue Local Bond. All Local Support Agreements contain or constitute a non-binding, legally unenforceable pledge by the governing body of a Locality to consider making the requested appropriations from the lawfully available funds of the Locality to support a Revenue Local Bond (issued by that Locality or a Limited Purpose Local Government) or the operations of a Local Government issuing a Revenue Local Bond. The constitutionality of "moral obligation" or "subject to appropriation" support agreements, such as Local Support Agreements, was upheld by the Virginia Supreme Court in *Dykes v. Northern Virginia Transp. Dist. Com'n.*, 411 S.E. 2d 1, 242

Va. 357 (Va. 1991) ("*Dykes*"). Under no circumstances will a Local Support Agreement constitute a debt of the applicable Locality or a pledge of the faith and credit or taxing power of such Locality. See the heading "Local Support Agreements and Special Fund Local Bonds" in the subsection "INVESTMENT CONSIDERATIONS" in this Section Two. For the applicability of the Commonwealth Aid Intercept Provision to Local Support Agreements, see the heading "Commonwealth Aid Intercept Provision" in this subsection.

*Double-Barrel Local Bond.* Certain Localities may pledge both the revenues of their Systems and their full faith and credit to secure their Double-Barrel Local Bonds. Limited Purpose Local Governments are not empowered to issue Double-Barrel Local Bonds.

*Special Fund Local Bond.* Under VRA policies, only Localities with long-term credit ratings in the highest categories of the Rating Agencies are eligible to issue Special Fund Local Bonds to VRA. A Special Fund Local Bond is payable solely from amounts deposited into a special fund established by the Locality, which amounts will be pledged to secure the Special Fund Local Bond. The obligation of the Locality to deposit amounts into the special fund will be subject to annual appropriation by the governing body of the Locality and the governing body will be under no legal obligation to make such appropriation. Under no circumstances will a Special Fund Local Bond constitute a debt of the applicable Locality or a pledge of the faith and credit or taxing power of such Locality. See the heading "Local Support Agreements and Special Fund Local Bonds" in the subsection "INVESTMENT CONSIDERATIONS" in this Section Two. For the applicability of the Commonwealth Aid Intercept Provision to Local Bonds, including Special Fund Local Bonds, see the heading "Commonwealth Aid Intercept Provision" in this subsection.

*Terms of the Agreements.* Pursuant to the Agreements, VRA will agree to purchase the Local Bonds and each Local Government will agree to pay amounts due on its Local Bond to the Trustee, as assignee of VRA, including any amounts required to replenish amounts withdrawn from and foregone investment earnings on the Infrastructure Revenue Debt Service Reserve Fund (not currently required to be funded), the Operating Reserve Fund and the Capital Reserve Fund, as applicable, due to a failure by the Local Government to make a payment due under its Local Bond. The Agreements will contain, among other things, certain covenants relating to the preservation of the tax status of the corresponding Series of Bonds and the provision of annual audited financial statements of the Local Governments.

Local Governments issuing Revenue Local Bonds will covenant under their Agreements to charge rates or fees for the use of and the services provided by the financed System sufficient at all times to produce net revenues to pay debt service on all bonds payable therefrom, including the Local Bonds. Such Local Governments may also be required to establish reserve accounts in connection with their Local Bonds.

Localities issuing General Obligation Local Bonds and Double-Barrel Local Bonds will covenant that ad valorem taxes will be levied upon all property subject to taxation in amounts sufficient to pay debt service on their Local Bonds. Such Localities will agree to fulfill certain other payment obligations under the Agreements (such as payments for annual fees and expenses of the Trustee, rebate and certain costs and expenses incurred by VRA in connection with an event of default, any amendment or other discretionary action undertaken at the request of the Localities) only from legally available and appropriated funds.

Each Agreement will require that the Local Government apply the proceeds from the sale of its Local Bond to finance or refinance the costs of its Qualified Project. In the case of a new construction financing, VRA will cause the Trustee to disburse money from the Acquisition Fund from time to time to or for the account of the Local Government upon the receipt of a written requisition in the form prescribed by the Agreement.

Each Local Government issuing a Revenue Local Bond, a Double-Barrel Local Bond or a Special Fund Local Bond will agree to maintain its Qualified Project, to procure insurance with respect thereto and to collect revenues or lease payments therefrom, where applicable.

Except as otherwise agreed by VRA or provided in the Agreement, the bond resolution or indenture of a Local Government issuing a Revenue Local Bond or a Double-Barrel Local Bond, such Local Government will agree not to incur any indebtedness or issue any bonds, notes or other evidences of indebtedness secured by a pledge of project or System revenues, except subordinate bonds and parity bonds and those only within certain limitations.

Each Agreement will provide that if (a) a Local Government fails to pay when due any amount required to be paid under its Local Bond or the Agreement, (b) a Local Government fails to perform or observe the covenants, agreements or conditions of the Agreement (after receipt of notice of such failure from VRA and continuation of such failure for 60 days after receipt of such notice), (c) any of the Local Government's warranties, representations or other statements contained in the Agreement or any instrument furnished in connection with the issuance and sale of its Local Bond is false or misleading or (d) there shall occur certain events of insolvency or events affecting creditor's rights, then such events will constitute events of default under the Agreement; provided that a failure of the governing body of a Locality issuing a Special Fund Local Bond to appropriate amounts necessary to pay the debt service on such Local Bond will not constitute an event of default.

Upon the occurrence of an event of default under an Agreement, VRA has the contractual right to take any action permitted by the Agreement or the bond resolution or indenture of the Local Government or to take any other legal or equitable action, including the appointment of a receiver, necessary or desirable to collect any amounts due and to enforce any duty, covenant or agreement of the Local Government.

### **Financing Leases**

Certain Local Governments enter into Financing Leases with VRA (each a "Financing Lease Local Government") to lease one or more Qualified Projects from VRA. In certain instances, such as joint ownership of a Qualified Project in which a Local Government is unable to lease its interest, VRA may accept substitute real property as security under the Financing Lease. The term of the Financing Lease commences on the date of issuance and delivery of the related Series of Bonds and terminates upon payment of all rentals owed by the Financing Lease Local Government under the Financing Lease. The lease arrangement may involve an original prime lease of the Qualified Project or substitute real property from such Local Government to VRA and the leaseback of such property to such Local Government pursuant to the Financing Lease.

Each Financing Lease will contain, among other things, certain covenants relating to the preservation of the tax status of the corresponding Series of Bonds and the provision of annual audited financial statements of the Financing Lease Local Government.

Each Financing Lease will require that the Financing Lease Local Government apply the proceeds of the Financing Lease to finance or refinance the costs of the Qualified Project.

The Financing Lease Local Government will agree to maintain or cause to be maintained the Qualified Project or substitute real property and to procure insurance with respect thereto.

Each Financing Lease will provide that no part of the Qualified Project or substitute real property shall be sold, exchanged, leased, subleased, mortgaged, encumbered or otherwise disposed of except with the written consent of VRA.

In a Financing Lease, the rental payments are structured in amounts expected to be sufficient to pay the Financing Lease Local Government's proportionate share of debt service payments on the related Series of Bonds. The Financing Lease also provides for additional rental payments for items including deficiencies in the Operating Reserve Fund or the Capital Reserve Fund, as applicable, caused by a payment default, rebate amounts, late payment penalties, and certain Trustee fees and costs and expenses of VRA.

Pursuant to a Financing Lease, the Financing Lease Local Government will direct the officer charged with the responsibility of preparing such Local Government's budget to include in the budget for each fiscal year during the term of the Financing Lease a request that the governing body of such Local Government appropriate in the fiscal year all rental payments and other payments due under the Financing Lease during such fiscal year.

The undertaking of the Financing Lease Local Government to make payments under the Financing Lease is limited to amounts lawfully available and appropriated by the governing body thereof for such purpose. Under no circumstances will the payments under a Financing Lease constitute a debt of the applicable Locality within the meaning of any constitutional or statutory limitation or a pledge of the faith or credit or the taxing power of such Locality. Such Locality will not be liable for any such payments under the Financing Lease unless and until funds have been appropriated by its governing body for payment and then only to the extent of such appropriations.

If the governing body of the Financing Lease Local Government fails to appropriate funds for amounts due under the Financing Lease or such Local Government cannot observe and perform any covenant or agreement as a result of such non-appropriation, VRA or the Trustee on behalf of VRA, may then exclude such Local Government from possession of its Qualified Project or substitute real property (subject to certain public policy concerns and legal restrictions discussed below), with or without terminating the Financing Lease, and re-let all or any portion of the Qualified Project or substitute real property, applying the proceeds in accordance with the Indenture. The Financing Lease Local Government may reinstate the Financing Lease upon satisfaction of certain conditions. In most lease arrangements, VRA holds only a leasehold interest in the Qualified Project or substitute real property and thus, in exercising its rights upon an event of default or an event of non-appropriation by the Financing Lease Local Government, VRA may not sell the Qualified Project or substitute real property but may only re-let its interests in the Qualified Project or substitute real property to a third party. In addition, the

ability of VRA to exclude a Financing Lease Local Government from possession of a Qualified Project or substitute real property may be limited by certain imposed public policy concerns or legal restrictions and may require judicial action, which is often subject to discretion and delay. For example, in the case of Qualified Projects for public roads, such concerns and restrictions relate to the rights of the Virginia Department of Transportation, adjacent landowners and the traveling public and, in the case of Qualified Projects or substitute real property for courthouses and other public safety facilities, such concerns and restrictions relate to the power of judges to control their courthouses and statutory requirements to provide adequate facilities for courts, Commonwealth's Attorneys and other constitutional officers. The foregoing factors may limit VRA's ability to re-let the Qualified Project or substitute real property upon an event of default or non-appropriation by the respective Financing Lease Local Government or to re-let the Qualified Project or substitute real property on terms as favorable as those in the Financing Lease.

### **Commonwealth Aid Intercept Provision**

Historically, the Local Obligations of Localities (but not those of Limited Purpose Local Governments) have been further secured by the "Commonwealth Aid Intercept Provision" under Section 62.1-216.1 of the Act.

The 2011 Virginia General Assembly enacted SB1309 to amend Section 62.1-216.1. The amendments, which became effective July 1, 2011, extend the Commonwealth Aid Intercept Provision to encompass all Local Bonds, Local Support Agreements and Financing Leases, regardless of the security therefor.

Section 62.1-216.1 provides that, among other things, if it is established to the satisfaction of the Governor of the Commonwealth (the "Governor") after submission of an affidavit by VRA and a summary investigation by the Governor of the facts set forth in the affidavit that a Locality has failed to make a payment on its Local Obligation or Local Support Agreement, then the Governor shall (a) issue an order directing the Comptroller of the Commonwealth to withhold all further payments to such Locality of all or any portion of the funds appropriated and payable by the Commonwealth to such Locality for any and all purposes until such nonpayment is cured, and (b) while such nonpayment continues, direct the payment of all funds so withheld, or so much of them as shall be necessary, to VRA so as to cover, or cover insofar as possible, the nonpayment on such Local Obligation or Local Support Agreement.

In addition, General Obligation Local Bonds and Double-Barrel Local Bonds are secured under Section 15.2-2659 of the Public Finance Act (the "General Obligation Intercept Provision"). The General Obligation Intercept Provision is similar in operation and effect to the Commonwealth Aid Intercept Provision but applies only as a remedy for a default in the payment of principal of, premium, if any, or interest on general obligation bonds. The General Obligation Intercept Provision covers all of the general obligation bonds issued by a Locality and not only those acquired by VRA.

Under either intercept provision, neither the Comptroller nor the Commonwealth has any legal obligation to make any payment on behalf of the nonpaying Locality other than from the funds appropriated and payable to the nonpaying Locality. Commonwealth aid that is payable to Localities and that is subject to interception is derived primarily from the Commonwealth's General Fund, with the remaining aid being payable from the Highway Maintenance and

Construction Fund of the Virginia Department of Transportation and certain other funds. The primary sources of revenue for the Commonwealth's General Fund are individual and corporate income tax revenues, sales and use tax revenues, other tax revenues, interest, dividends and rents.

Neither the Virginia Supreme Court nor the Attorney General of Virginia has reviewed the validity of the Commonwealth Aid Intercept Provision, and there can be no assurance that such provision would be upheld if challenged. Further, the General Obligation Intercept Provision as embodied in either Section 15.2-2659 or its predecessor provisions (Sections 15.1-225 and 15.1-227.61) has not been reviewed by the Virginia Supreme Court. However, in 1973 the Attorney General of Virginia opined that funds appropriated and payable by the Commonwealth to local governments for any and all purposes may be withheld pursuant to the General Obligation Intercept Provision (set forth in Section 15.1-225 at that time) as a remedy for payment defaults under general obligation bonds.

To date, no order has been issued to withhold funds pursuant to either the Commonwealth Aid Intercept Provision or the General Obligation Intercept Provision. The General Obligation Intercept Provision has been successfully tested in a hypothetical default of a Locality with respect to bonds issued to the Virginia Public School Authority. Based on the results of that test, it is expected that the intercepted funds would be available within 30 days of the date of nonpayment. There can be no assurance that the benefits of these provisions could be realized in the event of a nonpayment by a Local Government.

VRA is not the only entity with the power to enforce an intercept provision. The Board of Trustees of the Virginia Retirement System, under Section 51.1-146, has the discretion to cause the deduction "from any non earmarked moneys distributable to a local government by any department or agency of the Commonwealth" of amounts equal to any delinquent contributions or insurance premiums owed by the local government to the Virginia Retirement System. There can be no assurance that the benefits of these provisions will not be diminished by other intercept provisions or by other parties enforcing the General Obligation Intercept Provision.

The amount of aid appropriated by the Commonwealth to a Local Government varies from year to year and may not in a particular year equal or exceed all of the defaulted payment obligations of the Locality subject to the Commonwealth Aid Intercept Provision, the General Obligation Intercept Provision and any other similar intercept provisions. No guidance exists for determining the priority of the various intercept provisions in the event the amount of appropriated aid is insufficient to cover all of the applicable defaulted payment obligations.

VRA has covenanted in the Master Indenture to take any and all actions available to it under the laws of the Commonwealth (including the Commonwealth Aid Intercept Provision) to obtain Local Obligation Payments if a Local Government fails to make such payments when the same become due and payable. The Trustee, on behalf of the Bondholders, may request that VRA take such actions, but the Trustee has not been assigned the right to exercise unilaterally without the cooperation of VRA the remedies granted to VRA under the Commonwealth Aid Intercept Provision. The General Assembly has the right to modify the Commonwealth Aid Intercept Provision in the future, which modifications may adversely affect the rights of VRA under such Provision. VRA is not aware of any proposal to make any such modification and as of the date hereof does not expect any to be enacted.

## **VRA LICENSE**

All of the property pledged to the Trustee will be held in trust by the Trustee for the equal and proportionate benefit of the Owners from time to time of the 2015D Bonds and all other Bonds Outstanding under the Indenture. However, VRA has reserved the right and license to enjoy and enforce its rights with respect to the Local Obligations so long as no Event of Default with respect to the Bonds has occurred. This means, among other things, that, so long as no Event of Default has occurred, VRA may agree to amend the Local Obligations and related Agreements without the consent of the Trustee or the Owners of the Bonds. However, if an Event of Default with respect to the Bonds shall have occurred and be continuing, the Trustee will instead have such rights.

## **PROJECTED CASH FLOWS**

The following projected cash flow schedule illustrates on an annual basis the projected amounts of Revenues and the debt service requirements on the 2015D Bonds and the other Bonds Outstanding on the date of delivery of the 2015D Bonds and the scheduled Administrative Charges. All of the projections of Revenues are estimates, and are based upon the timely payment of amounts due under all of the Local Obligations and the investments held in the Capital Reserve Fund.

## Projected Cash Flow for the Virginia Pooled Financing Program

Date	Total Annual Receipts <sup>1</sup>	Infrastructure Bond Debt Service	Infrastructure Bond Debt Service Coverage	Annual Remaining Receipts	Anticipated CRF Investment Receipts <sup>2</sup>	Moral Obligation Bond Debt Service Plus Admin Fee	Moral Obligation Debt Service Coverage
Total	\$3,475,129,797.95	\$2,414,039,444.83		\$1,061,090,353.12	\$125,841,318.99	\$1,186,931,672.07	
11/1/2016	224,237,080.34	151,090,753.48	1.48x	73,146,326.86	4,348,816.24	77,495,143.10	1.00x
11/1/2017	217,729,975.60	147,126,873.55	1.48x	70,603,102.05	13,430,907.75	84,034,009.80	1.00x
11/1/2018	203,688,195.50	142,471,207.25	1.43x	61,216,988.25	3,444,777.75	64,661,766.00	1.00x
11/1/2019	202,287,835.63	141,340,687.75	1.43x	60,947,147.88	4,029,777.75	64,976,925.63	1.00x
11/1/2020	198,155,556.10	138,416,259.35	1.43x	59,739,296.75	4,839,921.50	64,579,218.25	1.00x
11/1/2021	193,183,924.23	135,183,974.83	1.43x	57,999,949.40	3,264,021.50	61,263,970.90	1.00x
11/1/2022	187,042,159.15	130,924,412.25	1.43x	56,117,746.90	4,345,021.50	60,462,768.40	1.00x
11/1/2023	180,772,958.68	126,422,180.70	1.43x	54,350,777.98	2,564,821.50	56,915,599.48	1.00x
11/1/2024	178,373,760.63	124,807,283.70	1.43x	53,566,476.93	3,249,621.50	56,816,098.43	1.00x
11/1/2025	175,074,168.65	122,557,847.23	1.43x	52,516,321.43	4,801,871.50	57,318,192.93	1.00x
11/1/2026	167,292,215.78	117,142,009.00	1.43x	50,150,206.78	3,557,726.50	53,707,933.28	1.00x
11/1/2027	159,077,661.43	111,256,496.68	1.43x	47,821,164.75	3,675,357.75	51,496,522.50	1.00x
11/1/2028	151,852,599.55	105,720,580.45	1.44x	46,132,019.10	7,809,370.25	53,941,389.35	1.00x
11/1/2029	133,243,778.93	92,659,454.73	1.44x	40,584,324.20	3,472,382.75	44,056,706.95	1.00x
11/1/2030	125,589,641.40	87,283,179.95	1.44x	38,306,461.45	5,412,695.25	43,719,156.70	1.00x
11/1/2031	116,987,388.35	81,186,265.15	1.44x	35,801,123.20	3,163,332.75	38,964,455.95	1.00x
11/1/2032	111,624,846.15	77,392,689.45	1.44x	34,232,156.70	3,412,506.50	37,644,663.20	1.00x
11/1/2033	104,008,110.25	72,135,437.20	1.44x	31,872,673.05	4,992,200.25	36,864,873.30	1.00x
11/1/2034	88,552,981.85	61,296,223.20	1.44x	27,256,758.65	14,656,658.25	41,913,416.90	1.00x
11/1/2035	65,271,518.70	45,000,610.00	1.45x	20,270,908.70	4,657,614.50	24,928,523.20	1.00x
11/1/2036	54,193,328.50	37,296,919.15	1.45x	16,896,409.35	2,851,827.00	19,748,236.35	1.00x
11/1/2037	49,867,489.86	34,793,601.40	1.43x	15,073,888.46	1,725,808.25	16,799,696.70	1.00x
11/1/2038	48,381,998.26	33,735,771.25	1.43x	14,646,227.01	4,776,808.25	19,423,035.25	1.00x
11/1/2039	35,739,023.41	24,991,614.15	1.43x	10,747,409.26	993,139.50	11,740,548.75	1.00x
11/1/2040	33,325,331.01	23,309,333.20	1.43x	10,015,997.81	3,432,639.50	13,448,637.30	1.00x
11/1/2041	25,217,157.55	17,644,136.05	1.43x	7,573,021.50	2,388,737.00	9,961,758.50	1.00x
11/1/2042	18,740,875.00	13,083,581.25	1.43x	5,657,293.75	3,215,293.75	8,872,587.50	1.00x
11/1/2043	9,203,481.25	6,387,187.50	1.44x	2,816,293.75	414,337.50	3,230,631.25	1.00x
11/1/2044	8,971,287.50	6,223,081.25	1.44x	2,748,206.25	576,062.50	3,324,268.75	1.00x
11/1/2045	7,443,468.75	5,159,793.75	1.44x	2,283,675.00	2,337,262.50	4,620,937.50	1.00x

<sup>1</sup> Projection assumes full amount of debt service is paid by all Local Governments on their related Local Bonds and Financing Leases. A number of factors may influence VRA's actual receipts. See the following subsection, "INVESTMENT CONSIDERATIONS."

<sup>2</sup> Assumes the timely receipt of all payments of principal and interest on investments held in the Capital Reserve Fund, which consist primarily of investment contracts and U.S. Treasury securities. The yield on any such investment is assumed not to exceed the actual yield.

## INVESTMENT CONSIDERATIONS

*Prospective purchasers of the 2015D Bonds should be aware that investment in the 2015D Bonds entails some degree of risk and uncertainty. Each prospective investor in the 2015D Bonds should read this Official Statement in its entirety. Particular attention should be given to the factors described below which, among others, could affect the payment of the debt service on the 2015D Bonds and which could also affect the market price of the 2015D Bonds to an extent that cannot be determined. This discussion of investment considerations is not, and is not intended to be, exhaustive.*

### **Limited Obligations of VRA**

The 2015D Bonds and all other Bonds heretofore or hereafter issued under the Indenture are limited obligations of VRA payable only from the Revenues and funds and accounts specifically pledged thereto. VRA has no taxing power. Accordingly, investors should consider only the sources of payment and security described under the subsection "SECURITY AND SOURCES OF PAYMENT FOR THE 2015D BONDS" in this Section Two.

### **Possible Defaults on Local Bonds**

The ability of the Local Governments to make full and timely payments of debt service due on their respective Local Bonds will depend on various economic and financial circumstances. VRA expects some of the Local Bonds to be Revenue Local Bonds payable from the net revenues from the ownership, operation or lease of particular municipal water supply, wastewater treatment, solid waste disposal, public safety or transportation systems. Other Local Bonds will be General Obligation Local Bonds payable from tax levies. The remainder of the Local Bonds will be Double-Barrel Local Bonds payable from both net revenues and tax levies. Although VRA does not expect any nonpayments of debt service due on any Local Bonds, there can be no assurance that this will not occur in the future.

Under the VRA Act, if a Local Government fails to pay the principal of or interest on any Local Bond held by VRA, VRA may proceed to enforce payment of such principal and interest and any other amounts due and payable pursuant to applicable provisions of state law.

Upon the occurrence of an event of default under any Agreement, VRA has the contractual right to take any action permitted by the Agreement or the bond resolution of each Local Government or to take any other legal or equitable action, including the appointment of a receiver, necessary or desirable to collect any amounts due and to enforce any duty, covenant or agreement of the Local Government. There can be no assurance that VRA will have an effective remedy or realize any amounts or amounts equal to all amounts due to VRA under the Local Bonds. All remedies are subject to bankruptcy, insolvency and other similar state and federal laws. However, under present law, Virginia Local Governments are not authorized to file for bankruptcy protection.

To date, there have been no nonpayments on any Local Bonds that have required VRA to make any transfers from any reserve fund or have caused any payment default on bonds of VRA.

## **Local Support Agreements and Special Fund Local Bonds**

A Local Support Agreement contains or constitutes a non-binding, non-legally enforceable pledge of the governing body of a Locality to consider making the requested appropriations from the general funds of the Locality to support a Revenue Local Bond (issued by that Locality or a Limited Purpose Local Government) or the operations of a Local Government issuing a Revenue Local Bond. A Special Fund Local Bond contains a similar non-binding, non-legally enforceable pledge of the governing body of a Locality to appropriate amounts into a sinking fund to pay the debt service on the Special Fund Local Bond. The governing body cannot be compelled to make the appropriations requested under a Local Support Agreement or with respect to a Special Fund Local Bond. **However, the failure of the governing body to make such an appropriation would likely impair the credit standing of the Locality, and would trigger the Commonwealth Aid Intercept Provision of Section 62.1-216.1 of the VRA Act.** See "Commonwealth Aid Intercept Provision" in the subsection "SECURITY FOR THE LOCAL OBLIGATIONS" in this Section Two.

To date, no Locality has failed to make any required payments or timely appropriate funds under a Local Support Agreement.

## **Events of Non-Appropriation and Defaults Under Financing Leases**

The undertaking of the Financing Lease Local Governments to make payments under their respective Financing Leases is subject to and dependent upon amounts being lawfully available and appropriated from time to time by the governing body of such Local Government. The governing body cannot be compelled to make the appropriations. The undertaking of a Financing Lease Local Government to make payments under its Financing Lease is not a debt of such Local Government within the meaning of any constitutional or statutory limitation or a pledge of the faith and credit or the taxing power of such Local Government.

Pursuant to the Financing Leases, in the event that sufficient funds are not budgeted and appropriated by the governing body of the Financing Lease Local Government for the payment of amounts due under the Financing Lease and such Local Government defaults or fails to make payments under the Financing Lease, VRA may terminate the Financing Lease without penalty and may take possession of and re-lease the Qualified Project or substitute real property. Since the re-leasing of a Qualified Project or substitute real property may not be possible on terms as favorable as those of the Financing Lease there can be no assurance that the Rental Payments on the Financing Lease expected to be received will in fact be received. In addition, the ability of VRA to exclude a Financing Lease Local Government from possession in order to exercise VRA's remedy to re-lease a Qualified Project or substitute real property to a third-party may be limited by certain imposed public policy concerns or legal restrictions and may require judicial action, which is often subject to discretion and delay.

Moreover, if VRA exercises its rights to re-lease its interest in a Qualified Project or substitute real property, depending on the new user, interest paid on the Financing Lease may not be excludable from gross income for federal income tax purposes, which, in turn, may adversely affect the tax-exempt status of any Bonds the interest on which was intended to be excludable from gross income for federal income tax purposes.

To date, no Financing Lease Local Government has failed to make any required payments or timely appropriate funds.

### **Investment of Certain Funds**

Amounts on deposit in the funds and accounts under the Indenture may be invested in various permitted investments. Proceeds of the 2015D Bonds on deposit in the funds and accounts under the Indenture will be invested in direct obligations of the United States. However, amounts held in the funds and accounts under the Indenture from certain previously issued Series have been invested in guaranteed investment contracts ("GICs"), as permitted by the Act and in accordance with the provisions of VRA's investment policy. The GICs may be subject to early termination upon certain events, in which case the Trustee may have the right to require the return of certain funds or the repurchase of certain securities held pursuant to the GICs. In addition, the GICs may be subject to certain other risks, including bankruptcy or insolvency of the party with which such funds have been invested under such GIC or which has guaranteed such GIC. See information included under the heading "Restrictions on Permitted Investments" in Appendix A.

### **No Acceleration Upon Default of Bonds**

The principal of, premium, if any, and interest on the Bonds is not subject to acceleration upon the occurrence and continuation of an Event of Default. Owners of Bonds will therefore be required to collect debt service payments on the Bonds due after an Event of Default based on the Bonds' scheduled payment dates from the Revenues and other property pledged under the Indenture which may not be sufficient to make such payments.

### **Additional Risks of Moral Obligation Bonds**

Payment of debt service on VRA's Moral Obligation Bonds is subordinate to certain payment priorities, including payment of debt service on Infrastructure Revenue Bonds. See information included under the heading "Flow of Funds" in the subsection "SECURITY AND SOURCES OF PAYMENT FOR THE 2015D BONDS" in this Section Two. Timely payment of debt service on the Moral Obligation Bonds is dependent upon Revenues being available in sufficient amounts to satisfy all claims on such Revenues that are payable prior to payment of debt service on the Moral Obligation Bonds, including debt service on the Infrastructure Revenue Bonds. Moreover, VRA may issue additional Infrastructure Revenue Bonds in the future without the consent of the Owners of the Moral Obligation Bonds. See information included under the subsection "ADDITIONAL INDEBTEDNESS" in this Section Two.

The failure to pay any amount related to the Moral Obligation Bonds will not constitute an Event of Default on the Infrastructure Revenue Bonds. So long as any Infrastructure Revenue Bonds are Outstanding, the Owners of such Bonds will control and direct all actions of the Trustee in exercising remedies upon an Event of Default, and no Owner of any Moral Obligation Bond may control or direct the exercise of such remedies.

### **Capital Reserve Fund Replenishment**

The Act and the Indenture provide for the Governor of the Commonwealth to submit to the presiding officer of each house of the General Assembly a budget including, as an agency

request for informational purposes only, the amount, if any, required to restore the Capital Reserve Fund to the CRF Reserve Requirement. The General Assembly may, but is not legally obligated to, appropriate to VRA such amount. Amounts on deposit in the Capital Reserve Fund have not fallen below the CRF Reserve Requirement and, therefore, the General Assembly has not to date been called upon to appropriate funds for replenishment of the Capital Reserve Fund. Neither this nor any other provision of the Act or the Indenture creates a debt or liability or pledges the faith and credit of the Commonwealth to make any appropriation or payments to VRA for this or any other purpose. **The Capital Reserve Fund secures only the Moral Obligation Bonds.** Under certain circumstances, VRA may reduce or eliminate the Commonwealth's Moral Obligation commitment to replenish the Capital Reserve Fund as described under the heading "Moral Obligation Bonds" in the subsection "SECURITY AND SOURCES OF PAYMENT FOR THE 2015D BONDS" in this Section Two.

### **Unknown Future Participants and Credit Standard Changes**

The Master Indenture is an "open indenture" which authorizes the issuance of additional Series of Bonds and lending the proceeds thereof and other funds to Local Governments to be identified in the future. VRA expects regularly each year to acquire additional Local Obligations in amounts and at interest rates which have not yet been determined. Thus, the credit quality of the Local Obligations cannot be evaluated only on the basis of the Local Obligations already held or proposed to be acquired with the net proceeds of the 2015D Bonds. Although additional Series of Bonds are authorized only if sufficient Local Governments meet the credit standards, the credit standards may be changed or waived at the discretion of VRA. For a description of VRA's credit standards, see the subsection "THE VIRGINIA POOLED FINANCING PROGRAM" in Section Three.

### **No Requirement to Maintain Historical Debt Service Coverage Percentages**

VRA's informal policy of acquiring or purchasing Local Obligations with a 70/30 proportion of Infrastructure Revenue Bonds and Moral Obligation Bonds is expected to produce an Infrastructure Revenue Bond Debt Service Coverage Ratio of approximately 1.40. However, VRA is not obligated to maintain this level of Infrastructure Revenue Bond Debt Service Coverage Ratio. Under the Indenture, VRA must show Required Revenue Coverage and Infrastructure Revenue Bond Debt Service Coverage of 100% in order to issue additional Infrastructure Revenue Bonds or Moral Obligation Bonds, or both. Further, for so long as any of the 2015D Bonds are outstanding VRA must show required Infrastructure Revenue Bond Revenue Coverage of 120% in order to issue additional Infrastructure Revenue Bonds or Moral Obligation Bonds, or both. There can be no assurances that VRA will maintain the informal policies concerning the issuance of Bonds or the projected Infrastructure Revenue Bond Debt Service Coverage Ratio set forth in the subsection "PROJECTED CASH FLOWS" in this Section Two.

### **Closing of Sale of 2015D Bonds Dependent on a Successful Closing of the Bonds Sold By Negotiated Sale and Competitive Bid**

The 2015D Bonds are being issued to provide funding requested by the 2015D Local Governments for Qualified Projects. The 2015D Infrastructure Revenue Bonds and the 2015D Taxable Moral Obligation Bonds were offered by a negotiated sale with the Underwriters. The 2015D Tax-Exempt Moral Obligation Bonds were offered for sale by competitive bid on the

same day as the 2015D Infrastructure Revenue Bonds, and the closing of the 2015D Bonds is expected to occur on the same day. In the unlikely event that the sale of either series of 2015D Bonds does not close, VRA will not sell either series as the sale of both are required to fund the Qualified Projects of the 2015D Local Governments. See the subsections "UNDERWRITING OF CERTAIN 2015D BONDS" and "SALE OF 2015D TAX-EXEMPT MORAL OBLIGATION BONDS BY COMPETITIVE BIDDING" each in Section Four.

### **Defeasance of Taxable 2015D Bonds May Have Tax Consequences for an Owner**

The defeasance of a 2015D Taxable Bond may result in a reissuance thereof, which may cause an owner to recognize taxable gain or loss on its 2015D Taxable Bond. See the subsection "TAX MATTERS – Defeasance" in Section Four.

## **SECTION THREE: PROGRAM PARTICIPANTS**

### **VIRGINIA RESOURCES AUTHORITY**

VRA, created by the Act in July 1984, is organized and exists as a public body corporate and a political subdivision of the Commonwealth. VRA was created to assist in financing the present and future needs of the Commonwealth for, among other things, the costs of Qualified Projects, and to encourage the investment of both public and private funds to make loans and grants available to Local Governments for Qualified Projects.

VRA is authorized to issue its bonds to provide funds to carry out its purposes and powers. As of September 30, 2015, VRA has issued bonds backed by the moral obligation of the Commonwealth in the original aggregate principal amount of \$2,244,944,229\*, of which \$891,314,903.99\* was outstanding as of September 30, 2015. These amounts include the original and outstanding principal amounts of the Moral Obligation Bonds set forth in the subsection "PRIOR SERIES OF BONDS" in Section Two and bonds from other VRA programs. VRA is authorized to have outstanding bonds backed by the moral obligation of the Commonwealth of no more than \$1.5 billion; however, this limit can be changed at any time by the General Assembly.

In addition, as of September 30, 2015, VRA has issued bonds that are not backed by the moral obligation of the Commonwealth in the original aggregate principal amount of \$3,985,861,450\*\*, of which \$2,369,025,000\*\* was outstanding as of September 30, 2015. These amounts include the original and outstanding principal amounts of the Infrastructure Revenue Bonds set forth in the subsection "PRIOR SERIES OF BONDS" in Section Two.

### **Members of the Board**

The Board of Directors of VRA consists of seven members appointed by the Governor and confirmed by the General Assembly for four-year staggered terms and four ex-officio members: the State Treasurer, the State Health Commissioner, the Director of the Department of

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\* This amount does not include the 2015C State Moral Obligation Revenue Bonds, the Defeased 2009B State Moral Obligation Revenue Bonds or the 2015D Bonds.

\*\* This amount does not include the 2015C Infrastructure Revenue Bonds, the Defeased 2009B Infrastructure Revenue Bonds or the 2015D Bonds.

Environmental Quality and the Director of the Department of Aviation. The Chairman of the Board of Directors is designated by the Governor and is the chief executive officer of VRA. The members of the Board of Directors are as follows:

**William G. O'Brien of Port Republic, Virginia. Director and Chairman.** Term expires June 30, 2016. He is the retired County Administrator of Rockingham County, a position he held for over 25 years.

**James H. Spencer, III of Bluefield, Virginia. Director and Vice Chairman.** Term expires June 30, 2016. Mr. Spencer currently serves as Community and Economic Development Director of the City of Bluefield, West Virginia. Mr. Spencer remains a resident of Virginia. Mr. Spencer's prior experience includes serving as the Administrator of Tazewell County Public Service Authority and the Administrator of Tazewell County.

**David Branscome of Manassas, Virginia. Director.** The Governor has reappointed Mr. Branscome for a term expiring on June 30, 2019; however, such reappointment is subject to confirmation by the General Assembly. Mr. Branscome is Vice President of Branscome Paving Company, Manassas, Virginia.

**Barbara McCarthy Donnellan of Clifton, Virginia. Director.** Term expires June 30, 2017. Ms. Donnellan's prior experience includes serving as County Manager for Arlington County.

**Thomas L. Hasty, III of Chesapeake, Virginia. Director.** Term expires June 30, 2018. Mr. Hasty is Senior Executive Vice President of Towne Bank, Portsmouth, Virginia.

**Dena Frith Moore of Richmond, Virginia. Director.** Term expires June 30, 2016. Until 2011, Ms. Moore served as Managing Director and Chief Operating Officer for Harris Williams & Co., an investment banking firm focusing on mergers and acquisitions. Currently, Ms. Moore is an independent consultant working with for-profit and nonprofit businesses on strategic advisory projects. Prior to joining Harris Williams & Co., Ms. Moore was with Bowles Hollowell Conner & Co.

**John H. Rust, Jr. of Fairfax, Virginia. Director.** Term expires June 30, 2016. Mr. Rust practices law in Fairfax with the firm of Rust & Rust, P.C. He is the third generation of the Rust family to practice law in northern Virginia. He also serves as the Commissioner of Accounts for the 19th Judicial Circuit and provides government affairs consulting services through Iron Ox Consulting, a family-owned company. He serves as a member of the Board of Directors of Historic Fairfax City, Inc.

**Randall P Burdette of Stafford County, Virginia. Director Ex-Officio.** Mr. Burdette serves as Director of the Department of Aviation. He was appointed to this position on August 11, 2004. Previously, he served as Program Manager for the Defense Department's Technology Initiative.

**Manju Ganeriwala of Henrico County, Virginia. Director Ex-Officio.** Ms. Ganeriwala serves as State Treasurer of Virginia. She was reappointed to this post by Governor Terence R. McAuliffe, effective January 2014. Prior to her initial appointment as State Treasurer in 2009, Ms. Ganeriwala served as Deputy Secretary of Finance since January 2006.

**Marissa Levine, MD, MPH of Richmond, Virginia. Director Ex-Officio.** As of February 1, 2014, Dr. Levine serves as Health Commissioner. Prior to her appointment, Dr. Levine served as Interim Health Commissioner.

**David K. Paylor of Richmond, Virginia. Director Ex-Officio.** Mr. Paylor serves as the Director of the Department of Environmental Quality. Prior to his appointment, Mr. Paylor served as Deputy Secretary of Natural Resources for Governor Mark Warner.

### **VRA Staff**

The Executive Director of VRA is appointed by the Governor. The Executive Director reports to, but is not a member of, the Board of Directors, and administers, manages and directs the affairs and activities of VRA in accordance with the policies, and under the control and direction, of the Board of Directors. Selected members of the staff include the following:

**Stephanie L. Hamlett, Executive Director and General Counsel.** Ms. Hamlett was appointed Executive Director in April 2014, and previously served as Executive Director from July 2010 to March 2012. Prior to her most recent appointment, Ms. Hamlett served as a Senior Assistant Attorney General. She has also served as Deputy Counselor for Governor Robert McDonnell. Prior to serving in that capacity, she served as Senior Counsel to the Attorney General, Deputy Attorney General, Special Counsel to the Attorney General and Opinions Chief and an Assistant Attorney General in the financial services section of the Attorney General's Office as Assistant Attorney General. As Assistant Attorney General she represented a variety of state agencies, including the Virginia Retirement System, the Virginia Port Authority, the Virginia College Savings Plan, the Virginia Public School Authority and the Virginia Public Building Authority in financial and investment-related matters. She also served as counsel to the Virginia Department of Taxation. She is the former Executive Director and General Counsel of Virginia's Heartland Partnership, Inc., and from 1996 to 1999, she served at Legislative Services as staff counsel to the House Finance Committee and House Appropriations Committee. In the private practice of law, Ms. Hamlett specialized in tax, bond and business issues. Ms. Hamlett received her undergraduate training at Mary Washington College, she received her Juris Doctor degree from the University of Richmond's T.C. Williams School of Law and her Master's degree in tax law from the College of William and Mary's Marshall-Wythe School of Law.

**Shawn Crumlish, Director of Financial Services.** Mr. Crumlish joined VRA in 2005. Prior to VRA, his work experience included financial research and analysis and business development for several manufacturers. He holds a Bachelor's degree in Marketing from James Madison University and a Master's degree in Finance from Virginia Commonwealth University.

**Peter D'Alema, Director of Program Management.** Mr. D'Alema currently serves as the Director of Program Management for VRA. His previous experience includes serving as Financial Manager for VRA and Senior Commercial Underwriter for Bank of America, N.A. He holds a Bachelor's degree in Marketing Management from Virginia Polytechnic Institute and State University (Virginia Tech) and a Master's degree in Finance from Virginia Commonwealth University.

## **THE VIRGINIA POOLED FINANCING PROGRAM**

### **Background**

Under the Virginia Pooled Financing Program (the "Program"), VRA uses the net proceeds of the Bonds to purchase or acquire Local Obligations from Local Governments to finance or refinance Qualified Projects. Qualified Project costs that may be financed by VRA are those incurred by a Local Government as reasonable and necessary for the carrying out of all work and undertakings necessary or incident to any Qualified Project. A "Qualified Project" is any project or facility related to water supply, wastewater treatment, solid waste management, recycling, resource recovery, energy conservation and efficiency, transportation, public safety, land conservation and preservation, parks and recreation, professional sports facilities, federal facilities (and former federal facilities), brownfield remediation and redevelopment, local government buildings, broadband, governmental airports, flood prevention or dam safety, together with related equipment, office, administrative, storage, and maintenance facilities, as well as interests in land related thereto.

To qualify under the Program, a Local Government must submit to VRA an application or other materials containing a description of its Qualified Project and a summary of the estimated costs necessary to complete the Qualified Project. In addition, the Local Government must submit a description of all sources of funds available to pay for the Qualified Project, including funds required from sources other than VRA. A Local Government (issuing a Revenue Local Bond or a Double-Barrel Local Bond) or a Financing Lease Local Government must submit a description of the revenues or lease payments to be derived from the Qualified Project which are to be pledged to the payment of the Local Obligation and a projection of revenues or lease payments and expenses for the Qualified Project over the life of the Local Obligation. When projections indicate a potential future need for revenues outside of those specifically pledged to support the debt service of a given Qualified Project, VRA may require a Local Support Agreement as an additional credit enhancement from one or more Local Governments before authorizing a loan. See the subsection "SECURITY FOR THE LOCAL OBLIGATIONS" in Section Two for additional information on Local Support Agreements. In addition, any Locality (issuing a General Obligation Local Bond, a Double-Barrel Local Bond, or a Special Fund Local Bond) or a Financing Lease Local Government must submit data with respect to assessed valuation of real estate, tax rates and receivables and outstanding and projected indebtedness. A Local Government must submit information with respect to population trends and general economic outlook of the community. Except in the cases of loans secured by Local Obligations that constitute General Obligation Local Bonds, Special Fund Local Bonds, refinancings or Financing Leases, a Local Government must submit a certificate, prepared by an independent consulting engineer, independent certified public accountant or other consultant acceptable to VRA, certifying as to, among other things, the sufficiency of the rates, fees and other charges established by the Local Government to meet its rate covenant contained in its Agreement. Each Local Government must submit audited financial statements in a form acceptable to VRA. Additionally, VRA may in its discretion require a Local Government to obtain an underlying rating from a rating agency at least equal to the rating level established by VRA.

The acquisition of a Local Obligation by VRA under the Program is determined by VRA generally on the basis of the economic feasibility of the Qualified Project to be financed by the Local Obligation and the financial viability of the Local Government. In assessing economic

feasibility, VRA considers, among other things, prevailing economic conditions, population growth and trends, employment levels, the Local Government's administrative capabilities, the financial performance of the Local Government's water, sewer and/or solid waste system, public safety facility, or other revenue generating Qualified Projects, and the present rate structure. In addition, the Local Government issuing a Revenue Local Bond or a Double-Barrel Local Bond must demonstrate its ability to fix rates, fees and other charges at times and in amounts necessary to produce sufficient revenues to pay the operating and maintenance expenses of the Qualified Project, debt service on all outstanding prior or parity indebtedness against the Qualified Project and debt service on the Local Obligations issued in connection with the Qualified Project. In the case of Local Obligations constituting general obligations and Financing Leases, VRA considers, among other things, the tax base of the Local Government and its existing tax rate structure and the historical performance of the Local Government's general fund.

Certain information regarding the performance of the Program for the fiscal year ending June 30, 2015, is available in the Comprehensive Annual Report of the Virginia Resources Authority, and which is incorporated herein by reference. Such report has been filed with and is available from the Municipal Securities Rulemaking Board's Electronic Municipal Market Access Website.

## **Structure**

The Local Obligations will be structured to provide for payments of debt service or rentals in amounts and at times that, together with the expected investment earnings and the balances scheduled to be released from the Capital Reserve Fund, are expected to be adequate to pay the principal of, premium, if any, and interest on the Bonds (including the 2015D Bonds) through maturity or upon their earlier redemption. See the subsection "SECURITY AND SOURCES OF PAYMENT FOR THE 2015D BONDS" in Section Two.

VRA's current practice is to structure the Program so that for every \$1.00 of Bond proceeds used to purchase or acquire Local Obligations, approximately \$0.70 is provided from the proceeds of Infrastructure Revenue Bonds and approximately \$0.30 is provided from the proceeds of Moral Obligation Bonds. However, VRA may change this structure at any time, subject to the limitations related to the issuance of additional Bonds. For instance, so long as any 2015D Bonds remain Outstanding, as a condition of issuing additional Bonds under the Indenture, VRA must show Required Infrastructure Revenue Bond Revenue Coverage of 120% for any additional Infrastructure Revenue Bonds and 100% for any additional Moral Obligation Bonds, but VRA is not required to issue Infrastructure Revenue Bonds and Moral Obligation Bonds in the same proportions as it has previously. See the subsection "ADDITIONAL INDEBTEDNESS" in Section Two

## **SELECTED INFORMATION ON VIRGINIA LOCAL GOVERNMENTS**

The information set forth below includes brief summaries of state law concerning the operation of, and certain legal restrictions applicable to, the Local Governments that have issued or will issue or enter into Local Obligations to be acquired by VRA from proceeds of the various Series of Bonds that have been or will be issued under the Indenture. Local Governments are expected to consist mainly of counties, cities, towns, regional authorities, service authorities, sanitation districts and sanitary districts in the Commonwealth. Nothing contained in the

summaries set forth in this subsection should be construed as a representation or warranty of the financial condition of any specific Local Government.

## **Powers**

Localities (i.e., counties, cities and towns) conduct their respective governmental activities pursuant to the provisions of the Constitution of Virginia (the "Constitution") and general and special laws of the Commonwealth. Localities generally have been granted powers to contract, sue and be sued, assess, levy and collect taxes, issue bonds, own, lease (as lessor and lessee) and take real or personal property, regulate nuisances, ensure public health and safety and take actions to protect the environment. Localities have also been granted powers to provide certain services, including without limitation police, fire, entertainment, rescue squad, street lighting, water, wastewater and solid waste disposal services.

Limited Purpose Local Governments (e.g., service authorities) are authorized to provide such services as are enumerated in their respective enabling legislation, which may include without limitation one or more of the following: water supply, wastewater treatment and disposal, stormwater and refuse collection and disposal services, public safety and transportation services.

## **Sources of Revenue**

*Localities.* Revenues of Localities are derived principally from:

(1) General Property Taxes – Localities are authorized by the Constitution to levy an annual ad valorem tax on the assessed value of real and personal property located within their jurisdictions. The timing of such taxes and the rate of such taxes varies among Localities.

(2) Other Local Taxes – Localities may also levy various other local taxes including a sales and use tax, business, professional and occupational license taxes, motor vehicle license tax, meal tax, a recordation tax and a tax on consumer telephone bills.

(3) Intergovernmental Revenue – Localities may receive revenue from the Commonwealth for a portion of shared categorical expenses including certain expenditures for social services and the operation of constitutional offices. Cities and counties also receive a significant amount of aid from the Commonwealth in support of the public school system; however, such revenues are credited directly to the school system and are not reflected in the general funds of cities and counties. The Commonwealth is not obligated to maintain or continue such financial assistance, which is provided subject to appropriation by the General Assembly of the Commonwealth.

(4) Other Revenues – Other sources of revenue for a Locality may include permits, privilege fees and regulatory licenses, fines and forfeitures, interest on general fund investments, transfers from a utility fund, certain charges for services rendered, various recovered costs, and miscellaneous other revenues.

*Limited Purpose Local Governments.* Revenues of Limited Purpose Local Governments are derived principally from the payment of rates, fees and charges derived from the operation and use of the Systems of such Limited Purpose Local Governments.

## **Incurrence of Debt**

*Localities.* Pursuant to the Constitution and the Public Finance Act of 1991 (Chapter 26, Title 15.2, Code of Virginia of 1950, as amended), a Locality in the Commonwealth is authorized to issue bonds and notes secured by (a) a pledge of its full faith and credit and unlimited taxing power ("General Obligation Debt"), (b) a pledge of revenues from the ownership or operation or lease of a revenue producing enterprise, such as a water supply, wastewater treatment, solid waste disposal system or transportation project, and certain other funds ("Revenue Debt") and (c) a pledge combining (a) and (b) ("Double-Barrel Debt"). The Constitution and the Public Finance Act of 1991 limit the amount of such General Obligation Debt or Double-Barrel Debt (except Double-Barrel Debt that has been authorized by referendum to finance a project that is producing sufficient revenue to pay debt service on such Debt) which may be incurred by cities and towns (and counties that have elected to be treated as a city for purposes of the incurrence of debt) to 10% of the assessed valuation of real estate subject to local taxation. Some city or town charters may further limit the amount of debt that may be incurred within a fiscal year or that may be incurred without a referendum. Counties may not issue General Obligation Debt or Double-Barrel Debt without a referendum, except for refunding bonds and bonds issued for capital projects for school purposes and sold to the Literary Loan Fund, the Virginia Retirement System or other Commonwealth agency prescribed by law. The Constitution and the Public Finance Act of 1991 do not contain restrictions on the amount of Revenue Debt that may be incurred by a Locality. The bond resolution, trust indenture or other agreement providing for the issuance of Revenue Debt may, however, contain certain rate covenants and additional bonds tests that must be satisfied prior to the issuance of additional Revenue Debt.

The authorization for a Locality to issue a Special Fund Local Bond to VRA is found in Section 62.1-216 of the Act, which among other things provides for the creation and maintenance of special funds for the payment of debt service on Local Bonds and the appropriation of funds of the Locality to make deposits into a special fund.

*Limited Purpose Local Governments.* Subject to the provisions of its respective enabling legislation, most Limited Purpose Local Governments are authorized to issue Revenue Debt only. The bond resolution, trust agreement or other agreement providing for the issuance of debt may contain certain rate covenants and additional bonds tests that must be satisfied prior to the issuance of additional Revenue Debt. Sanitary districts are authorized to issue Revenue Debt and, subject to certain limitations, may levy an annual tax upon on all property in the district subject to local taxation to pay debt service on such debt.

## **Leasing Powers**

Most Local Governments are authorized to lease property as lessor and as lessee under the Virginia Code. In general, as described above, a county may not issue General Obligation Debt without a referendum. Counties sometimes choose to finance non-revenue-producing projects by entering into long-term leases under which the obligation to pay rentals is subject to annual appropriations by the governing body of the county. Based on a number of opinions of the Attorney General of Virginia, and the decision of the Supreme Court of Virginia in *Dykes* (as referenced under the heading "Local Bonds" in the subsection "SECURITY FOR THE LOCAL OBLIGATIONS" in Section Two), to the effect that "subject-to-appropriation" financings do not constitute General Obligation Debt, there is no legally enforceable duty or liability on the county

to make the appropriation. The rentals are often pledged to secure bonds issued by Limited Purpose Local Governments to finance the project leased to the county.

### **Certain Economic Information**

The economy of the Commonwealth and its Local Governments is affected to a significant degree by manufacturing, the government sector (including defense and other federal government operations), agriculture, mining and tourism. Defense installations are concentrated in (i) Northern Virginia, the location of the Pentagon, and (ii) the Hampton Roads area, including the Cities of Newport News, Hampton, Norfolk and Virginia Beach (Southeastern Virginia), the locations of, among other installations, the Joint Base Langley-Eustis (the combination of Langley Air Force Base and Fort Eustis), Norfolk Naval Station and the Oceana Naval Air Station, respectively. Any substantial reductions in defense spending generally or in particular areas, including base closings, could adversely affect the economies of the Commonwealth and its political subdivisions. Certain financial, economic and demographic information about the Commonwealth, including a discussion of certain economic outlook and revenue forecasts, has been incorporated by reference in this Official Statement. See Appendix D.

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**THE 2015D LOCAL GOVERNMENTS AND  
THE OTHER PARTICIPATING LOCAL GOVERNMENTS**

Set forth in the table below are the expected 2015D Local Governments and the expected features of their respective 2015D Local Obligations. The 2015D Local Obligations are expected to be delivered contemporaneously with the delivery of the 2015D Bonds.

**2015D Local Governments**

<b><u>Local Government</u></b>	<b><u>Principal Amount of 2015D Local Obligation</u></b>	<b><u>Purpose</u></b>	<b><u>Type of Security</u><sup>2</sup></b>	<b><u>Term (years)</u></b>	<b><u>Percentage of all Outstanding Local Obligations</u></b>
Frederick County Sanitation Authority	\$ 4,045,000	Water, Wastewater, Refunding	Revenue	13	0.18%
Fredericksburg, City of	1,855,000	Solid Waste	Revenue	8	0.08
Giles County	5,390,000	Water, Wastewater, Local Government Building, Refunding	Lease	17	0.24
Hanover County	7,130,000	Water, Wastewater, Refunding	Revenue	9	0.31
Hopewell, City of (Taxable)	5,445,000	Wastewater, Refunding	Revenue	10	0.24
Nelson County	3,590,000	Local Government Building	Lease	15	0.16
Rivanna Water and Sewer Authority	44,495,000	Water, Wastewater, Refunding	Revenue	30	1.95
Stafford County	8,620,000	Water, Wastewater	Revenue	20	0.38
Stafford County	1,855,000	Solid Waste	Revenue	8	0.08
Suffolk, City of (Tax-Exempt)	81,125,000	Water, Wastewater, Refunding	Revenue	30	3.56
Suffolk, City of (Taxable)	1,135,000	Water, Wastewater, Refunding	Revenue	5	0.05
<b>Total</b>	<b>\$ 164,685,000<sup>1</sup></b>				

<sup>1</sup> Total is less than aggregate par amount of the 2015D Bonds because total does not include bonds sold to fund the Capital Reserve Fund.

<sup>2</sup> For an explanation of the types of security for the 2015D Local Obligations, see the subsection "SECURITY FOR THE LOCAL OBLIGATIONS" in Section Two.

Set forth in the table below is the aggregate participation in the Program of the 2015D Local Governments and all of the other Local Governments that have currently outstanding Local Obligations acquired with proceeds of the Bonds Outstanding. There are currently 140 Local Government participants in the Program including the 2015D Local Governments.

**Aggregate Participation in the Virginia Pooled Financing Program**

<b>Local Government</b>	<b>Outstanding Amount<sup>1</sup></b>	<b>Percentage of all Outstanding Local Obligations<sup>1</sup></b>	<b>Type of Security</b>
Accomack County	\$ 4,040,000	0.18%	Lease
Alexandria Renew Enterprises	20,115,000	0.88%	Revenue
Amelia County	425,000	0.02%	M.O./Revenue
Amherst County Service Authority	8,975,000	0.39%	M.O./Revenue
Appomattox River Water Authority	8,460,000	0.37%	Revenue
Augusta County	5,705,000	0.25%	Lease
Bedford Regional Water Authority	13,410,000	0.59%	M.O./Revenue
Bedford Regional Water Authority	31,225,000	1.37%	Revenue
Bedford, Town of	180,000	0.01%	G.O./Revenue
Bland County	2,365,000	0.10%	Lease
Blue Ridge Regional Jail Authority	47,485,000	2.08%	Revenue
Botetourt County	13,530,000	0.59%	Lease
Boydton, Town of	455,000	0.02%	Revenue
Bristol Virginia Utilities	38,235,000	1.68%	Revenue
Bristol, City of	3,035,000	0.13%	G.O.
Broadway, Town of	8,630,000	0.38%	G.O./Revenue
Brunswick County	4,975,000	0.22%	Lease
Buchanan Public Service Authority	1,565,000	0.07%	M.O./Revenue
Buckingham County	6,560,000	0.29%	Lease
Caroline County	38,425,000	1.68%	M.O./Revenue
Caroline County	7,765,000	0.34%	Lease
Caroline County	295,000	0.01%	G.O.
Charlotte County	11,570,000	0.51%	Lease
Chilhowie, Town of	4,465,000	0.20%	G.O.
Clarksville, Town	3,875,000	0.17%	G.O./Revenue
Clifton Forge, Town of	800,000	0.04%	G.O.
Clifton Forge, Town of	270,000	0.01%	G.O./Revenue
Covington, City of	5,140,000	0.23%	Revenue
Craig-New Castle Public Service Authority	540,000	0.02%	Revenue
Culpeper County	3,060,000	0.13%	Lease
Dickenson County	595,000	0.03%	Lease
Dinwiddie County	34,170,000	1.50%	Lease
Dinwiddie County Water Authority	2,005,000	0.09%	M.O./Revenue
Dumfries, Town of	1,605,000	0.07%	G.O.
Edinburg, Town of	10,000	0.00%	G.O.
Essex County	4,825,000	0.21%	Lease
Fairfax Co. Park Authority	3,555,000	0.16%	Revenue
Fairfax County	9,975,000	0.44%	Sp. Fund
Fairfax, City of	29,205,000	1.28%	Lease
Fairfax, City of	23,085,000	1.01%	Revenue
Falls Church, City of	2,715,000	0.12%	G.O.
Farmville, Town of	14,755,000	0.65%	G.O.
Fauquier County	12,125,000	0.53%	Lease

<b>Local Government</b>	<b>Outstanding Amount<sup>1</sup></b>	<b>Percentage of all Outstanding Local Obligations<sup>1</sup></b>	<b>Type of Security</b>
Fauquier County	2,405,000	0.11%	M.O./Revenue
Fincastle, Town of	415,000	0.02%	G.O.
Fluvanna County	3,180,000	0.14%	Lease
Franklin County	2,495,000	0.11%	M.O./Revenue
Franklin, City of	1,925,000	0.08%	G.O.
Frederick County	24,115,000	1.06%	Lease
Frederick County Sanitation Authority	16,940,000	0.74%	Revenue
Fredericksburg, City of	1,855,000	0.08%	Revenue
Frederick-Winchester Service Authority	67,405,000	2.96%	Revenue
Front Royal, Town of	6,610,000	0.29%	G.O.
Front Royal, Town of	2,740,000	0.12%	G.O./Revenue
Giles County	21,700,000	0.95%	Lease
Gloucester County	6,750,000	0.30%	M.O./Sub. Revenue
Gloucester County	5,100,000	0.22%	Revenue
Goochland County	4,560,000	0.20%	M.O./Revenue
Gordonsville, Town of	620,000	0.03%	G.O.
Greene County	17,730,000	0.78%	M.O./Revenue
Greensville County	6,385,000	0.28%	Lease
Greensville County	2,515,000	0.11%	M.O./Revenue
Greensville County Water and Sewer Authority	4,925,000	0.22%	M.O./Revenue
Greensville County Water and Sewer Authority	3,745,000	0.16%	Revenue
Halifax County	535,000	0.02%	Lease
Halifax County Service Authority	2,065,000	0.09%	Revenue
Halifax County Service Authority	1,700,000	0.07%	M.O./Revenue
Hamilton, Town of	670,000	0.03%	G.O./Revenue
Hampton Roads Regional Jail Authority	12,955,000	0.57%	Revenue
Hampton, City of	79,205,000	3.47%	M.O./Revenue
Hanover County	41,455,000	1.82%	Sp. Revenue
Hanover County	1,850,000	0.08%	Lease
Hanover County	13,760,000	0.60%	Revenue
Harrisonburg, City of	630,000	0.03%	G.O.
Harrisonburg-Rockingham Regional Sewage Authority	6,285,000	0.28%	Revenue
Henry County Public Service Authority	1,510,000	0.07%	Revenue
Hopewell, City of	12,825,000	0.56%	Revenue
John Flannagan Water Authority	410,000	0.02%	Revenue
King George County	49,815,000	2.18%	Lease
King George County	4,755,000	0.21%	Revenue
King George County Service Authority	8,270,000	0.36%	M.O./Revenue
King William County	1,130,000	0.05%	M.O./Revenue
Lake Holiday Sanitary District	7,985,000	0.35%	G.O./Revenue
Lancaster County	3,475,000	0.15%	Lease
Lawrenceville, Town of	640,000	0.03%	Revenue
Lexington, City of	9,505,000	0.42%	G.O.
Loudoun County	45,720,000	2.00%	Lease
Loudoun County	5,340,000	0.23%	M.O./Revenue
Lovettsville, Town of	2,320,000	0.10%	G.O./Revenue
Luray, Town of	1,390,000	0.06%	G.O./Revenue
Luray, Town of	1,360,000	0.06%	G.O.
Manassas Park, City of	28,000,000	1.23%	G.O.
Manassas Park, City of	9,890,000	0.43%	G.O./Revenue

<b>Local Government</b>	<b>Outstanding Amount<sup>1</sup></b>	<b>Percentage of all Outstanding Local Obligations<sup>1</sup></b>	<b>Type of Security</b>
Manassas, City of	1,115,000	0.05%	G.O.
Marion, Town of	2,265,000	0.10%	G.O.
Mathews County	3,600,000	0.16%	Lease
Maury Service Authority	850,000	0.04%	Revenue
Meherrin Regional Jail Authority	38,640,000	1.69%	M.O./Revenue
Middle River Regional Jail Authority	22,905,000	1.00%	M.O./Revenue
Middleburg, Town of	1,780,000	0.08%	G.O.
Middlesex County	500,000	0.02%	Lease
Nelson County	10,735,000	0.47%	Lease
New Kent County	50,665,000	2.22%	M.O./Revenue
New Market, Town of	1,700,000	0.07%	G.O.
New River Regional Water Authority	12,855,000	0.56%	M.O./Revenue
Northampton County	21,875,000	0.96%	Lease
Northwestern Regional Jail Authority	405,000	0.02%	M.O./Revenue
Norton, City of	1,550,000	0.07%	G.O./Revenue
NRV Regional Water Authority	5,765,000	0.25%	Revenue
Patrick County	5,645,000	0.25%	Lease
Petersburg, City of	18,110,000	0.79%	G.O.
Petersburg, City of	7,380,000	0.32%	Revenue
Pittsylvania County	1,665,000	0.07%	Lease
Pocahontas, Town of	945,000	0.04%	G.O.
Poquoson, City of	440,000	0.02%	G.O./Revenue
Potomac Rappahannock Transportation Commission	1,735,000	0.08%	Sp Revenue, M.O.
Powhatan County	5,270,000	0.23%	Lease
Powhatan County	17,530,000	0.77%	M.O./Revenue
Prince Edward County	5,595,000	0.25%	Lease
Prince Edward County	1,815,000	0.08%	G.O.
Prince William County	70,545,000	3.09%	Lease
Purcellville, Town of	820,000	0.04%	G.O./Revenue
Radford, City of	8,565,000	0.38%	G.O.
Rapidan Service Authority	13,430,000	0.59%	Revenue
Rappahannock Regional Jail Authority	6,905,000	0.30%	Revenue
Richmond County	1,445,000	0.06%	Lease
Richmond Metropolitan Authority	77,490,000	3.40%	Revenue
Rivanna Water & Sewer Authority	65,340,000	2.87%	Revenue
Roanoke County	25,285,000	1.11%	Lease
Roanoke Valley Broadband Authority	5,780,000	0.25%	M.O./Revenue
Roanoke, City of	1,050,000	0.05%	G.O.
Rockbridge County	11,760,000	0.52%	Lease
Rockbridge County Solid Waste Authority	595,000	0.03%	M.O./Revenue
Rockingham County	11,895,000	0.52%	M.O./Revenue
Round Hill, Town of	6,095,000	0.27%	G.O.
RSW Regional Jail Authority	45,240,000	1.98%	M.O./Revenue
Shenandoah County	15,055,000	0.66%	Lease
Shenandoah County	4,405,000	0.19%	Sp Revenue, M.O.
South Boston, Town of	1,830,000	0.08%	G.O.
South Boston, Town of	370,000	0.02%	G.O./Revenue
South Hill, Town of	1,550,000	0.07%	G.O.
South Hill, Town of	430,000	0.02%	Revenue
Southampton County	31,090,000	1.36%	M.O./Revenue

<b>Local Government</b>	<b>Outstanding Amount<sup>1</sup></b>	<b>Percentage of all Outstanding Local Obligations<sup>1</sup></b>	<b>Type of Security</b>
Southeastern Public Service Authority	20,670,000	0.91%	G.O. Guaranty
Southside Regional Public Service Authority	3,070,000	0.13%	Revenue
Southwest Virginia Regional Jail Authority	63,310,000	2.78%	M.O./Revenue
Stafford County	2,910,000	0.13%	G.O.
Stafford County	63,630,000	2.79%	Lease
Stafford County	74,920,000	3.29%	Revenue
Stafford County	1,855,000	0.08%	Revenue
Staunton, City of	7,940,000	0.35%	G.O.
Strasburg, Town of	3,820,000	0.17%	G.O.
Suffolk, City of	108,700,000	4.77%	Revenue
Surry County	14,865,000	0.65%	Lease
Sussex Service Authority	10,590,000	0.46%	Revenue
Tappahannock, Town of	2,950,000	0.13%	G.O.
Tazewell County	11,185,000	0.49%	Lease
Tazewell County	805,000	0.04%	M.O./Revenue
Transportation District Commission of Hampton Roads	3,970,000	0.17%	Lease
Vinton, Town of	495,000	0.02%	G.O.
Warren County	77,285,000	3.39%	Lease
Waynesboro, City of	16,800,000	0.74%	G.O.
Waynesboro, City of	1,575,000	0.07%	Revenue
Western Virginia Water Authority	7,465,000	0.33%	M.O./Revenue
Western Virginia Water Authority	60,320,000	2.65%	Revenue
Winchester, City of	56,325,000	2.47%	Revenue
Wise County	4,980,000	0.22%	M.O./Revenue
Woodstock, Town of	2,350,000	0.10%	G.O.
York County	13,600,000	0.60%	Lease
<b>Total</b>	<b>\$2,280,455,000</b>	<b>100.00%</b>	

<sup>1</sup> Figures may not add due to rounding.

*This Official Statement does not include financial information or operating data specific to any 2015D Local Governments or other Local Government. In the future, any Local Government may be required to provide disclosure in a primary offering or on a continuing basis if the aggregate outstanding principal amount of Local Obligations of such Local Government from time to time represents 15% or more of the then outstanding amount of all Local Obligations purchased with proceeds of Bonds then issued and outstanding under the Master Indenture.*

## SECTION FOUR: MISCELLANEOUS

### LITIGATION

There is not now pending or, to the knowledge of VRA, threatened against VRA any litigation restraining or enjoining the issuance or delivery of the 2015D Bonds or questioning or affecting the validity of the 2015D Bonds or the proceedings and authority under which the 2015D Bonds are to be issued, or the pledge or application of any moneys or the security provided for the payment of the 2015D Bonds (except as described below), or the existence or powers of VRA, or restraining or enjoining the execution, delivery or performance of the 2015D Bonds or the Indenture or questioning or affecting the validity of the 2015D Bonds or the Indenture.

Each Local Government will be expected to represent in its respective Agreement that there is no action or suit pending or, to the knowledge of the Local Government, threatened against the Local Government (a) affecting the creation, organization or existence of the Local Government or the title of its officers to their respective offices, (b) seeking to prohibit, restrain or enjoin the execution of the related Agreement or the issuance or delivery of its Local Obligation, (c) in any way contesting or affecting the validity or enforceability of such Local Obligation or Agreement or any agreement or instrument relating to any of the foregoing or (d) the undertaking of the Qualified Project. If a Local Government is unable to make such representation, VRA may in its discretion purchase or decline to purchase its Local Obligation.

From time to time, VRA, some Local Governments and other Virginia issuers are targets of legal proceedings challenging the validity of bonds and requesting associated relief. Such proceedings are frequently in the form of validation suits and "whistleblower" actions under the Federal False Claims Act and the Virginia Fraud Against Taxpayers Act. The plaintiffs or complainants often seek the reversal of long-settled legal precedents, most importantly the Virginia Supreme Court's holding in *Dykes*. See "Local Bonds" in the subsection "SECURITY FOR THE LOCAL OBLIGATIONS" in Section Two. These proceedings tend to be both protracted and highly publicized but to date have generally been found to be without legal merit. If VRA were to become a party to, or become aware of, any such proceeding that would have a material effect on the security for the 2015D Bonds, VRA would be obligated to make an "event disclosure" as described in the subsection "CONTINUING DISCLOSURE UNDER RULE 15c2-12" in this Section and in Appendix F.

### LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the 2015D Bonds are subject to the approving opinions of McGuireWoods LLP, Richmond, Virginia, Bond Counsel, which shall be in substantially the forms of the letters attached as Appendix C. Such opinions will be furnished at the expense of VRA upon delivery of the 2015D Bonds. Bond Counsel has not verified the accuracy, completeness or fairness of this Official Statement, and such opinions will make no statement of any kind as to this Official Statement and will be limited to matters relating to (a) the authorization and validity of the 2015D Bonds, (b) the tax status of interest on the 2015D Bonds under current federal income tax laws, and (c) the tax status of interest on the 2015D Bonds under current Virginia income tax laws.

Certain legal matters will be passed on for VRA by its Executive Director and General Counsel, Stephanie L. Hamlett, Esquire, and for the Underwriters by their counsel, Troutman Sanders LLP, Richmond, Virginia. In connection with the execution and delivery of the Agreements, certain legal matters will be passed on for the Local Governments by their respective bond counsel and general counsel.

## **TAX MATTERS**

### **Federal Income Tax Status of Interest on the 2015D Tax-Exempt Bonds**

Bond Counsel's opinion regarding the 2015D Tax-Exempt Bonds will state that, under current law and assuming compliance with the Covenants (as defined below), interest on the 2015D Tax-Exempt Bonds (including any accrued "original issue discount" properly allocable to the owners of the 2015D Tax-Exempt Bonds) (a) is excludable from gross income for purposes of federal income taxation under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (b) is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations (a "Specific Tax Preference Item"). However, for purposes of the alternative minimum tax imposed on corporations (as defined for federal income tax purposes under Section 56 of the Code), interest on the 2015D Tax-Exempt Bonds must be included in computing adjusted current earnings.

See "Proposed Forms of Bond Counsel Opinions" in Appendix C.

Bond Counsel will express no opinion regarding other federal tax consequences arising with respect to the 2015D Bonds.

Each Bond Counsel opinion speaks as of its date, is based on current legal authority and precedent, covers certain matters not directly addressed by such authority and precedent, and represents Bond Counsel's judgment as to the proper treatment of interest on the 2015D Tax-Exempt Bonds for federal income tax purposes. Bond Counsel's opinion does not contain or provide any opinion or assurance regarding the future activities of VRA or the 2015D Local Governments that will receive proceeds from the 2015D Tax-Exempt Bonds (the "2015D Tax-Exempt Local Governments") or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. VRA and the 2015D Tax-Exempt Local Governments have covenanted, however, to comply with the requirements of the Code.

In delivering its opinion regarding the 2015D Tax-Exempt Bonds, Bond Counsel is relying (a) on certifications of representatives of VRA and the 2015D Tax-Exempt Local Governments as to facts material to the opinion, and (b) except where Bond Counsel serves as bond counsel to a 2015D Tax-Exempt Local Government, on opinions from another firm of municipal bond attorneys serving as bond counsel to each of the 2015D Tax-Exempt Local Governments regarding the application of the proceeds of the 2015D Tax-Exempt Bonds and the ownership, use and operation of the property financed thereby. In addition, Bond Counsel is relying on computations provided by Davenport & Company LLC ("Davenport"), financial advisor to VRA, that were verified by the Verification Agent.

In addition, Bond Counsel is assuming continuing compliance with the Covenants by VRA and the 2015D Tax-Exempt Local Governments. The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied after the issuance of the 2015D Tax-Exempt Bonds in order for interest on the 2015D Tax-Exempt Bonds to be and remain excludable from gross income for purposes of federal income taxation. VRA and the 2015D Tax-Exempt Local Governments, as applicable, have covenanted in their respective tax agreements to comply with the provisions of the Code applicable to the 2015D Tax-Exempt Bonds including, among other things, requirements as to the use, expenditure and investment of the proceeds thereof, the use of the property financed or refinanced thereby, the source of the payment thereof and the security therefor, the arbitrage yield restrictions and rebate payment obligations imposed by the Code and certain other actions that could cause interest thereon to be includable in gross income of their owners (the "Covenants"). Failure by VRA or any of the 2015D Tax-Exempt Local Governments to comply with the Covenants could cause interest on the 2015D Tax-Exempt Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issue. In the event of noncompliance with the Covenants, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the 2015D Tax-Exempt Bonds from becoming includable in gross income for federal income tax purposes.

Bond Counsel has no responsibility to monitor compliance with the Covenants after the date of issue of the 2015D Tax-Exempt Bonds.

Certain requirements and procedures contained, incorporated or referred to in the tax agreements, including the Covenants, may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such agreements. Bond Counsel expresses no opinion concerning any effect on the excludability of interest on the 2015D Tax-Exempt Bonds from gross income for federal income tax purposes of any such subsequent change or action that may be made, taken or omitted upon the advice or approval of counsel other than Bond Counsel.

### **Certain Collateral Federal Tax Consequences**

The following is a brief discussion of certain collateral federal income tax matters with respect to the 2015D Tax-Exempt Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner thereof. Prospective purchasers of 2015D Tax-Exempt Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning or disposing of 2015D Tax-Exempt Bonds.

Prospective purchasers of the 2015D Tax-Exempt Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers including, without limitation, financial institutions, certain insurance companies, certain corporations (including S corporations and foreign corporations), certain foreign corporations subject to the "branch profits tax," individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers attempting to qualify for the earned income tax credit.

In addition, prospective purchasers should be aware that the interest paid on, and the proceeds of the sale of, tax-exempt obligations, including the 2015D Tax-Exempt Bonds, are in many cases required to be reported to the IRS in a manner similar to interest paid on taxable obligations. Additionally, backup withholding may apply to any such payments to any 2015D Tax-Exempt Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any 2015D Tax-Exempt Bond owner who is notified by the IRS of a failure to report all interest and dividends required to be shown on federal income tax returns. The reporting and withholding requirements do not in and of themselves affect the excludability of such interest from gross income for federal tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

### **Original Issue Discount**

The "original issue discount" ("OID") on any 2015D Tax-Exempt Bond is the excess of such bond's stated redemption price at maturity (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of such bond. The "issue price" of a 2015D Tax-Exempt Bond is the initial offering price to the public at which price a substantial amount of such Bonds of the same maturity was sold. The "public" does not include bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers. The issue price for each maturity of the 2015D Tax-Exempt Bonds is expected to be the initial public offering price set forth on the inside cover page of this Official Statement (or, in the case of 2015D Tax-Exempt Bonds sold on a yield basis, the initial offering price derived from such yield), but is subject to change based on actual sales. Accrued OID on the 2015D Tax-Exempt Bonds with OID (the "OID Bonds") is treated as interest that is excludable from gross income for purposes of federal and Virginia income taxation. However, the portion of the OID that is deemed to have accrued to the owner of an OID Bond in each year may be included in determining the alternative minimum tax and the distribution requirements of certain investment companies and may result in some of the collateral federal income tax consequences mentioned in the preceding subsection. Therefore, owners of OID Bonds should be aware that the accrual of OID in each year may result in alternative minimum tax liability, additional distribution requirements or other collateral federal and Virginia income tax consequences although the owner may not have received cash in such year.

Interest in the form of OID is treated under Section 1288 of the Code as accruing under a constant yield method that takes into account compounding on a semiannual or more frequent basis. If an OID Bond is sold or otherwise disposed of between semiannual compounding dates, then the OID which would have accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

In the case of an original owner of an OID Bond, the amount of OID that is treated as having accrued on such OID Bond is added to the owner's cost basis in determining, for federal income tax purposes, gain or loss upon its disposition (including its sale, redemption or payment at maturity). The amounts received upon such disposition that are attributable to accrued OID will be excluded from the gross income of the recipients for federal income tax purposes. The

accrual of OID and its effect on the redemption, sale or other disposition of OID Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above.

Prospective purchasers of OID Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale or redemption of such OID Bonds and with respect to state and local tax consequences of owning OID Bonds.

### **Bond Premium**

In general, if an owner acquires a bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that bond (a "Premium Bond"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond, determined based on constant yield principles. An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Prospective purchasers of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

### **Effects of Future Enforcement, Regulatory and Legislative Actions**

The IRS has established a program to audit tax-exempt obligations to determine whether the interest thereon is includable in gross income for federal income tax purposes. If the IRS does audit the 2015D Bonds, the IRS will, under its current procedures, treat VRA as the taxpayer. As such, the beneficial owners of the 2015D Tax-Exempt Bonds will have only limited rights, if any, to participate in the audit or any administrative or judicial review or appeal thereof. Any action of the IRS, including but not limited to the selection of the 2015D Tax-Exempt Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the marketability or market value of the 2015D Tax-Exempt Bonds.

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and various State legislatures. Such legislation may effect changes in federal or State income tax rates and the application of federal or State income tax laws (including the substitution of another type of tax), or may repeal or reduce the benefit of the excludability of

interest on the tax-exempt obligations from gross income for federal or State income tax purposes. The U.S. Department of the Treasury and the IRS are continuously drafting regulations to interpret and apply the provisions of the Code and court proceedings may be filed the outcome of which could modify the federal or State tax treatment of tax-exempt obligations. There can be no assurance that legislation proposed or enacted after the date of issue of the 2015D Tax-Exempt Bonds, regulatory interpretation of the Code or actions by a court involving either the 2015D Tax-Exempt Bonds or other tax-exempt obligations will not have an adverse effect on the 2015D Bonds' federal or State tax status, marketability or market price or on the economic value of the tax-exempt status of the interest on the 2015D Tax-Exempt Bonds.

Prospective purchasers of the 2015D Tax-Exempt Bonds should consult their own tax advisors regarding the potential consequences of any such pending or proposed federal or State tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

### **Opinion of Bond Counsel – Income Tax Status of Interest on the 2015D Taxable Bonds**

Bond Counsel's opinion with respect to the 2015D Taxable Bonds will state that, based on current law, interest on the 2015D Taxable Bonds is includable in the gross income of the owners thereof for purposes of federal income taxation.

Bond Counsel will express no opinion regarding other federal tax consequences arising with respect to the 2015D Taxable Bonds.

### **Summary**

The following is a summary of certain of the United States federal income tax consequences of the ownership of the 2015D Taxable Bonds as of the date hereof. Each prospective purchaser of the 2015D Taxable Bonds should consult with its own tax advisor regarding the application of United States federal income tax laws, as well as any state, local, foreign or other tax laws, to its particular situation.

This summary is based on the Code, as well as Treasury regulations and administrative and judicial rulings and practice. Legislative, judicial and administrative changes may occur, possibly with retroactive effect, that could alter or modify the continued validity of the statements and conclusions set forth herein. This summary is intended as a general explanatory discussion of the consequences of holding the 2015D Taxable Bonds generally and does not purport to furnish information in the level of detail or with the prospective purchaser's specific tax circumstances that would be provided by a prospective purchaser's own tax advisor. For example, it generally is addressed only to original purchasers of the 2015D Taxable Bonds that are "U.S. holders," as hereinafter defined, deals only with 2015D Taxable Bonds held as capital assets within the meaning of Section 1221 of the Code and does not address tax consequences to owners that may be relevant to investors subject to special rules, such as individuals, trusts, estates, tax-exempt investors, foreign investors, cash method taxpayers, dealers in securities, currencies or commodities, bank thrifts, insurance companies, electing large partnerships, mutual funds, regulated investment companies, real estate investment trusts, S corporations, persons that hold 2015D Taxable Bonds as part of a straddle, hedge, integrated or conversion transaction, and persons whose "functional currency" is not the U.S. dollar. In addition, this summary does not

address alternative minimum tax issues or the indirect consequences to a holder of an equity interest in an owner of the 2015D Taxable Bonds.

As used herein, a "U.S. holder" is a "U.S. person" that is a beneficial owner of 2015D Taxable Bonds. A "non-U.S. investor" is a holder (or beneficial owner) of 2015D Taxable Bonds that is not a U. S. person. For these purposes, a "U.S. person" is a citizen or resident of the United States, a corporation, partnership or other entity created or organized in or under the laws of the United States or any political subdivision thereof (except, in the case of a partnership, to the extent otherwise provided in Treasury regulations), an estate the income of which is subject to United States federal income taxation regardless of its source, or a trust if (i) a United States court is able to exercise primary supervision over the trust's administration and (ii) one or more United States persons have the authority to control all of the trust's substantial decisions.

### **Tax Status of the 2015D Taxable Bonds**

The 2015D Taxable Bonds will be treated, for federal income tax purposes, as a debt instrument. Accordingly, interest will be included in the income of the owner as it is paid (or, if the owner is an accrual method taxpayer, as it is accrued) as interest.

Owners of the 2015D Taxable Bonds that allocate a basis in the 2015D Taxable Bonds that is greater than the principal amount of the 2015D Taxable Bonds should consult their own tax advisors with respect to whether or not they should elect to amortize such premium under Section 171 of the Code.

If an owner purchases the 2015D Taxable Bonds for an amount that is less than the principal amount of the 2015D Taxable Bonds, and such difference is not considered to be de minimis, then such discount will represent market discount that ultimately will constitute ordinary income (and not capital gain). Further, absent an election to accrue market discount currently, upon a sale or exchange of a 2015D Taxable Bonds, a portion of any gain will be ordinary income to the extent it represents the amount of any such market discount that was accrued through the date of sale. In addition, absent an election to accrue market discount currently, the portion of any interest expense incurred or continued to carry a market discount bond that does not exceed the accrued market discount for any taxable year, will be deferred.

### **Sale and Exchange of the 2015D Taxable Bonds**

Upon a sale or exchange of its interest in the 2015D Taxable Bonds, an owner generally will recognize gain or loss on its interest in the 2015D Taxable Bonds equal to the difference between the amount realized on the sale and its adjusted tax basis in such interest in the 2015D Taxable Bonds. Such gain or loss generally will be capital gain (although any gain attributable to accrued market discount of the interest in the 2015D Taxable Bonds not yet taken into income will be ordinary). The adjusted basis of the owner in an interest in the 2015D Taxable Bonds will (in general) equal its original purchase price increased by any original issue discount or market discount includable in the gross income of the owner with respect to the 2015D Taxable Bonds and decreased by any principal payments received on the 2015D Taxable Bonds. In general, if the 2015D Taxable Bonds is held for longer than one year, any gain or loss would be long term capital gain or loss, and capital losses are subject to certain limitations.

## **Defeasance**

Defeasance of the 2015D Taxable Bonds may result in a reissuance thereof, in which event an owner will recognize taxable gain or loss equal to the difference between the amount realized from the sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and the holder's adjusted tax basis in its interest in the 2015D Taxable Bonds.

## **Foreign Investors**

Distributions of the 2015D Taxable Bonds to a non-U.S. holder that has no connection with the United States other than holding its interest in the 2015D Taxable Bonds generally will be made free of withholding tax, as long as that the non-U.S. holder has complied with certain tax identification and certification requirements.

## **State Tax Treatment of the 2015D Bonds**

Both of the Bond Counsel opinions regarding the 2015D Bonds also will state that, in accordance with Section 62.1-219 of the VRA Act, the 2015D Bonds and the income from them, including any profit made on their sale, are exempt from taxation by the Commonwealth and any of its political subdivisions. Bond Counsel will express no opinion regarding (a) other tax consequences arising with respect to the 2015D Bonds under the laws of the Commonwealth or (b) any consequences arising with respect to the 2015D Bonds under the tax laws of any state or local jurisdiction other than the Commonwealth. Prospective purchasers of the 2015D Bonds should consult their own tax advisors regarding the tax status of interest on the 2015D Bonds in a particular state or local jurisdiction other than the Commonwealth.

## **RELATIONSHIP OF PARTIES**

Davenport & Company LLC ("Davenport"), financial advisor to VRA, also serves as financial advisor to the County of Giles, the City of Hopewell, the Rivanna Water and Sewer Authority and the City of Suffolk, each of which is a 2015D Local Government.

McGuireWoods LLP, Richmond, Virginia, Bond Counsel, serves as bond counsel to the County of Stafford and the City of Suffolk, each of which is a 2015D Local Government.

McGuireWoods LLP, Richmond, Virginia, Bond Counsel represents Davenport, the Trustee and each Underwriter from time to time, in matters unrelated to the 2015D Bonds.

Raymond James & Associates, Inc., Senior Manager of the Underwriters, serves as financial advisor to the County of Hanover, Virginia, one of the 2015D Local Governments.

Troutman Sanders LLP, Richmond, Virginia, counsel to the Underwriters, serves as counsel to the Trustee. In addition, Troutman Sanders LLP also represents each Underwriter and the County of Hanover, one of the 2015D Local Governments, from time to time in matters unrelated to the 2015D Bonds.

## **LEGALITY FOR INVESTMENT**

The Act provides that the 2015D Bonds are legal investments for all public officers and public bodies of the Commonwealth and its political subdivisions, and for insurance companies, banks, trust companies, savings banks, savings associations, building and loan associations, investment companies, guardians, executors, trustees and other fiduciaries. No representation is made as to the legality of the 2015D Bonds for investment or any other purpose under any laws of any other state.

The Act also provides that the 2015D Bonds are eligible to be deposited with all public officers and bodies of the Commonwealth and its political subdivisions for any purpose for which the deposit of Bonds or other obligations of the Commonwealth is now or may be later authorized.

## **UNDERWRITING OF CERTAIN 2015D BONDS**

The 2015D Infrastructure Revenue Bonds and 2015D Taxable Moral Obligation Bonds (collectively, the "Underwritten 2015D Bonds") are being purchased by Raymond James & Associates, Inc., Siebert Brandford Shank & Co., L.L.C., Jefferies LLC and Loop Capital Markets LLC (collectively, the "Underwriters"). The purchase contract for the Underwritten 2015D Bonds sets forth the obligation of the Underwriters to purchase: (a) the 2015D Infrastructure Revenue Bonds at a price equal to the aggregate original principal amount of the 2015D Infrastructure Revenue Bonds of \$112,235,000.00, less an underwriters' discount of \$348,067.95 (0.310% of the principal amount thereof), plus net original issue premium of \$14,692,909.45, resulting in a purchase price of \$126,579,841.50; and (b) the 2015D Taxable Moral Obligation Bonds at a price equal to the aggregate original principal amount of the 2015D Taxable Moral Obligation Bonds of \$2,455,000.00, less underwriters' discount of \$7,967.33 (0.325% of the principal amount thereof), resulting in a purchase price of \$2,447,032.67. The Underwriters' compensation does not include compensation for the 2015D Tax-Exempt Moral Obligation Bonds.

The Underwritten 2015D Bonds are being offered for sale to the public at the prices shown on the inside cover pages hereof. The Underwriters reserve the right to lower such initial offering prices as they deem necessary in connection with the marketing of the Underwritten 2015D Bonds. The Underwriters may offer and sell the Underwritten 2015D Bonds to certain dealers (including dealers depositing the Underwritten 2015D Bonds into investment trusts) and others at prices lower than the initial public offering price or prices set forth in the Official Statement. The Underwriters reserve the right to join with dealers and other underwriters in offering the Underwritten 2015D Bonds to the public. The Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Underwritten 2015D Bonds at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain

of the Underwriters and their respective affiliates may have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for VRA, for which they received or will receive customary fees and expenses.

VRA intends to use a portion of the proceeds from this offering to redeem the Refunded Bonds. To the extent an Underwriter or an affiliate thereof is an owner of Refunded Bonds, such Underwriter or its affiliate, as applicable, would receive a portion of the proceeds from the issuance of the Underwritten 2015D Bonds contemplated herein in connection with such Refunded Bonds being redeemed by VRA.

In the course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of VRA (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with VRA. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Siebert Brandford Shank & Co., L.L.C. ("Siebert"), one of the Underwriters of the Underwritten 2015D Bonds, has entered into separate agreements with Muriel Siebert & Co. and Credit Suisse Securities (USA) for the retail distribution of certain securities offerings, at the original issue prices. Pursuant to these distribution agreements, if applicable to the Underwritten 2015D Bonds, Muriel Siebert & Co. and/or Credit Suisse Securities (USA), as the case may be, will purchase the Underwritten 2015D Bonds at the original issue price less the selling concession with respect to any of the Underwritten 2015D Bonds that such entity sells. Siebert will share a portion of its underwriting compensation with Muriel Siebert & Co. and/or Credit Suisse Securities (USA).

Loop Capital Markets LLC ("LCM"), one of the Underwriters of the Underwritten 2015D Bonds, has entered into distribution agreements (each a "LCM Distribution Agreement") with each of UBS Financial Services Inc. ("UBSFS") and Deutsche Bank Securities Inc. ("DBS") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each LCM Distribution Agreement, each of UBSFS and DBS will purchase the Underwritten 2015D Bonds from LCM at the original prices less a negotiated portion of the selling concession applicable to any of the Underwritten 2015D Bonds that such firm sells.

Jefferies LLC ("Jefferies"), one of the Underwriters of the Underwritten 2015D Bonds, has entered into an agreement (the "Jefferies Agreement") with E\*TRADE Securities LLC ("E\*TRADE") for the retail distribution of municipal securities. Pursuant to the Agreement, Jefferies will sell the Underwritten 2015D Bonds to E\*TRADE and will share a portion of its selling concession compensation with E\*TRADE.

## **SALE OF 2015D TAX-EXEMPT MORAL OBLIGATION BONDS BY COMPETITIVE BIDDING**

The 2015D Tax-Exempt Moral Obligation Bonds were offered for sale at competitive bidding on November 4, 2015, and were awarded to Morgan Stanley & Co. LLC (the "Winning Bidder"). The Winning Bidder supplied the information as to the initial offering prices of the 2015D Tax-Exempt Moral Obligation Bonds as set forth on Page (ii) of this Official Statement. The Winning Bidder will be purchasing the 2015D Tax-Exempt Moral Obligation Bonds at a purchase price equal to the aggregate original principal amount of the 2015D Tax-Exempt Moral Obligation Bonds of \$52,290,000, less an underwriter's discount of \$298,933.56 (0.572% of the principal amount thereof), plus net original issue premium of \$3,368,165.60, resulting in a purchase price of \$55,359,232.04.

### **CERTIFICATE CONCERNING OFFICIAL STATEMENT FOR WINNING BIDDER**

Concurrently with the delivery of the 2015D Moral Obligation Bonds, officials who signed the 2015D Moral Obligation Bonds will certify that, to the best of their knowledge (i) the Official Statement did not as of its date, and does not as of the date of delivery of the 2015D Moral Obligation Bonds, contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purpose for which the Official Statement is to be used, or which is necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading and (ii) that no litigation is pending or threatened against VRA (A) to restrain or enjoin the issuance or delivery of any of the 2015D Bonds or VRA's collection and application of revenues and assets pledged under the Indenture, (B) in any way contesting or affecting any authority for the issuance or validity of the 2015D Bonds, the execution and delivery by VRA of the Thirty-Fourth Supplemental Indenture or the validity of the Indenture, or (C) in any way contesting the existence or powers of VRA. Such certificate will also state, however, that such officials did not independently verify the information in the Official Statement from sources other than VRA, but that they have no reason to believe that such information contains any untrue statement of a material fact or omits to state a material fact which should be included therein for the purpose for which the Official Statement is to be used, or which is necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading. However, no such certification shall be made regarding the information contained in the subsection "UNDERWRITING OF CERTAIN 2015D BONDS" in this Section Four.

### **VERIFICATION OF MATHEMATICAL COMPUTATIONS**

The arithmetical accuracy of certain computations included in the schedules provided by Davenport on behalf of VRA relating to forecasted payments of principal and interest to redeem the Refunded Bonds was examined by Bingham Arbitrage Rebate Services, Inc., Richmond, Virginia, as Verification Agent. Such computations were based solely upon assumptions and information supplied by Davenport on behalf of VRA. The Verification Agent has restricted its procedures to examining the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information upon which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of the forecasted outcome.

## **RATINGS**

As noted on the cover of this Official Statement, Moody's Investors Services, Inc. and Standard & Poor's Ratings Services have assigned ratings of "Aaa" (with a stable outlook) and "AAA" (with a stable outlook), respectively, to the 2015D Infrastructure Revenue Bonds and "Aa2" (with a stable outlook) and "AA" (with a stable outlook), respectively, to the 2015D Moral Obligation Bonds.

The ratings reflect only the views of the respective rating agencies. Reference should be made to the respective rating agency for a full explanation of the significance of the assigned ratings. VRA furnished to such rating agencies certain information regarding its policies, practices and finances, including information that is not included in this Official Statement. The ratings are not a recommendation to buy, sell or hold the 2015D Bonds and should be evaluated independently. There is no assurance that the ratings will be maintained for any period of time or that the ratings may not be revised downward, suspended or withdrawn entirely by a rating agency if, in its judgment, circumstances so warrant. Any such downward revision, suspension or withdrawal of the ratings could have an adverse effect on the market price of the 2015D Bonds. Due to the ongoing uncertainty regarding the economy of the United States of America, including, without limitation, matters such as the future political uncertainty regarding the United States debt limit, obligations issued by state and local governments and political subdivisions of local governments, such as the 2015D Bonds, could be subject to a rating downgrade. Additionally, if a significant default or other financial crisis should occur in the affairs of the United States or of any of its agencies or political subdivisions, then such event could also adversely affect the market for and ratings, liquidity, and market value of outstanding debt obligations, including the 2015D Bonds.

## **FINANCIAL ADVISOR**

Davenport is employed as a financial advisor to the VRA in connection with the issuance of the 2015D Bonds. The financial advisor's fee for services rendered with respect to the sale of the 2015D Bonds is contingent upon the issuance and delivery of the 2015D Bonds. Davenport, in its capacity as financial advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents provided, agreed to or made by others with respect to the federal income tax status of the 2015D Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

Davenport, as the financial advisor to the VRA, has provided the following sentence for inclusion in this Official Statement. Although Davenport has assisted in the preparation of this Official Statement, Davenport is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

## **CONTINUING DISCLOSURE UNDER RULE 15c2-12**

This offering is subject to the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule"). Pursuant to a written agreement entered into for the benefit of the holders of the 2015D Bonds, each of (a) the

Commonwealth, (b) VRA and (c) any Local Government that later becomes a Material Local Government will undertake to provide, directly or through an intermediary, specified annual financial information and notice of the events listed in the Rule to the Municipal Securities Rulemaking Board ("MSRB").

*Commonwealth Continuing Disclosure.* Under a Continuing Disclosure Agreement, the form of which is attached as Appendix E, the Treasurer's Office of the Commonwealth will undertake to provide in the manner indicated above information regarding the Commonwealth. In making timely filings of its Annual Reports for Fiscal Years 2009-2013, the CUSIP information necessary to link such filings to (i) each series of the Commonwealth Transportation Board's Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes was inadvertently omitted from such filings for Fiscal Years 2009-2011, (ii) each series of the VRA's Infrastructure Revenue Bonds and Moral Obligation Bonds was inadvertently omitted from such filings for Fiscal Years 2009-2013 and (iii) the Virginia Public School Authority's bonds, notes and tax credit bonds issued in 2009 was not appropriately attached to each of the nine character CUSIPs. Such filings were otherwise available from the MSRB with respect to other Commonwealth undertakings. The Commonwealth has taken steps to ensure future compliance with its undertakings regarding the Rule.

*VRA Continuing Disclosure.* As summarized in Appendix F, VRA will undertake in the Thirty-Fourth Supplemental Series Indenture to provide, in the manner indicated above, information regarding VRA.

VRA is aware that it has not complied with certain of its prior continuing disclosure undertakings as described below. The operating data for fiscal years 2009 and 2010 and some operating data for fiscal year 2011 for VRA's bond programs were not timely filed with the MSRB. Promptly upon discovery of the non-timely filings, VRA made remedial filings of such operating data in 2013 and 2014.

*Local Government Continuing Disclosure.* As summarized in Appendix G, each Local Government will undertake to provide, in the manner indicated above, information regarding such Local Government, but only upon notification by VRA that as of June 30 of any year, such Local Government met the objective criteria set forth in its undertaking to be a Material Local Government. A Local Government constitutes a "Material Local Government" if the aggregate principal amount of the Local Obligations previously issued and outstanding and to be issued by such Local Government is equal to or greater than 15% of the aggregate principal amount of all Local Obligations purchased with the proceeds of the Bonds. No Local Government qualifies as a Material Local Government, and no Local Government qualified as a Material Local Government within the past five years.

The right of the Trustee and the holders to enforce the undertakings described in this subsection is limited to the right to compel performance of the respective obligations of the Commonwealth, VRA and any Material Local Government. Any failure of the Commonwealth, VRA or any Material Local Government to comply with its respective obligations will not give rise to an Event of Default under the Master Indenture, the Agreements or the Financing Leases, respectively.

The obligations of the Commonwealth, VRA and any Material Local Government to provide continuing disclosure is limited to providing specified information at specific times, which may not provide all information material to an evaluation of such entity's financial condition or other matters affecting an investment in the 2015D Bonds.

The Commonwealth, VRA and any Material Local Government may from time to time disclose certain information and data in addition to that required by the Rule. If the Commonwealth, VRA and any Material Local Government choose to provide such additional information or data, they shall have no obligation to continue to update such information or data or to include it in any future disclosure filing.

### **APPROVAL OF OFFICIAL STATEMENT**

VRA has furnished all information in this Official Statement relating to VRA and has duly authorized the distribution of this Official Statement.

Certain financial information of the Commonwealth of Virginia is on file with the MSRB and included by reference in this Official Statement, all as more fully described in Appendix D.

Any statements in this Official Statement involving matters of opinion or of estimates, regardless of whether expressly so stated, are intended as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

VRA has deemed this Official Statement final as of its date within the meaning of the Rule.

### **VIRGINIA RESOURCES AUTHORITY**

By: /s/ Stephanie L. Hamlett  
Executive Director

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**APPENDIX A**

**DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE**

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## DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following contains certain definitions and a brief summary of certain provisions contained in the Master Indenture and the Thirty-Fourth Supplemental Series Indenture of Trust and does not purport to be a complete statement of all of the provisions of those documents. Reference is made to the Master Indenture and the First through Thirty-Fourth Supplemental Series Indentures in their entirety for complete information on their terms and on the terms of the Infrastructure Revenue Bonds and Moral Obligation Bonds, the applicable security provisions and the application of pledged revenues.

### Definitions of Certain Terms

Unless defined above in this Official Statement, all capitalized terms used in this Appendix have the meanings set forth below.

**"Account"** means any account established pursuant to the terms of the Master Indenture or any Supplemental Series Indenture.

**"Acquisition Fund"** means the Acquisition Fund for a Series of Bonds to be established by the Related Supplemental Series Indenture.

**"Act"** means the Virginia Resources Authority Act, Chapter 21, Title 62.1 of the Virginia Code.

**"Administrative Charge"** means any fees or charges established by VRA pursuant to Section 62.1-203(17) of the Act with respect to a Local Obligation, as the same may be revised from time to time and as the same shall be set forth in the Related Supplemental Series Indenture.

**"Agreement,"** when used with respect to any Series of Bonds, means the loan, financing lease, sale-leaseback, lease-leaseback or similar agreement between a Local Government and VRA, as modified, altered, amended and supplemented from time to time in accordance with its terms and the terms of the Master Indenture, which agreement will govern the acquisition by VRA of the Related Local Obligation, among other things.

**"Amortization Requirement,"** as applied to any Term Bonds of any maturity for any Bond Year, means the principal amount or amounts fixed by, or computed in accordance with the terms of, the Related Supplemental Series Indenture for the retirement of such Term Bonds by mandatory purchase or redemption on the Principal Payment Date or Dates established by such Supplemental Series Indenture.

**"Bond" or "Bonds"** means any or all of the Infrastructure Revenue Bonds and Moral Obligation Bonds of VRA issued pursuant to Article V of the Master Indenture, but excludes Junior Subordinate Debt.

**"Bond Counsel"** means counsel selected by VRA which is nationally recognized as experienced in matters relating to obligations issued or incurred by states and their political subdivisions.

**"Bond Credit Facility"** means a line of credit, letter of credit, standby bond purchase agreement, municipal bond insurance or similar credit enhancement or liquidity facility established to provide credit or liquidity support for all or any portion of a Series of Bonds as provided in the Related Supplemental Series Indenture.

**"Bond Credit Provider"** means, as to all or any portion of a Series of Bonds, the Person providing a Bond Credit Facility, as designated in the Related Supplemental Series Indenture in respect of such Bonds.

**"Bond Year"** means the 12 month period commencing on the second day of November of any calendar year and ending on the first day of November of the next ensuing calendar year, or such other twelve-month period commencing and ending on the dates specified with respect to a Series of Bonds in the Related Supplemental Series Indenture. The first and last Bond Years with respect to any Series of Bonds may be short periods.

**"Business Day"** means any Monday, Tuesday, Wednesday, Thursday or Friday on which commercial banking institutions generally are open for business in New York and Virginia.

**"Capital Appreciation Bonds"** means Bonds the interest on which is compounded and accumulated at the rates and on the dates set forth in the Related Supplemental Series Indenture and is payable upon redemption or on the maturity date of such Bonds or on the date, if any, upon which such Bonds become Current Interest Bonds.

**"Capital Reserve Fund"** means the Capital Reserve Fund established pursuant to the Master Indenture.

**"Code"** means the Internal Revenue Code of 1986, as amended, as in effect upon the issuance of and thereafter applicable to any Series of Bonds and the regulations of the U.S. Department of the Treasury promulgated thereunder as in effect upon the issuance of and thereafter applicable to any Series of Bonds.

**"Commonwealth"** means the Commonwealth of Virginia.

**"Cost of Issuance Fund"** means the Cost of Issuance Fund for a Series of Bonds to be established by the Related Supplemental Series Indenture.

**"CRF Credit Facility"** means a letter of credit, surety bond or similar credit enhancement facility acquired by VRA to substitute for cash or investments required to be held in the Capital Reserve Fund.

**"CRF Credit Provider"** means the Person providing a CRF Credit Facility.

**"CRF Reserve Requirement"** means an amount equal to the maximum Principal and Interest Requirements on the Moral Obligation Bonds Outstanding in the then current or any future Bond Year or such larger amount as may be specified in a Supplemental Series Indenture. For purposes of establishing the size of the CRF Reserve Requirement, the Principal and Interest Requirements on Moral Obligation Bonds which are Optional Tender Bonds and/or Variable Rate Bonds shall be determined or adjusted as set forth in the section titled "Modification of Certain Definitions" in the Master Indenture.

**"Current Interest Bonds"** means Bonds the interest on which is payable currently on the Interest Payment Dates provided therefor in the Related Supplemental Series Indenture.

**"Custodian"** means a bank or trust company that is (i) organized and existing under the laws of the United States or any of its states and (ii) acceptable to the Trustee.

**"Defaulted Local Obligations"** means any Local Obligations in default of payment of debt service at the time in question.

**"Defeasance Obligations"** means noncallable (i) Government Obligations, (ii) Government Certificates, (iii) Defeased Municipal Obligations, and (iv) Defeased Municipal Obligation Certificates.

**"Defeased Municipal Obligation Certificate"** means evidence of ownership of a proportionate interest in specified Defeased Municipal Obligations, which Defeased Municipal Obligations are held by a Custodian.

**"Defeased Municipal Obligations"** means obligations of the Commonwealth or any county, city, town, district, authority, agency, political subdivision or other public body of the Commonwealth, which are rated in the highest rating category by any Rating Agency, provision for the payment of the principal of and interest on which has been made by the deposit with a trustee or escrow agent of Government Obligations or Government Certificates, the maturing principal of and interest on which, when due and payable, will provide sufficient money to pay the principal of, redemption premium, if any, and interest on such obligations.

**"Escrow Fund"** means an escrow fund relating to a Series of Refunding Bonds that may be established pursuant to the Related Supplemental Series Indenture.

**"Event of Default"** means any of the events enumerated in the section titled "Events of Default" in the Master Indenture.

**"Fund"** means any fund established pursuant to the terms of the Master Indenture or any Supplemental Series Indenture.

**"Government Certificates"** mean certificates representing ownership of United States Treasury bond principal at maturity or interest coupons for accrued periods, which bonds or coupons are held in the capacity of custodian by a Custodian that is independent of the seller of such certificates.

**"Government Obligations"** mean direct obligations of, or obligations the payment of the principal of and interest on which is unconditionally guaranteed by, the United States of America.

**"Infrastructure Revenue Bond Debt Service Coverage"** shall have the meaning assigned to it in the definition of Projected Revenue Certificate.

**"Infrastructure Revenue Bond Revenue Coverage"** shall have the meaning assigned to it in the definition of Projected Revenue Certificate.

**"Infrastructure Revenue Bond Revenues"** means, collectively, the ORF Revenues, the Administrative Charges and the Rebate Amounts.

**"Infrastructure Revenue Bonds"** means any VRA Debt issued by VRA pursuant to Article V of the Master Indenture and identified as "Infrastructure Revenue Bonds" in the Related Supplemental Series Indenture. Infrastructure Revenue Bonds are secured by a pledge of and lien on (i) the Revenues senior and superior to the pledge of and lien on the Revenues securing the Moral Obligation Bonds and (ii) Infrastructure Revenue Bond Revenues. Infrastructure Revenue Bonds are not secured by the Capital Reserve Fund.

**"Infrastructure Revenue Debt Service Fund"** means the Infrastructure Revenue Debt Service Fund established pursuant to the Master Indenture.

**"Infrastructure Revenue Debt Service Reserve Fund"** means the Infrastructure Revenue Debt Service Reserve Fund established pursuant to the Master Indenture.

**"Infrastructure Revenue DSRF Credit Facility"** means a letter of credit, surety bond or similar credit enhancement facility acquired by VRA to substitute for cash or investments required to be held in the Infrastructure Revenue Debt Service Reserve Fund.

**"Infrastructure Revenue DSRF Credit Provider"** means the Person providing an Infrastructure Revenue DSRF Credit Facility.

**"Infrastructure Revenue DSRF Requirement"** means \$0 or such larger amount as may be specified in a Supplemental Series Indenture.

**"Interest Payment Date"** means a November 1 or May 1, as the case may be; provided, however, that "Interest Payment Date" may mean, if so provided in a Supplemental Series Indenture, such other date or dates provided therein or permitted thereby.

**"Interest Requirement"** for any Interest Payment Date, as applied to all of the Current Interest Bonds or a portion thereof, means the total of the interest regularly scheduled to become due on such Bonds on such Interest Payment Date. Interest expense shall be excluded from the definition of Interest Requirement to the extent that proceeds of any Bonds are held by the Trustee to pay such interest. Unless VRA shall otherwise provide in a Supplemental Indenture, interest expense on Bond Credit Facilities drawn upon to purchase but not to retire Bonds, to the

extent such interest exceeds the interest otherwise payable on such Bonds, shall not be included in the determination of an Interest Requirement.

**"Junior Subordinate Debt"** means VRA Debt that is secured by a pledge of revenues, money and other property of VRA expressly made subordinate to the pledge of the Revenues, Infrastructure Revenue Bond Revenues, Funds and Accounts and other property securing the Bonds of all Series set forth in the article titled "Establishment of Trust" in the Master Indenture.

**"Local Account"** means any Account established pursuant to a Supplemental Series Indenture in a Fund or Account with respect to a Local Government.

**"Local Government(s)"** means any "local government" (as defined in Section 62.1-199 of the Act) entering into an Agreement and its permitted successors and assigns under such Agreement.

**"Local Obligation Payments"** means the amounts payable by each Local Government pursuant to the terms of its Local Obligation or Obligations.

**"Local Obligation(s)"** means the "local obligation" (within the meaning of Section 62.1-199 of the Act) issued or entered into by a Local Government and acquired by the VRA or the Trustee pursuant to the Related Agreement and financed with the proceeds of a Series of Bonds and/or other amounts on deposit in the Related Acquisition Fund.

**"Majority Owners"** means the Owners of at least 51% of the aggregate principal amount of the Infrastructure Revenue Bonds or the Moral Obligation Bonds Outstanding, as applicable.

**"Master Indenture"** means the Master Indenture of Trust dated as of December 1, 2003, between VRA and the Trustee, as the same may be modified, altered, amended and supplemented in accordance with its terms by one or more Supplemental Series Indentures and other Supplemental Indentures.

**"Minimum Balance"** means the minimum amount, which, if applied as the clause (b)(2) amount in the definition of Projected Revenue Certificate, assuming all other amounts are fixed, would result in Infrastructure Revenue Bond Debt Service Coverage equal to at least the Required Infrastructure Revenue Bond Debt Service Coverage.

**"Minimum CRF Reserve Requirement"** means an amount equal to the CRF Reserve Requirement or such lesser amount as may be established by VRA pursuant to the Master Indenture.

**"Moral Obligation Bonds"** means any VRA Debt issued by VRA pursuant to the Master Indenture and identified as "Moral Obligation Bonds" in the Related Supplemental Series Indenture. Moral Obligation Bonds are secured by a pledge of and lien on the Revenues junior and subordinate to the pledge and lien securing the Infrastructure Revenue Bonds. Moral Obligation Bonds are secured by the Capital Reserve Fund.

**"Moral Obligation Debt Service Fund"** means the Moral Obligation Debt Service Fund established pursuant to the Master Indenture.

**"Officer's Certificate"** means a certificate signed by a VRA Representative and filed with the Trustee.

**"Operating Reserve Fund"** means the Operating Reserve Fund established pursuant to the Master Indenture.

**"Opinion"** or **"Opinion of Counsel"** means a written opinion of any attorney or firm of attorneys, who or which may be Bond Counsel or counsel for VRA or the Trustee.

**"Optional Tender Bonds"** means any Bonds issued under the Master Indenture a feature of which is an option on the part of the Owners of such Bonds to tender to VRA, or to the Trustee, any Paying Agent or other fiduciary for such Owners, or to an agent of any of the foregoing, all or a portion of such Bonds for payment or purchase.

**"ORF Revenues"** means investment earnings on amounts in the Operating Reserve Fund.

**"Outstanding,"** when used in reference to the Bonds and as of a particular date, means all Bonds authenticated and delivered under the Master Indenture except:

(a) Any Bond canceled or required to be canceled by the Trustee at or before such date;

(b) Any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered under the Master Indenture;

(c) Any Bond deemed paid under Article XII of the Master Indenture except that any such Bond shall be considered Outstanding until its maturity or redemption date only for the purpose of actually being paid and for purposes of Articles III and IV and Section 6.1 in the Master Indenture (or the corresponding provisions of the Related Supplemental Series Indenture, as the case may be); and

(d) Any Bond not deemed Outstanding under, but only to the extent provided for in the section titled "Supplemental Indentures Requiring Consent" in the Master Indenture.

**"Owner"** means the registered owner of any Bond.

**"Paying Agent or Paying Agents"** means any paying agent(s) for the Bonds (which may include the Trustee) and any successor or successors as paying agent(s) appointed pursuant to the Master Indenture or the provisions of any Supplemental Series Indenture. Unless otherwise provided in a Supplemental Series Indenture, the Trustee shall be the Paying Agent.

**"Payment Date"** means a date that is an Interest Payment Date or a Principal Payment Date or both.

**"Person"** means an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof.

**"Principal"** means (i) with respect to a Capital Appreciation Bond, the Accreted Amount thereof (the difference between the stated amount to be paid at maturity and the Accreted Amount being deemed unearned interest) except when used in connection with the authorization and issuance of Bonds and with the order of priority of payments of Bonds after an Event of Default in which case "principal" means the initial public offering price of the Capital Appreciation Bond (the difference between the Accreted Amount and the initial public offering price being deemed interest) and (ii) with respect to the principal amount of any Current Interest Bond, the principal amount of such Bond payable in satisfaction of an Amortization Requirement, if applicable, or at maturity.

**"Principal and Interest Requirements"** for any Payment Date or for any period means the sum of the Principal Requirements and the Interest Requirements for such date or such period, respectively.

**"Principal Payment Date"** means a November 1 upon which the principal amount of any Bond is stated to mature or upon which the principal of any Term Bond is subject to redemption in satisfaction of an Amortization Requirement or such other date or dates as may be provided by the Related Supplemental Series Indenture.

**"Principal Requirement"** means for any Principal Payment Date, as applied to all Bonds or a portion thereof, the total of the principal regularly scheduled to become due on such Principal Payment Date. Principal payments shall be excluded from the definition of Principal Requirement to the extent that proceeds of any Bonds are held by the Trustee to pay such Principal. Unless VRA shall otherwise provide in a Supplemental Indenture, principal payments on Bond Credit Facilities drawn upon to purchase but not to retire Bonds, to the extent such principal exceeds the principal otherwise payable on such Bonds, shall not be included in the determination of a Principal Requirement.

**"Projected Revenue Certificate"** means an Officer's Certificate setting forth, as of any particular date:

(a) A schedule of estimated amounts of the following types of Revenues to be available in the then-current and each future Bond Year for the payment of the Principal and Interest Requirements of all of the Bonds and the Administrative Charges:

(i) Scheduled Local Obligation Payments except on Defaulted Local Obligations;

(ii) Income receivable from the investment of amounts from time to time held in the Infrastructure Revenue Debt Service Reserve Fund and the Capital Reserve Fund;

(iii) Amounts scheduled to be released from the Infrastructure Revenue Debt Service Reserve Fund or the Capital Reserve Fund as a result of the payment at maturity

or pursuant to the Amortization Requirements of the Bonds Outstanding and, if applicable, then to be issued; and

(iv) Any other amounts identified as Revenues in the Projected Revenue Certificate and in a Supplemental Indenture, if there is filed with the Trustee written confirmation from each Rating Agency that the inclusion thereof will not result in the withdrawal or reduction of its then-current rating on any of the Bonds Outstanding.

(b) A schedule of estimated amounts of the following sources to be available in the then-current and each future Bond Year for the payment of the Principal and Interest Requirements of the Infrastructure Revenue Bonds.

(i) ORF Revenues;

(ii) Amounts, if any, which are or will be on deposit in the Operating Reserve Fund; and

(iii) Any other revenues or amounts identified in the Projected Revenue Certificate and in a Supplemental Indenture as Infrastructure Revenue Bond Revenues or Fund balances available for the payment of the Principal and Interest Requirements of the Infrastructure Revenue Bonds, if there is filed with the Trustee written confirmation from each Rating Agency that the inclusion thereof will not result in the withdrawal or reduction of its then-current rating on any of the Infrastructure Revenue Bonds Outstanding.

(c) A schedule of the Principal and Interest Requirements and all Administrative Charges scheduled to become due and payable on each Payment Date in the then-current and each future Bond Year with respect to all Bonds Outstanding and, if applicable, then to be issued.

(d) A schedule of the Principal and Interest Requirements scheduled to become due and payable on each Payment Date in the then-current and each future Bond Year with respect to all Infrastructure Revenue Bonds Outstanding and, if applicable, then to be issued.

(e) The percentage obtained by dividing the sum of estimated Revenues and Infrastructure Revenue Bond Revenues set forth in clauses (a) and (b)(i) and (iii) for each of the then-current and future Bond Years by the scheduled Principal and Interest Requirements and Administrative Charges set forth in clause (c) for the same Bond Year ("Revenue Coverage").

(f) The percentage obtained by dividing the sum of estimated Revenues and Infrastructure Revenue Bond Revenues set forth in clauses (a) and (b)(i) and (iii) for each of the then-current and future Bond Years by the scheduled Principal and Interest Requirements set forth in clause (d) for the same Bond Year ("Infrastructure Revenue Bond Revenue Coverage").

(g) The percentage obtained by dividing the sum of estimated Revenues and Infrastructure Revenue Bond Revenues set forth in clauses (a) and (b)(i) and (iii) and the Fund balances set forth in clause (b)(ii) and (iii) for each of the then-current and future Bond Years by

the scheduled Principal and Interest Requirements set forth in clause (d) for the same Bond Year ("Infrastructure Revenue Bond Debt Service Coverage").

(h) In projecting the foregoing, VRA shall make the following assumptions: (i) Revenues set forth in clause (a) that are scheduled to be retained in the Revenue Fund pursuant to paragraph "SEVENTH" in the section titled "Revenue Fund" in the Master Indenture shall be reflected as Revenues only with respect to the Payment Dates on which the Trustee is to be directed to apply such retained amounts; (ii) invested funds shall yield an investment return equal to the actual return at the time of the projection net of any Rebate Amounts to be paid therefrom and shall be invested until such time as they are to be applied to the purpose for which they are accumulated; (iii) no Local Obligations will be purchased or acquired by VRA after the date of the Projected Revenue Certificate; and (iv) Administrative Charges shall be collected for the remaining term of each Local Obligation at the rate or rates in effect at the time of the calculation. VRA must use a special set of assumptions set forth in the Master Indenture in preparing a Projected Revenue Certificate if any of the Bonds or Local Obligations to be covered thereby are Optional Tender Bonds and/or Variable Rate Bonds.

**"Purchase Price"** means the purchase price established in any Supplemental Series Indenture for Optional Tender Bonds as the purchase price to be paid for such Bonds upon an optional or mandatory tender of all or a portion of such Bonds.

**"Rating Agency"** means, with respect to any Bonds Outstanding, any nationally recognized credit rating agency if and for so long as such rating agency, at the request of VRA, maintains a rating on such Bonds.

**"Rebate Amount"** means the liability of VRA and/or the Related Local Governments under Section 148 of the Code (including any "yield reduction payments") with respect to any Series of Bonds as may be calculated or specified (including with such reserves or error margin as VRA may deem appropriate) in accordance with the Related Supplemental Series Indenture or the Related Tax Regulatory Agreement.

**"Rebate Fund"** means the Rebate Fund for a Series of Bonds to be established by the Related Supplemental Series Indenture.

**"Refunding Bonds"** shall have the meaning set forth under the heading "Issuance of Bonds" below.

**"Reimbursement Fund"** means the Reimbursement Fund Related to a Series of Bonds that may be established by the Related Supplemental Series Indenture.

**"Reimbursement Obligations"** means any reimbursement or payment obligations of VRA for which moneys in the Reimbursement Fund are pledged or payable pursuant to the provisions of the Master Indenture or any Supplemental Series Indenture.

**"Related,"** as the context may require, means (i) when used with respect to any Cost of Issuance Fund, Acquisition Fund, Rebate Fund or Reimbursement Fund, or any Account or subaccount within any such Fund, the Fund, Account or subaccount so designated and

established by the Related Supplemental Series Indenture authorizing a particular Series of Bonds, (ii) when used with respect to a Supplemental Series Indenture, the Supplemental Series Indenture authorizing a particular Series of Bonds, (iii) when used with respect to Local Obligations, the Local Obligations acquired or entered into with respect to a particular Series of Bonds, and (iv) when used with respect to a Bond Credit Facility or Reimbursement Obligation, the Bond Credit Facility securing a particular Series of Bonds and the Reimbursement Obligation entered into in connection therewith.

**"Required Revenue Coverage"** means 100% or such higher percentage as may be specified in a Supplemental Series Indenture.

**"Required Infrastructure Revenue Bond Debt Service Coverage"** means 100% or such higher percentage as may be specified in a Supplemental Series Indenture.

**"Required Infrastructure Revenue Bond Revenue Coverage"** means 100% or such higher percentage as may be specified in a Supplemental Series Indenture.

**"Reserve Determination Date"** means (i) the tenth day after each Interest Payment Date, or, if such day is not a Business Day, on the first Business Day thereafter or (ii) any other date set forth in a Supplemental Series Indenture or an Officer's Certificate for the valuation of the Infrastructure Revenue Debt Service Reserve Fund and/or the Capital Reserve Fund.

**"Revenue Coverage"** shall have the meaning assigned to it in the definition of Projected Revenue Certificate.

**"Revenue Fund"** means the Revenue Fund established by the Master Indenture.

**"Revenues"** means (i) the Local Obligation Payments, (ii) any proceeds of any Series of Bonds originally deposited with the Trustee for the payment of accrued interest thereon, (iii) investment earnings on amounts in the Revenue Fund, the Infrastructure Revenue Debt Service Fund, the Infrastructure Revenue Debt Service Reserve Fund, the Moral Obligation Debt Service Fund and the Capital Reserve Fund, (iv) amounts released from the Infrastructure Revenue Debt Service Reserve Fund or the Capital Reserve Fund as a result of the payment at maturity, refunding, redemption or defeasance of Bonds and (v) any or all other revenues that may be identified as Revenues pursuant to a Supplemental Indenture; provided, however, that the following shall not be included in Revenues unless specifically authorized to be so included in a Supplemental Indenture: (i) Infrastructure Revenue Bond Revenues; (ii) any amounts in, or earnings on, a Rebate Fund; and (iii) any payments made by VRA or the Commonwealth to replenish the Capital Reserve Fund under Section 62.1-215 of the Act.

**"Serial Bonds"** means the Bonds of a Series that are stated to mature in semiannual or annual installments and that are so designated in the Related Supplemental Series Indenture.

**"Series"** means all of the Bonds of a particular series authenticated and delivered pursuant to the Master Indenture and the Related Supplemental Series Indenture and identified as such pursuant to such Supplemental Series Indenture, and any Bonds of such Series thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Master

Indenture and such Supplemental Series Indenture, regardless of variations in lien status, maturity, interest rate, sinking fund installments or other provisions. A Series may be a combination of Infrastructure Revenue Bonds and Moral Obligation Bonds or consist entirely of Infrastructure Revenue Bonds or Moral Obligation Bonds, all as shall be specified in the Related Supplemental Series Indenture.

**"Supplemental Indenture"** means any indenture supplementary to or amendatory of the Master Indenture or any Supplemental Indenture or Supplemental Series Indenture now or hereafter duly executed and delivered in accordance with the provisions of the Master Indenture, including a Supplemental Series Indenture.

**"Supplemental Series Indenture"** means a Supplemental Indenture providing for the issuance of a Series of Bonds, as such Supplemental Series Indenture may be modified, altered, amended and supplemented by a Supplemental Indenture in accordance with the provisions of the Master Indenture.

**"Tax Regulatory Agreement"** means, with respect to any Series of Bonds, the Tax Certificate and Regulatory Agreement, dated the date of the issuance of the Related Series of Bonds, between VRA and the Trustee, as the same may be modified, altered, amended or supplemented pursuant to its terms.

**"Term Bonds"** means all or some of the Bonds of a Series, other than Serial Bonds, that shall be stated to mature on one or more dates and that are so designated in the Related Supplemental Series Indenture.

**"Trustee"** means U.S. Bank National Association, a national banking association, as successor trustee to SunTrust Bank, and any successors serving in the same capacity under the Master Indenture.

**"Variable Rate Bonds"** means any Bonds the interest rate on which is not established, at the time such Bonds are issued, at a single numerical rate for the entire term of the Bonds.

**"Virginia Code"** means the Code of Virginia of 1950, as amended.

**"VRA"** means the Virginia Resources Authority, a public body corporate and a political subdivision of the Commonwealth of Virginia.

**"VRA Debt"** means "bonds" of VRA as defined in Section 62.1-199 of the Act.

**"VRA Representative"** means any of the Chairman, Vice Chairman or Executive Director of VRA and any other member, officer or employee of VRA authorized by resolution of VRA's Board of Directors to perform the act or sign the document in question.

## **Establishment of Trusts**

*Security for Infrastructure Revenue Bonds.* (a) In order to provide for the payment of the principal of and the premium, if any, and interest on the Infrastructure Revenue Bonds of all

Series issued under the Master Indenture, and to secure the performance of all of the obligations of VRA with respect to the Infrastructure Revenue Bonds, the Master Indenture and the Supplemental Series Indentures, VRA pledges and grants to the Trustee a security interest in the following:

- (i) All of the Revenues and the Infrastructure Revenue Bond Revenues;
- (ii) The Local Obligations and Agreements;
- (iii) The amounts, money, investments and Infrastructure Revenue DSRF Credit Facilities, if any, held by the Trustee and the Paying Agent pursuant to the terms of the Master Indenture in the Revenue Fund, the Infrastructure Revenue Debt Service Fund, the Infrastructure Revenue Debt Service Reserve Fund, and the Operating Reserve Fund; and
- (iv) All other property of any kind mortgaged, pledged or hypothecated to provide for the payment of or to secure the Infrastructure Revenue Bonds of all Series by VRA or by anyone on its behalf and with its written consent at any time as and for additional security under the Master Indenture and the Supplemental Series Indentures in favor of the Trustee, which is authorized to receive all such property at any time and to hold and apply it subject to the terms of the Master Indenture and the Supplemental Series Indentures.

Any of the Revenues, Infrastructure Revenue Bond Debt Service Coverage, Funds and Accounts or other property described above that is received or held by the Trustee is to be held in trust for the equal and proportionate benefit and security of the Owners from time to time of the Infrastructure Revenue Bonds of all Series, except as otherwise provided in, and subject to its application in accordance with the terms of, the Master Indenture and the Supplemental Series Indentures.

*Security for Moral Obligation Bonds.* In order to provide for the payment of the principal of and the premium, if any, and interest on the Moral Obligation Bonds of all Series issued under the Master Indenture, and to secure the performance of all of the obligations of VRA with respect to the Moral Obligation Bonds, the Master Indenture and the Supplemental Series Indentures, VRA pledges and grants to the Trustee a security interest in the following:

- (a) All of the Revenues;
- (b) The Local Obligations and Agreements;
- (c) The amounts, money, investments and CRF Credit Facilities, if any, held by the Trustee and the Paying Agent pursuant to the terms of the Master Indenture in the Revenue Fund, the Moral Obligation Debt Service Fund and the Capital Reserve Fund; and
- (d) All other property of any kind mortgaged, pledged or hypothecated to provide for the payment of or to secure the Moral Obligation Bonds of all Series by VRA or by anyone on its behalf and with its written consent at any time as and for additional security under the Master

Indenture and the Supplemental Series Indentures in favor of the Trustee, which is authorized to receive all such property at any time and to hold and apply it subject to the terms of the Master Indenture and the Supplemental Series Indentures.

VRA's pledge and grant of the security interest in the Revenues and the Local Obligations and Agreements to secure the Moral Obligation Bonds is in all respects junior and subordinate to the pledge and grant securing the Infrastructure Revenue Bonds. The Infrastructure Revenue Bond Revenues shall not secure the Moral Obligation Bonds unless Infrastructure Revenue Bond Revenues are expressly included in Revenues pursuant to a Supplemental Indenture. Notwithstanding the foregoing, however, only the Moral Obligation Bonds shall be secured and paid from amounts in the Moral Obligation Debt Service Fund and the Capital Reserve Fund. Any of the Revenues, Funds and Accounts, or other property described above that is received or held by the Trustee is to be held in trust for the equal and proportionate benefit and security of the Owners from time to time of the Moral Obligation Bonds of all Series, except as otherwise provided in, and subject to its application in accordance with the terms of, the Master Indenture and the Supplemental Series Indentures.

*Bond Credit Facility.* Any Bond Credit Facility which is given to secure some, but not all, of the Bonds, together with money drawn or paid under it, shall be held by the Trustee solely as security for the Bonds to which such Bond Credit Facility is Related. Neither such Bond Credit Facility nor any money drawn or paid under it will secure the payment of any other Bonds.

## **Issuance of Bonds**

All Infrastructure Revenue Bonds of each Series issued and to be issued under the Master Indenture, respectively, are and are to be, to the extent provided in and subject to the Master Indenture and Related Supplemental Series Indenture, equally and ratably secured by the Master Indenture and the Related Supplemental Series Indenture without preference, priority or distinction on account of the actual time or times of the authentication or delivery or maturity or redemption of the Infrastructure Revenue Bonds of such Series, or any of them. In addition, all Moral Obligation Bonds of each Series issued and to be issued under the Master Indenture, respectively, are and are to be, to the extent provided in and subject to the Master Indenture and the Related Supplemental Series Indenture, equally and ratably secured by the Master Indenture and the Related Supplemental Series Indenture without preference, priority or distinction on account of the actual time or times of the authentication or delivery or maturity or redemption of the Moral Obligation Bonds of such Series, or any of them.

In connection with the issuance of additional Bonds, VRA is required to file, among other things, the following documents with the Trustee:

(a) An original executed counterpart of the Related Supplemental Series Indenture which may include provisions (i) authorizing the issuance, fixing the principal amount and setting forth the details of the Bonds of the Series then to be issued, including identifying which Bonds within the Series are Infrastructure Revenue Bonds and which are Moral Obligation Bonds, the interest rate or rates and the manner in which the Bonds are to bear interest, the Principal and Interest Payment Dates of the Bonds, the purposes for which the Bonds are being

issued, the date and the manner of numbering the Bonds, the series designation, the denominations, the maturity dates and amounts, the Amortization Requirements or the manner for determining such Amortization Requirements, and any other provisions for redemption before maturity; (ii) for Bond Credit Facilities for the Series and for Local Accounts and other Accounts and subaccounts to be established with respect to the Bonds within the Funds and Accounts established under the Master Indenture; (iii) for the application of the proceeds of the Bonds of the Series; (iv) necessary or expedient for the issuance of Bonds constituting Variable Rate Bonds or Optional Tender Bonds, including without limitation, tender and remarketing provisions, liquidity facility provisions and provisions for establishing the variable rate and changing interest rate modes; (v) for the amount, if any, to be deposited into the Infrastructure Revenue Debt Service Reserve Fund, which will be an amount at least sufficient to cause to be on deposit in the Infrastructure Revenue Debt Service Reserve Fund the Infrastructure Revenue DSRF Reserve Requirement for the Outstanding Infrastructure Revenue Bonds and the Infrastructure Revenue Bonds of the Series then to be issued; (vi) for the amount, if any, to be deposited into the Capital Reserve Fund, which will be an amount at least sufficient to cause to be on deposit in the Capital Reserve Fund the CRF Reserve Requirement for the Outstanding Moral Obligation Bonds and the Moral Obligation Bonds of the Series then to be issued; and (vii) for such other matters as VRA may deem appropriate;

(b) A certified copy of each resolution adopted by VRA's Board of Directors authorizing the execution and delivery of the Related Supplemental Series Indenture and any Related Reimbursement Obligation and the issuance, sale, execution and delivery of the Series of Bonds then to be issued;

(c) Original executed counterparts of the Related Tax Regulatory Agreement, any Related Bond Credit Facility and any Related Reimbursement Obligation;

(d) A Projected Revenue Certificate, dated the date of delivery of the Bonds of the Series then to be issued, giving effect to the issuance of such Series of Bonds and showing for each Bond Year (i) Revenue Coverage equal to at least Required Revenue Coverage, (ii) Infrastructure Revenue Bond Revenues equal to at least Required Infrastructure Revenue Bond Revenues and (iii) Infrastructure Revenue Bond Revenue Coverage equal to at least Required Infrastructure Revenue Bond Revenue Coverage;

(e) Evidence satisfactory to the Trustee that the amount on deposit in the Operating Reserve Fund is at least equal to the Minimum Balance as of the date of delivery of the Bonds of the Series then to be issued;

(f) If the Bonds of the Series then to be issued are to be issued to refund Bonds issued and outstanding under the Master Indenture ("Refunding Bonds"):

(i) Evidence satisfactory to the Trustee that VRA has made provision as required by the Master Indenture for the payment or redemption of all Bonds to be refunded; and

(ii) A written determination by a knowledgeable professional, including VRA's financial advisor but excluding any employee of VRA, or by a firm of

independent certified public accountants that the proceeds (excluding accrued interest) of the Refunding Bonds, together with any other money to be deposited for such purpose with the Trustee in the Related Escrow Fund or otherwise upon the issuance of the Refunding Bonds and the investment income to be earned on funds held by the Trustee for the payment or redemption of Bonds to be refunded, will be sufficient to pay, whether upon redemption or at maturity, the principal of and premium, if any, and interest on the Bonds to be refunded and the estimated expenses incident to the refunding.

(g) An opinion of Bond Counsel to the effect that the Bonds of the Series then to be issued have been duly authorized, that all conditions precedent to the issuance thereof have been fulfilled and that such Bonds are valid and legally binding limited obligations of VRA, and are secured by the Master Indenture and the Related Supplemental Series Indenture to the extent provided;

(h) An Officer's Certificate, dated the date of delivery of the Bonds of the Series then to be issued, to the effect that to the best of the knowledge of the signatory, upon and immediately following such delivery, no Event of Default under the Master Indenture or any Supplemental Series Indenture with respect to any Series of Bonds Outstanding will have occurred and be continuing;

(i) A written order and authorization to the Trustee on behalf of VRA, signed by a VRA Representative, to authenticate and deliver the Bonds of the Series then to be issued to or upon the order of the purchaser or purchasers therein identified upon payment to the Trustee of the purchase price (including accrued interest, if any) of such Series of Bonds; and

(j) Any additional document or instrument specified in the Related Supplemental Series Indenture.

*Modification of Certain Definitions.* (a) In the case of the following described types of Bonds, the definition of the term "Principal and Interest Requirements" for the purposes of (i) preparing and delivering a Projected Revenue Certificate and (ii) establishing the sizes of the Infrastructure Revenue DSRF Requirement, the CRF Reserve Requirement and the Minimum CRF Reserve Requirement shall be modified as follows:

(A) Optional Tender Bonds. (1) If any of the Outstanding Bonds or additional Bonds of the Series then to be issued constitute Optional Tender Bonds, then the options of the Owners of such Bonds to tender the same for payment prior to their stated maturity or maturities shall be disregarded, (2) if such Bonds also constitute Variable Rate Bonds, VRA shall also make the adjustments described in subsection (a)(ii)(B) below, and (3) any obligation VRA may have, other than its obligation on such additional Bonds (which need not be uniform as to all Owners thereof), to reimburse any Person for its having extended a Bond Credit Facility shall be disregarded.

(B) Variable Rate Bonds. If any of the Outstanding Bonds or Bonds of the Series then to be issued constitute Variable Rate Bonds, then the interest rate used in the above-described computations shall be the greater of (i) the interest rate on any additional Bonds issued as Variable Rate Bonds for the first period of calculation of such

interest and (ii) the weighted average interest rate at which VRA could reasonably expect to have borrowed on the date of issuance of such Bonds by issuing such Bonds with a fixed rate or rates of interest. VRA's reasonable expectation shall be established by an Officer's Certificate and a letter of a knowledgeable professional, including VRA's financial advisor, confirming the interest rate expectation as reasonable. The conversion of Bonds constituting Variable Rate Bonds to bear interest at a fixed rate or rates or vice-versa, in accordance with their terms, shall not constitute a new issuance of Bonds under the Master Indenture.

(b) The requirements and provisions of the Master Indenture governing Projected Revenue Certificates shall also be modified as set forth in subsection (a) above as may be necessary or appropriate for Local Obligations that are or will be Related to Optional Tender Bonds or Variable Rate Bonds.

*Junior Subordinate Debt.* VRA may authorize and issue Junior Subordinate Debt for any lawful purpose payable from the revenues, money and other property pledged under the Master Indenture subject and subordinate to the payment of any Bonds or from securing any Junior Subordinate Debt and its payment by a lien and pledge of the revenues, money and other property pledged under the Master Indenture junior and inferior to the lien and pledge granted by the Master Indenture for the payment and security of Bonds. The resolutions and documents providing for the issuance or incurrence of any Junior Subordinate Debt shall provide that no remedies upon an event of default thereunder may be exercised so long as any Infrastructure Revenue Bonds or Moral Obligation Bonds remain Outstanding.

### **Establishment of Funds and Accounts**

The following funds are established under the Master Indenture as follows:

*Establishment and Custody of Pledged Funds for All Series of Bonds.* With respect to and for the benefit of all Bonds there is, under the Master Indenture, established to be held by the Trustee the Revenue Fund. The Master Indenture provides that, the Revenue Fund is pledged, subject to the limitations within the Master Indenture, as security for all Bonds issued and Outstanding under the Master Indenture. With respect to and for the benefit of the Infrastructure Revenue Bonds of each Series there is established to be held by the Trustee the Infrastructure Revenue Debt Service Fund, the Infrastructure Revenue Debt Service Reserve Fund and the Operating Reserve Fund. These three Funds are pledged as security for all Infrastructure Revenue Bonds issued and Outstanding under the Master Indenture. With respect to and for the benefit of the Moral Obligation Bonds of each Series there is established to be held by the Trustee the Moral Obligation Debt Service Fund and the Capital Reserve Fund. The Master Indenture provides that both of these Funds are pledged, subject to the limitations hereof, as security for all Moral Obligation Bonds issued and Outstanding under the Master Indenture.

*Establishment and Custody of Non-Pledged Funds for Each Series of Bonds.* Unless otherwise provided in the Related Supplemental Series Indenture, the following Funds are to be established in the Related Supplemental Series Indenture and held by or at the direction of VRA with respect to each Series of Bonds:

- (1) Cost of Issuance Fund;
- (2) Acquisition Fund; and
- (3) Rebate Fund.

Unless otherwise provided in the Related Supplemental Series Indenture, none of the Cost of Issuance Fund, the Acquisition Fund or the Rebate Fund is pledged as security for payment of any Bonds of any Series.

*Establishment and Custody of Certain Special Funds.* VRA may establish with the Trustee or an escrow agent satisfactory to the Trustee in connection with the issuance of any Series of Refunding Bonds an Escrow Fund to provide for the application and investment of the portion of the proceeds of such Series to be used to refund the refunded Bonds. Such Escrow Fund shall be established under or in accordance with the Related Supplemental Series Indenture. VRA may establish with the Trustee in connection with the incurrence of any Reimbursement Obligation a Reimbursement Fund. Amounts held for the credit of any Reimbursement Fund shall be paid out by the Trustee as necessary to enable VRA to meet its obligations constituting Reimbursement Obligations. Amounts held for the credit of a Reimbursement Fund may be pledged to the payment of any Related Reimbursement Obligation incurred by VRA.

### **Operation of Revenue Fund and Pledged Funds**

*Nature of Security Afforded by Certain Funds.* All Infrastructure Revenue Bonds of any Series issued and to be issued under the Master Indenture are, and are to be, to the extent provided in the Master Indenture, equally and ratably secured by the Revenue Fund, the Infrastructure Revenue Debt Service Fund, the Infrastructure Revenue Debt Service Reserve Fund and the Operating Reserve Fund. All Moral Obligation Bonds of any Series issued and to be issued under the Master Indenture are, and are to be, to the extent provided in the Master Indenture, equally and ratably secured by the Revenue Fund, the Moral Obligation Debt Service Fund and the Capital Reserve Fund.

*Revenue Fund.* The Trustee shall promptly deposit and hold in the Revenue Fund the Local Obligation Payments and any other amounts transferred to the Revenue Fund from other Funds and Accounts or other sources as provided under the Master Indenture or the Supplemental Series Indentures. On or before each Payment Date on any Series of the Bonds, the Trustee shall make transfers from the Revenue Fund in the amounts and in the order of priority set forth below:

(a) To the Infrastructure Revenue Debt Service Fund the amount, if any, required so that the balance therein shall equal the amount of principal, if any, and interest due on the Payment Date on the Infrastructure Revenue Bonds; provided that for the purpose of computing the amount to be paid to the Infrastructure Revenue Debt Service Fund there shall be deducted the amount, if any, set aside in the Infrastructure Revenue Debt Service Fund which was deposited therein as accrued or capitalized interest and any amounts transferred to the Infrastructure Revenue Debt Service Fund as provided in the section titled "Infrastructure Revenue Debt Service Fund" in the Master Indenture, together in each case with investment earnings thereon;

(b) To the Infrastructure Revenue Debt Service Reserve Fund the amount necessary to cause the balance therein to be equal to the Infrastructure Revenue DSRF Requirement, if any (which shall include the reimbursement of an Infrastructure Revenue DSRF Credit Provider for any drawings on an Infrastructure Revenue DSRF Credit Facility and the payment of any interest, penalties or fees assessed by the Infrastructure Revenue DSRF Credit Provider);

(c) To VRA the amount equal to the sum of the Administrative Charges as confirmed in an Officer's Certificate;

(d) To the Rebate Funds the amounts necessary to provide for the payment of any Rebate Amounts with respect to any Series of Bonds as confirmed in an Officer's Certificate;

(e) To the Moral Obligation Debt Service Fund the amount, if any, required so that the balance therein shall equal the amount of principal, if any, and interest due on the Payment Date on the Moral Obligation Bonds; provided that for the purpose of computing the amount to be paid to the Moral Obligation Debt Service Fund there shall be deducted the amount, if any, set aside in the Moral Obligation Debt Service Fund which was deposited therein as accrued or capitalized interest and any amounts transferred to the Moral Obligation Debt Service Fund as provided in the Master Indenture, together in each case with investment earnings thereon;

(f) To the Capital Reserve Fund to the extent necessary to cause the balance therein to be equal to the CRF Reserve Requirement (which shall include the reimbursement of a CRF Credit Provider for any drawings on a CRF Credit Facility and the payment of any interest, penalties or fees assessed by the CRF Credit Provider); and

(g) To the Operating Reserve Fund, any balance remaining in the Revenue Fund, unless and to the extent that the remaining balance is not necessary to pay future Principal and Interest Requirements on the Bonds at the times and in the amounts provided in (i) a Supplemental Series Indenture and confirmed in an Officer's Certificate or (ii) an Officer's Certificate.

The Trustee shall apply any amounts retained in the Revenue Fund as described in paragraph (g) above to pay the Principal and Interest Requirements on the Bonds at the times and in the amounts provided in the applicable Supplemental Series Indenture or Officer's Certificate as the case may be.

In the case of Bonds of a Series secured by a Bond Credit Facility, amounts on deposit in the Revenue Fund may be transferred to the Infrastructure Revenue Debt Service Fund or Moral Obligation Debt Service Fund, as the case may be, the Related Reimbursement Fund or elsewhere as provided in the Related Supplemental Series Indenture to reimburse the Bond Credit Provider for amounts drawn under the Bond Credit Facility to pay the principal of and premium, if any, and interest on such Bonds.

*Infrastructure Revenue Debt Service Fund.* The Trustee shall promptly deposit the following amounts in the Infrastructure Revenue Debt Service Fund:

(a) The amount, if any, of the proceeds of the Infrastructure Revenue Bonds of any Series, required by the Related Supplemental Series Indenture to be deposited in the Infrastructure Revenue Debt Service Fund in respect of accrued and/or capitalized interest;

(b) All amounts required to be transferred to the Infrastructure Revenue Debt Service Fund from the Revenue Fund;

(c) Any amounts required to be transferred to the Infrastructure Revenue Debt Service Fund from the Infrastructure Revenue Debt Service Reserve Fund and the Operating Reserve Fund, as provided under the Master Indenture; and

(d) Any other amounts required to be paid to the Infrastructure Revenue Debt Service Fund or otherwise made available for deposit therein by any Local Government or VRA, including amounts made available pursuant to the Related Supplemental Series Indenture.

The Trustee shall pay out of the Infrastructure Revenue Debt Service Fund to the Paying Agents for the Infrastructure Revenue Bonds (i) on each Interest Payment Date, the amount required for the payment of interest on the Infrastructure Revenue Bonds then due and (ii) on any redemption date, the amount required for the payment of accrued interest on the Infrastructure Revenue Bonds to be redeemed unless the payment of such accrued interest shall be otherwise provided for, and such amounts shall be applied by the Paying Agents to such payment. The Trustee shall also pay out of the Infrastructure Revenue Debt Service Fund the accrued interest included in the purchase price of the Infrastructure Revenue Bonds of any Series purchased for retirement pursuant to the Master Indenture. The Trustee shall pay out of the Infrastructure Revenue Debt Service Fund to the Paying Agents for the Bonds on each Principal Payment Date and redemption date for the Infrastructure Revenue Bonds, the amounts then required for the payment of such principal or redemption price, and such amounts shall be applied by the Paying Agents to such payments.

*Infrastructure Revenue Debt Service Reserve Fund.* Except as specifically provided below, the amount in the Infrastructure Revenue Debt Service Reserve Fund, if any, shall be used solely to cure deficiencies in the amount on deposit in the Infrastructure Revenue Debt Service Fund. If there is a deficiency in the amount on deposit in the Infrastructure Revenue Debt Service Fund to pay the principal of and interest on the Infrastructure Revenue Bonds when due, then the Trustee shall transfer the amount of the deficiency from the amount, if any, on deposit in the Infrastructure Revenue Debt Service Reserve Fund to the Infrastructure Revenue Debt Service Fund. The Trustee immediately shall notify VRA of the transfer. Notwithstanding the foregoing, no such transfer from the Infrastructure Revenue Debt Service Reserve Fund shall relieve a Local Government of its obligation to make the payments due on its Local Obligations or under the Related Agreement.

On each Reserve Determination Date, the Trustee shall determine if the balance on deposit in the Infrastructure Revenue Debt Service Reserve Fund is at least equal to the Infrastructure Revenue DSRF Requirement. In making each such determination, investments on deposit in the Infrastructure Revenue Debt Service Reserve Fund shall be valued as provided in the Master Indenture. If on any Reserve Determination Date the amount in the Infrastructure Revenue Debt Service Reserve Fund is less than the Infrastructure Revenue DSRF Requirement,

the Trustee shall immediately notify VRA of such fact and the amount of the deficiency. VRA may deposit its own funds directly into the Infrastructure Revenue Debt Service Reserve Fund to cure any deficiency in it.

Any interest earned from the investment of money in the Infrastructure Revenue Debt Service Reserve Fund shall be transferred upon receipt to the Revenue Fund and/or to pay any Rebate Amounts in accordance with the Supplemental Series Indentures and Tax Regulatory Agreements (as confirmed in an Officer's Certificate) to the extent that such transfer will not cause the balance in the Infrastructure Revenue Debt Service Reserve Fund to be less than the Infrastructure Revenue DSRF Requirement. If on any Reserve Determination Date there exists a surplus in the Infrastructure Revenue Debt Service Reserve Fund, the Trustee shall transfer such surplus to the Revenue Fund and/or use it to pay any Rebate Amounts in accordance with the Supplemental Series Indentures and Tax Regulatory Agreements (as confirmed in an Officer's Certificate); provided, however, that if on any Reserve Determination Date there exists or will exist a surplus in the Infrastructure Revenue Debt Service Reserve Fund as the result of the payment at maturity, redemption or defeasance of a portion of the Bonds on or as of such Reserve Determination Date, then the Trustee is authorized to apply the surplus as specified in (i) a Supplemental Series Indenture (as confirmed in an Officer's Certificate) or (ii) an Officer's Certificate.

In lieu of maintaining and depositing money or securities in the Infrastructure Revenue Debt Service Reserve Fund, VRA may deposit with the Trustee an Infrastructure Revenue DSRF Credit Facility in an amount equal to all or a portion of the Infrastructure Revenue DSRF Requirement. Any Infrastructure Revenue DSRF Credit Facility will permit the Trustee to draw or obtain under it for deposit in the Infrastructure Revenue Debt Service Reserve Fund amounts that, when combined with the other amounts in the Infrastructure Revenue Debt Service Reserve Fund, are not less than the Infrastructure Revenue DSRF Requirement.

The Trustee will make a drawing on or otherwise obtain funds under the Infrastructure Revenue DSRF Credit Facility before its expiration or termination (i) whenever money is required for the purposes for which Infrastructure Revenue Debt Service Reserve Fund money may be applied and (ii) unless such Infrastructure Revenue DSRF Credit Facility has been extended or a qualified replacement for it delivered to the Trustee, in the event VRA has not deposited immediately available funds equal to the Infrastructure Revenue DSRF Requirement at least two Business Days preceding the expiration or termination of the Infrastructure Revenue DSRF Credit Facility.

If VRA provides the Trustee with an Infrastructure Revenue DSRF Credit Facility as provided in this subsection, the Trustee will transfer the corresponding amount of funds then on deposit in the Infrastructure Revenue Debt Service Reserve Fund to VRA, provided VRA delivers to the Trustee (i) an Opinion of Bond Counsel that such transfer of funds will not adversely affect the exclusion from gross income for purposes of federal income taxation of interest on any Bonds the interest on which was excludable on the date of their issuance and (ii) VRA covenants to comply with any directions or restrictions contained in such opinion concerning the use of such funds.

*Moral Obligation Debt Service Fund.* The Trustee shall promptly deposit the following amounts in the Moral Obligation Debt Service Fund:

(a) The amount, if any, of the proceeds of the Moral Obligation Bonds of any Series, required by the Related Supplemental Series Indenture to be deposited in the Moral Obligation Debt Service Fund in respect of accrued and/or capitalized interest;

(b) All amounts required to be transferred to the Moral Obligation Debt Service Fund from the Revenue Fund;

(c) Any amounts required to be transferred to the Moral Obligation Debt Service Fund from the Capital Reserve Fund, as provided under the Master Indenture; and

(d) Any other amounts required to be paid to the Moral Obligation Debt Service Fund or otherwise made available for deposit therein by any Local Government or VRA, including amounts made available pursuant to the Related Supplemental Series Indenture.

The Trustee shall pay out of the Moral Obligation Debt Service Fund to the Paying Agents for the Moral Obligation Bonds (i) on each Interest Payment Date, the amount required for the payment of interest on the Moral Obligation Bonds then due and (ii) on any redemption date, the amount required for the payment of accrued interest on the Bonds to be redeemed unless the payment of such accrued interest shall be otherwise provided for, and such amounts shall be applied by the Paying Agents to such payment. The Trustee shall also pay out of the Moral Obligation Debt Service Fund the accrued interest included in the purchase price of the Moral Obligation Bonds of any Series purchased for retirement pursuant to the Master Indenture.

The Trustee shall pay out of the Moral Obligation Debt Service Fund to the Paying Agents for the Bonds on each Principal Payment Date and redemption date for the Moral Obligation Bonds, the amounts then required for the payment of such principal or redemption price, and such amounts shall be applied by the Paying Agents to such payments.

*Capital Reserve Fund.* The Capital Reserve Fund shall be used solely to cure deficiencies in the amount on deposit in the Moral Obligation Debt Service Fund. If there is a deficiency in the amount on deposit in the Moral Obligation Debt Service Fund to pay the principal of and interest on the Moral Obligation Bonds when due, then the Trustee shall transfer the amount of the deficiency from the amount, if any, on deposit in the Capital Reserve Fund to the Moral Obligation Debt Service Fund. The Trustee immediately shall notify VRA of the transfer. Notwithstanding the foregoing, no such transfer from the Capital Reserve Fund shall relieve a Local Government of its obligation to make the payments due on its Local Obligations or under the Related Agreement.

On each Reserve Determination Date, the Trustee shall determine if the balance on deposit in the Capital Reserve Fund is at least equal to the CRF Reserve Requirement and the Minimum CRF Reserve Requirement. Unless and until VRA satisfies the requirements of the section titled "Release of Moral Obligations" in the Master Indenture, the CRF Reserve Requirement and the Minimum CRF Reserve Requirement shall be equal. In making each such determination, investments on deposit in the Capital Reserve Fund shall be valued as provided in

the Master Indenture. If on any Reserve Determination Date the amount in the Capital Reserve Fund is less than the CRF Reserve Requirement or the Minimum CRF Reserve Requirement, the Trustee shall immediately notify VRA of such fact and the amount of the deficiency.

If any deficiency below the Minimum CRF Reserve Requirement shall continue to exist on or before December 1 of the year in which the deficiency occurs, VRA's Chairman shall under Section 62.1-215 of the Act make and deliver to the Governor and the Secretary of Administration of the Commonwealth of Virginia a certificate setting forth the amount of such deficiency. Notwithstanding anything to the contrary contained herein, in determining whether such deficiency continues to exist on a December 1, the Chairman of VRA shall not take into account any deficiency resulting solely from the valuation by the Trustee of the investments in the Capital Reserve Fund (as opposed to a transfer therefrom to the Moral Obligation Debt Service Fund due to a default on a Local Obligation).

VRA may deposit its own funds directly into the Capital Reserve Fund to cure any deficiency in it.

VRA and the Trustee shall deposit directly into the Capital Reserve Fund any payments made by the Commonwealth pursuant to an appropriation by the General Assembly of the Commonwealth of Virginia under Section 62.1-215 of the Act to replenish any deficiency below the Minimum CRF Reserve Requirement in the Capital Reserve Fund.

Any interest earned in the investment of money in the Capital Reserve Fund shall be transferred upon receipt to the Revenue Fund and/or to pay any Rebate Amounts in accordance with the Supplemental Series Indentures and Tax Regulatory Agreements (as confirmed in an Officer's Certificate) to the extent that such transfer will not cause the balance in the Capital Reserve Fund to be less than the CRF Reserve Requirement. If on any Reserve Determination Date there exists a surplus in the Capital Reserve Fund, the Trustee shall transfer the surplus to the Revenue Fund and/or use it to pay any Rebate Amounts in accordance with the Supplemental Series Indentures and Tax Regulatory Agreements (as confirmed in an Officer's Certificate); provided, however, that if on any Reserve Determination Date there exists or will exist a surplus in the Capital Reserve Fund as the result of the payment at maturity, redemption or defeasance of a portion of the Moral Obligation Bonds on or as of such Reserve Determination Date, then the Trustee is authorized to apply the surplus as specified in (i) a Supplemental Series Indenture (as confirmed in an Officer's Certificate) or (ii) an Officer's Certificate.

In lieu of maintaining and depositing money or securities in the Capital Reserve Fund, VRA may deposit with the Trustee a CRF Credit Facility in an amount equal to all or a portion of the CRF Reserve Requirement. Any CRF Credit Facility will permit the Trustee to draw or obtain under it for deposit in the Capital Reserve Fund amounts that, when combined with the other amounts in the Capital Reserve Fund, are not less than the CRF Reserve Requirement.

The Trustee will make a drawing on or otherwise obtain funds under the CRF Credit Facility before its expiration or termination (i) whenever money is required for the purposes for which Capital Reserve Fund money may be applied and (ii) unless such CRF Credit Facility has been extended or a qualified replacement for it delivered to the Trustee, in the event VRA has

not deposited immediately available funds equal to the CRF Reserve Requirement at least two Business Days preceding the expiration or termination of the CRF Credit Facility.

If VRA provides the Trustee with a CRF Credit Facility as provided in this subsection, the Trustee will transfer the corresponding amount of funds then on deposit in the Capital Reserve Fund to VRA, provided VRA delivers to the Trustee (i) an Opinion of Bond Counsel that such transfer of funds will not adversely affect the exclusion from gross income for purposes of federal income taxation of interest on any Bonds the interest on which was excludable on the date of their issuance and (ii) VRA covenants to comply with any directions or restrictions contained in such opinion concerning the use of such funds.

*Release of Moral Obligation.* Without obtaining the consent of either the Trustee or any of the Owners of the Bonds, VRA may at any time by resolution adopted by its Board of Directors and filed with the Trustee establish the Minimum CRF Reserve Requirement at an amount less than the CRF Reserve Requirement upon satisfaction of the following conditions:

(a) The above-described resolution contains a finding by VRA's Board of Directors that such action is not reasonably expected to affect adversely VRA's ability to pay the Principal and Interest Requirements on the Moral Obligation Bonds; and

(b) VRA files with the Trustee written confirmation from each Rating Agency for any Moral Obligation Bonds then Outstanding that its then-current rating on the Moral Obligation Bonds will not be withdrawn or reduced as a result of such action.

The Minimum CRF Reserve Requirement is intended to be the "minimal requirement" for the Capital Reserve Fund described in Section 62.1-215 of the Act. The portion of the Capital Reserve Fund representing or allocable to the excess, if any, of the CRF Reserve Requirement over the Minimum CRF Reserve Requirement shall not be deemed a "capital reserve fund" within the meaning of Section 62.1-215 of the Act.

*Operating Reserve Fund.* On each Payment Date, any amount on deposit in the Operating Reserve Fund shall be transferred to the Infrastructure Revenue Debt Service Fund if and to the extent that, after the transfers from the Revenue Fund provided for in the third paragraph of the section titled "Revenue Fund" in the Master Indenture and from the Infrastructure Revenue Debt Service Reserve Fund provided for in the section titled "Infrastructure Revenue Debt Service Reserve Fund" in the Master Indenture, amounts on deposit in the Infrastructure Revenue Debt Service Fund are insufficient to pay the principal and interest due on the Infrastructure Revenue Bonds on such date.

Investment earnings on amounts in the Operating Reserve Fund shall be retained therein unless necessary for transfer to the Infrastructure Revenue Debt Service Fund as provided in the above paragraph or transferred to VRA as provided in the paragraph below.

At any time upon the filing with the Trustee of a Projected Revenue Certificate, VRA may transfer to itself, from amounts on deposit in the Operating Reserve Fund, free and clear of any lien or pledge created by the Master Indenture, an amount which is not required to produce Revenue Coverage equal to the Required Revenue Coverage, Infrastructure Revenue Bond Debt

Service Coverage equal to the Required Infrastructure Revenue Bond Debt Service Coverage, and an Infrastructure Revenue Bond Revenue Coverage equal to Required Infrastructure Revenue Bond Revenue Coverage in the then-current and all future Bond Years, all as set forth in the Projected Revenue Certificate. The amounts VRA transfers to itself shall first be used to reimburse the Commonwealth in accordance with Section 62.1-215 of the Act for any amounts which the General Assembly may have appropriated and the Commonwealth has paid into the Capital Reserve Fund and then may be applied to any other lawful purpose under the Act. VRA shall provide written notification to each Rating Agency of each such transfer from the Operating Reserve Fund.

*Cost of Issuance Funds.* There shall be deposited in each Cost of Issuance Fund the portion of the proceeds of the Related Series of Bonds and such other amounts as may be specified in the Related Supplemental Series Indenture. VRA shall use such amounts to pay costs of issuance incurred in connection with the issuance of the Related Series of Bonds. Upon the filing with the Trustee of an Officer's Certificate that no further costs of issuance are to be paid from a Cost of Issuance Fund, VRA shall transfer any amounts remaining on deposit in such Fund to the Revenue Fund, the Related Acquisition Fund and/or another Fund or Account established hereunder as may be authorized or directed by the Related Supplemental Series Indenture or Tax Regulatory Agreement. Investment earnings on a Cost of Issuance Fund may be transferred therefrom periodically as provided in the Related Supplemental Series Indenture and Tax Regulatory Agreement.

*Acquisition Funds.* There shall be deposited into each Acquisition Fund such portion of the proceeds of the Related Series of Bonds and other amounts as may be specified in the Related Supplemental Series Indenture. VRA shall use amounts in each Acquisition Fund to acquire Related Local Obligations in accordance with the specific requirements of the Related Supplemental Series Indenture, Tax Regulatory Agreement and Related Agreements. Upon the filing with the Trustee of an Officer's Certificate that no additional Local Obligations are to be acquired or principal advances made thereon from amounts in an Acquisition Fund, VRA shall transfer any amounts remaining on deposit in such Fund to the Revenue Fund and/or another Fund or Account established hereunder as may be authorized or directed by the Related Supplemental Series Indenture or Tax Regulatory Agreement. Investment earnings in an Acquisition Fund may be transferred periodically therefrom as provided in the Related Supplemental Series Indenture and Tax Regulatory Agreement.

*Rebate Funds.* There shall be deposited in each Rebate Fund Rebate Amounts and such other amounts as may be specified in the Related Supplemental Series Indenture and the Related Tax Regulatory Agreement. VRA shall use the balance in a Rebate Fund to pay the obligations under Section 148 of the Code in connection with the Related Series of Bonds. VRA may transfer any amounts on deposit in a Rebate Fund that are not needed for such purpose to the Revenue Fund, the Operating Reserve Fund and/or another Fund or Account established hereunder as may be authorized or directed by the Related Supplemental Series Indenture or Tax Regulatory Agreement and confirmed in an Officer's Certificate.

## **Investments**

All amounts deposited with VRA or the Trustee under the Master Indenture in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other federal agency shall be continuously held in bank accounts which are secured for the benefit of VRA and the Owners of the Bonds in the manner required and to the full extent permitted by the Virginia Security for Public Deposits Act, Chapter 44, Title 2.2 of the Virginia Code, or any successor provision of law; provided, however, that it shall not be necessary for the Paying Agent to give security for the deposit of any amounts with it for the payment of the principal of or premium, if any, or interest on any Bonds issued under the Master Indenture, or for any Person to give security for any investments described in the following paragraphs.

Subject to the provisions of any Supplemental Indenture, any amounts held in any Funds and Accounts established by the Master Indenture or any Supplemental Indenture may be separately invested and reinvested by the Trustee, at the request of and as directed in writing by a VRA Representative, in any investments which are at the time legal investments for public funds of the type to be invested under Virginia law, including without limitation the Act and the Investment of Public Funds Act, Chapter 45, Title 2.2 of the Virginia Code, or any successor provision of law.

Subject to the provisions of any Supplemental Indenture, all investments shall be held by or under the control of the Trustee or VRA, as the case may be, and while so held shall be deemed a part of the Fund or Account in which the amounts were originally held. The Trustee and VRA shall sell and reduce to cash a sufficient amount of investments whenever the cash balance in any Fund or Account is insufficient for its purposes.

Unless otherwise provided in a Supplemental Indenture, VRA or the Trustee shall value the investments in each Fund and Account established under the Master Indenture or any Supplemental Indenture and held by it or at its direction as of the last Business Day of each month, at the lower of cost or fair market value of such investments, plus accrued interest.

The Trustee may make investments permitted by the section titled "Permitted Investments" in the Master Indenture through its own trust or bond department.

### **Particular Covenants.**

*Payment of Bonds.* VRA covenants to perform its obligations as provided in the Master Indenture, any Supplemental Series Indenture, each Series of Bonds and related documents and to pay the Bonds, but only from revenues, moneys and other property specifically pledged for such purposes.

*Records and Accounts; Inspections and Reports.* VRA will maintain or cause to be maintained proper books or records and accounts, separate from any of its other records and accounts, showing complete and correct entries of all transactions relating to the Bonds. All books and documents in VRA's possession relating to the Bonds shall at all times be open to inspection by such agents as may be designated by the Trustee or the Owners of twenty-five percent or more in aggregate principal amount of Bonds then Outstanding. VRA will have an

annual audit made by or on behalf of the Auditor of Public Accounts within 120 days after the end of each fiscal year and shall furnish to the Trustee copies of the audit report as soon as such report is available, which report shall include statements in reasonable detail, certified by the Auditor of Public Accounts or the accountant who prepared the report. Such audit report shall reflect VRA's financial position as of the end of such fiscal year and the results of its operations and changes in the financial position of its funds for such fiscal year.

*Covenants with Credit Providers, Infrastructure Revenue DSRF Credit Providers and CRF Credit Providers.* VRA may make such covenants as it may in its sole discretion determine to be appropriate with any Bond Credit Provider, Infrastructure Revenue DSRF Provider or CRF Credit Provider that provides for the Bonds of any one or more Series a Bond Credit Facility, an Infrastructure Revenue DSRF Credit Facility or a CRF Credit Facility that shall enhance the security or the value of such Bonds and thereby reduce the Principal and Interest Requirements on such Bonds or substitute for amounts in the Infrastructure Revenue Debt Service Reserve Fund or the Capital Reserve Fund. Such covenants may be set forth in the Related Supplemental Series Indenture or other Supplemental Indenture and shall be binding on VRA, the Trustee, the Paying Agents and the Owners of the Bonds the same as if such covenants were set forth in full in the Master Indenture.

*Covenant to Enforce State Aid Intercept.* VRA covenants that it will take any and all actions available to it under the laws of the Commonwealth, including those actions available under Section 62.1-216.1 of the Act and Section 15.2-2659 of the Virginia Code, to obtain Local Obligation Payments if the Related Local Government fails to make such payments when the same shall become due and payable.

*Defeasance.* If VRA shall pay or provide for the payment of the entire indebtedness on all Bonds Outstanding in any one or more of the following ways: (1) by paying or causing to be paid the principal of and premium, if any, and interest on all Bonds Outstanding, as and when the same become due and payable; (2) by delivering all Bonds Outstanding to the Trustee for cancellation; or (3) by depositing with the Trustee (or an escrow agent acceptable to the Trustee), in trust, cash and/or Defeasance Obligations in such amount as will, together with the income or increment to accrue thereon (the "Defeasance Amount"), be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Bonds Outstanding at or before their respective maturity dates, without consideration of any reinvestment of the Defeasance Amount, as an independent certified public accountant shall verify to the Trustee's satisfaction; and if VRA shall pay or provide for the payment of (on the date of defeasance or over time) all other sums payable hereunder by VRA, and, if any of the Bonds Outstanding are to be redeemed before their maturity, notice of such redemption shall have been given as provided in Article IV of the Master Indenture (and the corresponding sections of the Supplemental Series Indentures) or provisions satisfactory to the Trustee shall have been made for the giving of such notice, the Master Indenture and the estate and rights granted in the Master Indenture (except for the provisions of Articles III and IV and Section 6.1 thereof) shall cease and become null and void. Thereupon the Trustee shall, upon receipt by the Trustee of an Officer's Certificate and an opinion of Bond Counsel, each stating that in the opinion of the signers all conditions precedent to the satisfaction and discharge of the Master Indenture as provided above have been complied with, forthwith execute proper instruments acknowledging satisfaction of and discharging the

Master Indenture (except for the provisions of Articles III and IV of the Master Indenture (the corresponding sections of the Supplemental Series Indentures) and Section 6.1 of the Master Indenture), and the lien hereof.

*Provision for Payment of Particular Bonds.* If VRA shall pay or provide for the payment of the entire indebtedness on particular Bonds in any one or more of the following ways: (1) by paying or causing to be paid the principal of and premium, if any, and interest on such Bonds, as and when the same shall become due and payable; (2) by delivering such Bonds to the Trustee for cancellation; or (3) by depositing with the Trustee (or an escrow agent acceptable to the Trustee), in trust, cash and/or Defeasance Obligations in such amount as will, together with the income or increment to accrue thereon (the "Payment Amount"), be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on such Bonds at or before their respective maturity dates, without consideration of any reinvestment of the Payment Amount, as an independent certified public accountant shall verify to the Trustee's satisfaction; and if VRA shall also pay or provide for the payment of all other sums payable hereunder by VRA with respect to such Bonds, and, if such Bonds are to be redeemed before their maturity, notice of such redemption shall have been given as provided in Article IV of the Master Indenture (or the corresponding provisions of the Related Supplemental Series Indentures) or provisions satisfactory to the Trustee shall have been made for the giving of such notice, such Bonds shall cease to be entitled to any lien, benefit or security under the Master Indenture. The liability of VRA under such Bonds shall continue but their Owners shall thereafter be entitled to payment (to the exclusion of all other Owners) only out of the cash and/or Defeasance Obligations deposited with the Trustee (or an escrow agent acceptable to the Trustee) as aforesaid.

VRA may at any time surrender to the Trustee for cancellation any Bonds previously authenticated and delivered that VRA may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired as provided in the Master Indenture.

The defeasance provisions of the Master Indenture may be modified by the Related Supplemental Series Indentures with respect to Bonds of any Series that constitute Variable Rate Bonds and/or Optional Tender Bonds.

*Events of Default; No Acceleration.* The occurrence and continuation of one or more of the following events shall constitute an Event of Default with respect to the Bonds:

- (a) default in the payment of any installment of interest in respect of any Bond as the same shall become due and payable; or
- (b) default in the payment of the principal of or premium, if any, in respect of any Bond as the same shall become due and payable either at maturity, upon redemption, or otherwise; or
- (c) default in the payment of any Amortization Requirement in respect of any Term Bond as the same shall become due and payable; or

(d) failure on the part of VRA duly to observe or perform any other of the covenants or agreements on the part of VRA contained in the Master Indenture, any Supplemental Series Indenture, any Tax Regulatory Agreement or any Bond; or

(e) Appointment by a court of competent jurisdiction of a receiver for all or any substantial part of the Revenues, the Infrastructure Revenue Bond Revenues, and the other Funds and Accounts pledged pursuant to the Master Indenture, or the filing by VRA of any petition for reorganization of VRA or rearrangement or readjustment of the obligations of VRA under the provisions of any applicable bankruptcy or insolvency law.

Notwithstanding any other provision of the Master Indenture, failure to pay the principal or any Amortization Requirement of or interest on the Moral Obligation Bonds will not constitute an Event of Default on the Infrastructure Revenue Bonds.

VRA may, pursuant to a Supplemental Series Indenture, provide for a particular Series of Bonds different or additional Events of Default and remedies upon the occurrence thereof, including, but not limited to, Events of Default upon the occurrence of events specified in any agreement entered into in connection with the delivery of a Bond Credit Facility and acceleration of the full principal amount of such Bonds.

*No Acceleration.* The principal of and interest on the Bonds is not subject to acceleration upon the occurrence and continuation of an Event of Default.

*Other Remedies.* Upon the occurrence and continuation of an Event of Default, the Trustee may in its discretion, and shall at the written request of the Majority Owners of the Infrastructure Revenue Bonds Outstanding, or if there are no Infrastructure Revenue Bonds Outstanding, at the written request of the Majority Owners of the Moral Obligation Bonds Outstanding, and having been indemnified as provided in the section titled "Acceptance of Trusts and Obligations" in the Master Indenture, pursue any available remedy, at law or in equity, to enforce the payment of the principal of and premium, if any, and interest on the Bonds, to enforce any covenant or condition under the Master Indenture or the Supplemental Indentures or to remedy any Event of Default.

Notwithstanding anything in the Master Indenture or the Supplemental Indentures to the contrary, upon the occurrence and continuation of an Event of Default, the Majority Owners of the Infrastructure Revenue Bonds Outstanding will control and direct all actions of the Trustee in exercising its rights and powers under the Master Indenture. If there are no Infrastructure Revenue Bonds Outstanding, upon the occurrence and continuation of an Event of Default, and if requested so to do in writing by the Majority Owners of the Moral Obligation Bonds Outstanding, and having been indemnified as provided in the Master Indenture, the Trustee will exercise such of the rights and powers conferred by the Master Indenture, being advised by counsel, that the Trustee deems most effective to enforce and protect the interests of the Owners.

So long as any Infrastructure Revenue Bonds are Outstanding, no Owner of any Moral Obligation Bond may exercise any remedy under the Master Indenture or any Supplemental Indenture.

*Restriction on Owners' Actions.* In addition to the other restrictions on the rights of Owners to request action upon the occurrence of an Event of Default and to enforce remedies set forth in the article titled "Default Provisions and Remedies of Trustee and Owners" in the Master Indenture, no Owner will have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Master Indenture or any remedy under the Master Indenture or any Supplemental Indenture or the Bonds, unless (i) an Event of Default has occurred and is continuing of which the Trustee has been notified as provided in the section titled "Acceptance of Trusts and Obligations" in the Master Indenture, or of which by such Section it is deemed to have notice; (ii) the Majority Owners of the Infrastructure Revenue Bonds or, if there are no Infrastructure Revenue Bonds Outstanding, the Majority Owners of the Moral Obligation Bonds, have made written request of the Trustee to institute the suit, action, proceeding or other remedy, after the right to exercise the powers or rights of action, as the case may be, has accrued, and have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted in the Master Indenture or to institute the action, suit or proceeding in its or their name; (iii) there has been offered to the Trustee security and indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred as provided in the section titled "Acceptance of Trusts and Obligations" in the Master Indenture, and (iv) the Trustee has not complied with the request within a reasonable time. Such notification, request and offer of indemnity are declared, at the option of the Trustee, to be conditions precedent to the execution of the trusts of the Master Indenture or for any other remedy under the Master Indenture. It is intended that no one or more Owners will have any right to affect, disturb or prejudice the security of the Master Indenture, or to enforce any right under the Master Indenture or the Bonds, except in the manner provided for in the Master Indenture, and that all proceedings at law or in equity will be instituted, had and maintained in the manner provided in the Master Indenture and for the benefit of all Owners. Nothing in the Master Indenture will affect or impair the right of the Owners to enforce payment of the Bonds in accordance with their terms.

*Waiver of Events of Default; Effect of Waiver.* The Trustee will waive any Event of Default and its consequences at the written request of the Majority Owners of the Infrastructure Revenue Bonds Outstanding or, if there are no Infrastructure Revenue Bonds Outstanding, the Majority Owners of the Moral Obligation Bonds Outstanding. If any Event of Default with respect to the Bonds has been waived as provided in the Master Indenture, the Trustee will promptly give written notice of the waiver to VRA and by first class mail, postage prepaid, to all Owners if the Owners had previously been given notice of the Event of Default. No waiver, rescission and annulment will extend to or affect any subsequent Event of Default or impair any right, power or remedy available under the Master Indenture.

No delay or omission of the Trustee or of any Owner to exercise any right, power or remedy accruing upon any default or Event of Default will impair any such right, power or remedy or will be construed to be a waiver of or acquiescence in any such default or Event of Default. Every right, power and remedy given to the Trustee and to the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

*Application of Money.* Any amounts received by the Trustee will, after payment of the costs and expenses of the proceedings resulting in the collection of the money, the expenses, liabilities and advances incurred or made by the Trustee and the fees (whether ordinary or

extraordinary) of the Trustee and expenses of VRA in carrying out the provisions of the Master Indenture, be deposited in an appropriate Account that the Trustee will establish in the Revenue Fund. The amounts in such Account shall be applied as follows:

(a) To the payment of the persons entitled to it of all installments of interest then due on the Infrastructure Revenue Bonds, in order of the maturity of the installments of such interest and, if the money available is not sufficient to pay in full any particular installment, then ratably, according to the amounts due on such installment, to the persons entitled to it, without any discrimination or privilege;

(b) To the payment of the persons entitled to it of the unpaid principal or Amortization Requirements of any of the Infrastructure Revenue Bonds which have become due (other than Infrastructure Revenue Bonds matured or called for redemption for the payment of which money is held pursuant to the provisions of the Master Indenture), in the order of their due dates and, if the amount available is not sufficient to pay in full such Infrastructure Revenue Bonds due on any particular date, then ratably, according to the amount of principal due on such date, to the persons entitled to it, without any discrimination or privilege;

(c) To the payment of the persons entitled to it of all installments of interest then due on the Moral Obligation Bonds to the extent the same is not to be paid from amounts in the Capital Reserve Fund, in order of the maturity of the installments of such interest and, if the money available is not sufficient to pay in full any particular installment, then ratably, according to the amounts due on such installment, to the persons entitled to it, without any discrimination or privilege; and

(d) To the payment of the persons entitled to it of the unpaid principal or Amortization Requirements of any of the Moral Obligation Bonds which have become due (other than Moral Obligation Bonds matured or called for redemption for the payment of which money is held pursuant to the provisions of the Master Indenture) to the extent the same is not to be paid from amounts in the Capital Reserve Fund, in the order of their due dates and, if the amount available is not sufficient to pay in full such Moral Obligation Bonds due on any particular date, then ratably, according to the amount of principal due on such date, to the persons entitled to it, without any discrimination or privilege.

Whenever money is to be applied pursuant to the Master Indenture, it will be applied at such times, and from time to time, as the Trustee determines, having due regard to the amount of money available for application and the likelihood of additional money becoming available for application in the future. Whenever the Trustee applies such money, it will fix the date on which payment is to be made, and interest on the amount of principal to be paid on such date will cease to accrue. The Trustee will give, by first class mail as it may deem appropriate, notice to the Owners of the fixing of such payment date.

Notwithstanding anything to the contrary in the Master Indenture, amounts at any time on deposit in or transferred to the Capital Reserve Fund as described in the subsection titled "Capital Reserve Fund" above shall be used only to pay the principal of and interest on the Moral

Obligation Bonds and such amounts shall be so used but only to the extent that amounts in the above-described Account and the Moral Obligation Debt Service Fund are insufficient therefor.

*Notice of Certain Defaults; Opportunity to Cure Such Defaults.* Notwithstanding anything to the contrary in the Master Indenture, no default not constituting a debt service payment or insolvency-related default under the Master Indenture will constitute an Event of Default until actual notice of the default is given to VRA by the Trustee or by the Owners of not less than twenty-five percent in aggregate principal amount of all Outstanding Bonds, and VRA has had (i) 30 days after receipt of the notice with respect to any default in the payment of money or (ii) 90 days after receipt of the notice of any other default to correct the default or to cause the default to be corrected; provided, however, that if the default can be corrected, but cannot be corrected within the applicable period, it will not constitute an Event of Default if corrective action is instituted by VRA within the applicable period and diligently pursued until the default is corrected.

### **Modification or Amendment of the Indenture**

VRA and the Trustee may, without the consent of, or notice to, any of the Owners of the Bonds, enter into such Supplemental Indenture or Supplemental Indentures as shall not be inconsistent with the terms and provisions of the Master Indenture or any Supplemental Series Indenture for any one or more of the following purposes:

(a) To cure or correct any ambiguity, formal defect, omission or inconsistent provision in the Master Indenture or in a Supplemental Series Indenture;

(b) To grant to or confer on the Trustee for the benefit of the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred on the Owners or the Trustee or either of them;

(c) To subject to the lien and pledge of the Master Indenture additional revenues, properties or collateral;

(d) To provide for the issuance of coupon Bonds if authorized under the Related Supplemental Series Indenture;

(e) To amend certain provisions of the Master Indenture or any Supplemental Series Indenture in any manner consistent with Sections 103 and 141 through 150 of the Code (or such other hereinafter enacted sections of the Code as may be applicable to the Bonds) as in effect at the time of the amendment;

(f) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the Master Indenture or any Supplemental Series Indenture, of the Revenues, the Infrastructure Revenue Bond Revenues or any other moneys, property or Funds or Accounts;

(g) To modify, amend or supplement the Master Indenture or any Supplemental Series Indenture as required to permit its qualification under the Trust Indenture Act of 1939, as

amended, or any similar federal statute hereafter in effect, or to permit the qualification of any of the Bonds for sale under the securities laws of any of the states of the United States, and, if VRA and the Trustee so determine, to add to this Master Indenture or any Supplemental Series Indenture such other terms, conditions and provisions as may be permitted by the Trust Indenture Act of 1939, as amended, or similar federal statute;

(h) To add to the covenants and agreements of VRA contained in this Indenture other covenants and agreements thereafter to be observed for the Owners' protection, including, but not limited to, additional requirements imposed by virtue of a change of law, or to surrender or to limit any right, power or authority therein reserved to or conferred upon VRA;

(i) To amend, modify or change the terms of any agreements governing any book-entry-only system for any of the Bonds;

(j) In the case of Supplemental Series Indentures, to provide for the issuance of additional Series of Bonds (including Refunding Bonds) and to provide for such other related matters as may be required or contemplated by or appropriate under the Master Indenture;

(k) To make any changes necessary to comply with the requirements of a Rating Agency or of a Bond Credit Provider, an Infrastructure Revenue DSRF Credit Provider or a CRF Credit Provider that, as expressed in a finding or determination by VRA (which is included in the Supplemental Indenture), would not materially adversely affect the security for the Bonds;

(l) To make any other changes that, as expressed in a determination or finding by VRA (which shall be stated in the Supplemental Indenture, and may be based upon an Opinion of Counsel and/or the opinion of VRA's financial advisor) shall not prejudice in any material respect the rights of the Owners of the Bonds then Outstanding; and

(m) To restate in one document the Master Indenture and all effective Supplemental Series Indentures and other Supplemental Indentures, which restatement shall then become the Master Indenture for all purposes, effective as of the date of this Master Indenture with respect to matters set forth therein and as of the date of any Supplemental Indenture included in the restatement as to matters set forth in any such Supplemental Indenture. Supplemental Series Indentures and the Bonds issued thereunder prior to a restatement shall be deemed to relate to the restated Master Indenture without any further action or amendment.

*Supplemental Indentures Requiring Consent.* Exclusive of Supplemental Indentures not requiring the consent of owners as described above and subject to the terms and provisions contained in the Master Indenture, the Owners of a majority in aggregate principal amount of Bonds then Outstanding shall have the right from time to time, notwithstanding any other provision of this Indenture, to consent to and approve the execution by VRA and the Trustee of such other Supplemental Indenture or Supplemental Indentures as VRA shall deem necessary or desirable to modify, alter, amend, add to or rescind any of the terms or provisions contained in the Master Indenture or in any Supplemental Indenture; provided, however, that without the consent and approval of the Owners of all of the affected Bonds then Outstanding nothing in the Master Indenture shall permit, or be construed as permitting (i) an extension of the maturity of the principal of or the interest on any Bond, (ii) a reduction in the principal amount of any Bond

or the rate of interest on it, (iii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds except as otherwise provided herein, or (iv) a reduction in the aggregate principal amount of Bonds required for consent to such Supplemental Indenture.

### **Thirty-Fourth Supplemental Series Indenture**

The Thirty-Fourth Supplemental Series Indenture supplements the Master Indenture in the following ways.

*Establishment of Funds and Accounts for the 2015D Bonds.* In accordance with the Master Indenture, the 2015D Cost of Issuance Fund, the 2015D Acquisition Fund and the 2015D Rebate Fund are established with respect to the 2015D Bonds.

The Trustee is directed to establish a Local Account in the 2015D Acquisition Fund for each 2015D Local Obligation.

*2015D Cost of Issuance Fund.* The Trustee shall apply the amounts in the 2015D Cost of Issuance Fund to pay the costs of issuance of the 2015D Bonds as VRA shall direct pursuant to requisitions in the form provided in the Thirty-Fourth Supplemental Series Indenture. Any of the amounts deposited in the 2015D Cost of Issuance Fund that are not applied to pay the costs of issuance of the 2015D Bonds shall be transferred to the Revenue Fund and applied to pay debt service on the 2015D Bonds before any other amounts therein are so used.

#### *2015D Acquisition Fund.*

Purchase of 2015D Local Obligations. The allocation to each Local Account of the respective amount of the sale proceeds of the 2015D Bonds pursuant to the Thirty-Fourth Supplemental Series Indenture shall be deemed the purchase of each of the 2015D Local Obligations.

Disbursements and Transfers from Local Account. Commencing on the Closing Date, each 2015D Local Government may cause the Trustee to disburse amounts on deposit in the Related Local Account in accordance with the Related Agreement. The Trustee shall retain in the Local Account all income and profits, if any, from the investment and reinvestment of amounts therein.

Unexpended Proceeds. If required under the Related Agreement, a Local Government will provide to VRA and the Trustee a certificate stating that certain amounts in the Related Local Account will not be necessary to pay Project Costs in accordance with the Related Agreement. Upon receipt of such certificate, the Trustee will apply any remaining balance at the direction of the 2015D Local Government in such manner as will not, in the Opinion of Bond Counsel delivered to VRA and the Trustee, have an adverse effect on the tax-exempt status of the 2015D Bonds.

*Additional Conditions.* Before the issuance and delivery of the 2015D Bonds by the Paying Agent, VRA shall deliver or cause to be delivered to the Trustee the following documents in addition to those required under the Master Indenture.

(a) A Projected Revenue Certificate satisfying the requirements of the section titled "Required Infrastructure Revenue Bond Revenue Coverage; Projected Revenue Certificate" in the Thirty-Fourth Supplemental Series Indenture.

(b) Each Related Local Obligation;

(c) An executed version of each Related Agreement, which shall at a minimum provide for the replenishment and payment by the 2015D Local Government of any amounts withdrawn from and foregone investment earnings on the Capital Reserve Fund due to a failure of the 2015D Local Government to make any payment under the Related Local Obligation;

(d) Certified copies or duplicate originals of all resolutions, documents, certificates and opinions of each 2015D Local Government relating to the Related Agreement or the issuance of the Related 2015D Local Obligation;

(e) Such certificates, instruments and documents as are required by the terms of each Related Agreement;

(f) An opinion of bond counsel to each 2015D Local Government dated the date of the issuance of the Related 2015D Local Obligation which shall, at a minimum, state, subject to customary qualifications, that the Related Local Obligation and Agreement are valid and binding in accordance with their terms; and

(g) The executed Tax Regulatory Agreement for the 2015D Bonds (the "2015D Tax Regulatory Agreement").

*2015D Tax Regulatory Agreement.* VRA agrees that it will not take any action, or omit to take any action, if any such action or omission would adversely affect the exclusion from gross income of interest on the 2015D Tax-Exempt Bonds under Section 103 of the Code. VRA agrees that it will not directly or indirectly use or permit the use of any proceeds of the 2015D Tax-Exempt Bonds or any other funds of VRA or take or omit to take any action that would cause the 2015D Tax-Exempt Bonds to be "arbitrage bonds" under Section 148(a) of the Code. To these ends, VRA will comply with all requirements of Sections 141 through 150 of the Code, including the rebate requirement of Section 148(f), to the extent applicable to the 2015D Tax-Exempt Bonds.

Without limiting the generality of the foregoing, VRA agrees that (i) it will not directly or indirectly use or permit the use of the proceeds of the 2015D Tax-Exempt Bonds except in accordance with the 2015D Tax Regulatory Agreement and (ii) insofar as the 2015D Tax Regulatory Agreement imposes duties and responsibilities on VRA, the 2015D Tax Regulatory Agreement is specifically incorporated by reference into the Thirty-Fourth Supplemental Series Indenture.

The Trustee agrees to comply with all written instructions of a VRA Representative given in accordance with the 2015D Tax Regulatory Agreement, but the Trustee shall not be required to ascertain that the instructions comply with the 2015D Tax Regulatory Agreement. The Trustee shall be entitled to receive and may request from time to time from VRA written

instructions from a nationally-recognized bond counsel acceptable to the Trustee regarding the interpretation of Sections 141 through 150 of the Code, and the Trustee agrees that it will comply with such directions (upon which the Trustee and VRA may conclusively rely) so as to enable VRA to perform its covenants under the Thirty-Fourth Supplemental Series Indenture.

Notwithstanding any provisions of the Thirty-Fourth Supplemental Series Indenture, if VRA shall provide to the Trustee an opinion of nationally-recognized bond counsel addressed and acceptable to VRA and the Trustee to the effect that any action is not required to maintain the exclusion from gross income of the interest on the 2015D Tax-Exempt Bonds under Section 103 of the Code, VRA and the Trustee may rely conclusively on such opinion in complying with the provisions of the Thirty-Fourth Supplemental Series Indenture.

*Required Infrastructure Revenue Bond Revenue Coverage Certificate.* For so long as any of the 2015D Bonds remains Outstanding, each Projected Revenue Certificate filed with the Trustee under the section titled "Conditions of Issuing a Series of Bonds" in the Master Indenture shall show for each Bond Year Infrastructure Revenue Bond Revenue Coverage equal to at least 120%. In other words, for purposes of the conditions for the issuance of additional Series of Bonds and for so long as any of the 2015D Bonds remains Outstanding, "Required Infrastructure Revenue Bond Revenue Coverage" means 120%.

*Restriction on Withdrawals from Operating Reserve Fund.* For so long as any of the 2015D Bonds remains Outstanding, VRA shall not request any transfer to itself from the Operating Reserve Fund pursuant to the section titled "Operating Reserve Fund" in the Master Indenture unless each request is accompanied by an Officer's Certificate stating that (i) no single Local Government has outstanding an aggregate principal amount of Local Obligations representing more than 20% of the aggregate outstanding principal amount of all Local Obligations purchased or acquired with proceeds of Bonds issued under the Master Indenture and (ii) there are not fewer than twenty different Local Governments with outstanding Local Obligations purchased or acquired with proceeds of Bonds issued under the Master Indenture.

*Restriction on Permitted Investments.* For so long as any of the 2015D Bonds remains Outstanding, investments or providers of investments in the Capital Reserve Fund must meet certain requirements prescribed by the Rating Agency, including a general requirement that the investment or provider have ratings at least as high as the ratings on the Moral Obligation Bonds Outstanding.

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## **APPENDIX B**

### **BOOK-ENTRY ONLY SYSTEM**

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## BOOK-ENTRY ONLY SYSTEM

**The description that follows of the procedures and recordkeeping with respect to beneficial ownership interests in the 2015D Bonds, payments of principal, premium, if any, and interest on the 2015D Bonds to DTC, its nominee, Direct Participants, Indirect Participants, or Beneficial Owners, each as hereinafter defined, confirmation and transfer of beneficial ownership interests in the 2015D Bonds and other bond-related transactions by and between DTC, Direct Participants, and Indirect Participants and Beneficial Owners is based solely on information furnished by DTC.**

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the 2015D Bonds. The 2015D Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2015D Bond certificate will be issued for each maturity of the 2015D Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of 2015D Bond certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of 2015D Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2015D Bonds on DTC's records. The ownership interest of each actual purchaser of each 2015D Bond ("Beneficial Owner") is in turn to be recorded on the records of Direct Participants and Indirect Participants, as applicable. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant, as applicable, through which the Beneficial Owner entered into the transaction. Transfers of

ownership interests in the 2015D Bonds are to be accomplished by entries made on the books of Direct Participants and/or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2015D Bonds, except in the event that use of the book-entry system for the 2015D Bonds is discontinued.

To facilitate subsequent transfers, all 2015D Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2015D Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2015D Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2015D Bonds are credited, which may or may not be the Beneficial Owners. The Direct Participants and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the 2015D Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2015D Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an omnibus proxy (an "Omnibus Proxy") to VRA as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2015D Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and payments on the 2015D Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from VRA or the Trustee on payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct Participants and/or Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct Participant or Indirect Participant, as applicable, and not of DTC, the Trustee, or VRA, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of VRA or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2015D Bonds at any time by giving reasonable notice to VRA or the Trustee. Under such

circumstances, in the event that a successor depository is not obtained, 2015D Bond certificates are required to be printed and delivered.

VRA may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2015D Bond certificates will be printed and delivered to DTC.

The information in this Appendix concerning DTC and DTC's book-entry system has been obtained from sources that VRA believes to be reliable, but VRA takes no responsibility for the accuracy thereof.

NEITHER VRA, THE TRUSTEE, ANY LOCAL GOVERNMENT, THE UNDERWRITERS, NOR THE WINNING BIDDER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE 2015D BONDS; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS; (IV) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER; OR (V) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE 2015D BONDS.

**So long as Cede & Co. is the registered owner of the 2015D Bonds, as nominee of DTC, references in this Official Statement to the Owner or Owners of the 2015D Bonds or Owners shall mean Cede & Co. and shall not mean the Beneficial Owners, and the Trustee will treat Cede & Co. as the only Owner or Bondholder of the 2015D Bonds for all purposes under the Indenture.**

VRA may enter into amendments to its agreement with DTC or any successor depository without the consent of the Beneficial Owners.

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**APPENDIX C**

**PROPOSED FORMS OF BOND COUNSEL OPINIONS**

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November 18, 2015

Virginia Resources Authority  
1111 East Main Street, Suite 1920  
Richmond, Virginia 23219

**Virginia Resources Authority**

**\$107,760,000 Infrastructure Revenue Bonds  
(Virginia Pooled Financing Program)  
Series 2015D (Tax-Exempt)**

**and**

**\$52,290,000 State Moral Obligation Revenue Bonds  
(Virginia Pooled Financing Program)  
Series 2015D (Tax-Exempt)**

Ladies and Gentlemen:

We have served as Bond Counsel to the Virginia Resources Authority ("VRA") in connection with the issuance of VRA's \$107,760,000 Infrastructure Revenue Bonds (Virginia Pooled Financing Program), Series 2015D (Tax-Exempt) (the "2015D Tax-Exempt Infrastructure Revenue Bonds") and \$52,290,000 State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program), Series 2015D (Tax-Exempt) (the "2015D Tax-Exempt Moral Obligation Bonds," and, together with the 2015D Tax-Exempt Infrastructure Revenue Bonds, the "2015D Tax-Exempt Bonds"). The 2015D Tax-Exempt Bonds have been issued under (i) the Virginia Resources Authority Act, Chapter 21, Title 62.1, Code of Virginia of 1950, as amended (the "VRA Act"), (ii) resolutions adopted by VRA's Board of Directors on June 2, 2015, and (iii) a Master Indenture of Trust dated as of December 1, 2003, as previously supplemented and amended (the "Master Indenture"), between VRA and U.S. Bank National Association, as successor trustee (the "Trustee"), and as further supplemented by a Thirty-Fourth Supplemental Series Indenture of Trust dated as of November 1, 2015 (the "Thirty-Fourth Supplemental Series Indenture," and, together with the Master Indenture, the "Indenture"), between VRA and the Trustee. We refer you to the 2015D Tax-Exempt Bonds and the Indenture for a description of the purposes for which the 2015D Tax-Exempt Bonds are issued, their terms and the security for them. Unless otherwise defined, each capitalized term used in this opinion has the meaning given it in the Indenture.

In connection with our opinion, we have examined the Constitution of Virginia and the applicable laws of both the Commonwealth of Virginia (the "Commonwealth"), including the VRA Act, and the United States of America, including the Internal Revenue Code of 1986, as

amended (the "Code"), and such certified proceedings and other documents relating to the issuance of the 2015D Tax-Exempt Bonds and VRA as we deem necessary to render this opinion.

Without undertaking to verify them by independent investigation, as to questions of fact material to this opinion we have relied upon (i) representations of VRA contained in the Indenture and related documents, (ii) certifications of public officials furnished to us, including certifications made on behalf of the 2015D Tax-Exempt Local Governments, as hereinafter defined, and (iii) certifications and representations contained in certificates of VRA and others delivered at closing. In addition, without undertaking to verify the same by independent investigation, we have relied on computations provided to us by Davenport & Company LLC, VRA's financial advisor, the mathematical accuracy of which was verified by Bingham Arbitrage Rebate Services, Inc., relating to the sufficiency of and the yield on investments in the refunding escrow funds established with a portion of the proceeds of the 2015D Tax-Exempt Bonds and the arbitrage yield on the 2015D Tax-Exempt Bonds.

We have assumed that all signatures on documents, certificates and instruments examined by us are genuine, all documents, certificates and instruments submitted to us as originals are authentic, and all documents, certificates and instruments submitted to us as copies conform to the originals. In addition, we have assumed that all documents, certificates and instruments relating to this transaction have been duly authorized, executed, and delivered by all parties to them other than VRA, and we have further assumed the due organization, existence, and powers of all parties other than VRA.

Based on the foregoing, we are of the opinion that, under current law:

(1) VRA is a public body corporate and a political subdivision of the Commonwealth duly created by the VRA Act and vested with all of the rights and powers conferred by the VRA Act.

(2) VRA has the requisite authority and power under the VRA Act to enter into the Indenture, to issue and sell the 2015D Tax-Exempt Bonds, and to apply the proceeds from the issuance and sale of the 2015D Tax-Exempt Bonds as set forth in the Indenture. All conditions precedent to the issuance of the 2015D Tax-Exempt Bonds as set forth in the VRA Act and the Indenture have been fulfilled.

(3) The 2015D Tax-Exempt Infrastructure Revenue Bonds have been duly authorized, executed, and delivered in accordance with the VRA Act and the Indenture and constitute valid and binding limited obligations of VRA, payable solely from the revenues, money and property of VRA specifically pledged for such purpose under the Indenture on a parity with the other Outstanding Infrastructure Revenue Bonds heretofore or hereafter issued under the Indenture.

(4) The 2015D Tax-Exempt Moral Obligation Bonds have been duly authorized, executed, and delivered in accordance with the VRA Act and the Indenture and constitute valid and binding limited obligations of VRA, payable solely from the revenues, money and property of VRA specifically pledged for such purpose under the Indenture, which pledge is (i) on a parity

with the other Outstanding Moral Obligation Bonds heretofore or hereafter issued under the Indenture and (ii) subordinate as to certain revenues, money and property to the pledge thereof securing the 2015D Tax-Exempt Infrastructure Revenue Bonds issued on the date hereof and the other Outstanding Infrastructure Revenue Bonds heretofore or hereafter issued under the Indenture.

(5) The Indenture has been duly authorized, executed and delivered by VRA, constitutes the valid and binding obligation of VRA, pledges the Revenues and the Infrastructure Revenue Bond Revenues to the Trustee as security for the Infrastructure Revenue Bonds, pledges the Revenues on a subordinate basis to the Moral Obligation Bonds, and is enforceable against VRA in accordance with its terms. The Thirty-Fourth Supplemental Series Indenture is authorized and permitted by the Master Indenture and will have no adverse effect on the excludability of the interest on any of the Bonds Outstanding on the date hereof from gross income for federal income tax purposes.

(6) Additional Infrastructure Revenue Bonds and Moral Obligation Bonds may be issued from time to time under the conditions, limitations, and restrictions set forth in the Indenture, and may be secured equally and ratably thereunder with the 2015D Tax-Exempt Infrastructure Revenue Bonds and the other Outstanding Infrastructure Revenue Bonds or the 2015D Tax-Exempt Moral Obligation Bonds and the other Outstanding Moral Obligation Bonds, as the case may be.

(7) Interest on the 2015D Tax-Exempt Bonds, including any accrued "original issue discount" properly allocable to the owners of the 2015D Tax-Exempt Bonds, (i) is excludable from gross income for federal income tax purposes under Section 103 of the Code and (ii) is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations (a "Specific Tax Preference Item"). However, for purposes of the alternative minimum tax imposed on corporations (as defined for federal income tax purposes) under Section 56 of the Code, interest on the 2015D Tax-Exempt Bonds must be included in computing adjusted current earnings. The "original issue discount" on any 2015D Tax-Exempt Bond is the excess of its stated redemption price at maturity over the initial offering price to the public at which price a substantial amount of the 2015D Tax-Exempt Bonds of the same maturity was sold. The "public" does not include bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers. We express no opinion regarding other federal tax consequences arising with respect to the 2015D Tax-Exempt Bonds.

In delivering this opinion, we are (i) relying on opinions from other firms of municipal bond attorneys serving as bond counsel to all of the 2015D Tax-Exempt Local Governments except for the County of Stafford, Virginia and the City of Suffolk, Virginia, regarding the application of the proceeds of the 2015D Tax-Exempt Bonds and the ownership, use and operation of the property financed or refinanced thereby, and (ii) assuming continuing compliance with the Covenants, as hereinafter defined, by VRA and each of the 2015D Tax-Exempt Local Governments, so that interest on the 2015D Tax-Exempt Bonds will (x) remain excludable from gross income for federal income tax purposes and (y) not become a Specific Tax Preference Item. It should be noted that this firm has served as bond counsel to the County of Stafford, Virginia and the City of Suffolk, Virginia. VRA and the 2015D Tax-Exempt Local

Governments, as applicable, have covenanted in their respective tax agreements to comply with the provisions of the Code applicable to the 2015D Tax-Exempt Bonds including, among other things, requirements as to the use, expenditure and investment of the proceeds thereof, the use of the property financed or refinanced thereby, the source of the payment thereof and the security therefor, the arbitrage yield restrictions and rebate payment obligations imposed by the Code and certain other actions that could cause interest thereon to be includable in gross income of their owners (the "Covenants"). Failure by VRA or any of the 2015D Tax-Exempt Local Governments, as applicable, to comply with the Covenants could cause interest on the 2015D Tax-Exempt Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issue. In the event of noncompliance with the Covenants, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the 2015D Tax-Exempt Bonds from becoming includable in gross income for federal income tax purposes.

We have no responsibility to monitor compliance with the Covenants after the date of issue of the 2015D Tax-Exempt Bonds.

Certain requirements and procedures contained, incorporated or referred to in the above-referenced tax agreements, including the Covenants, may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such agreements. We express no opinion concerning any effect on the excludability of interest on the 2015D Tax-Exempt Bonds from gross income for federal income tax purposes of any such subsequent change or action that may be made, taken or omitted upon the advice or approval of counsel other than this firm.

(8) In accordance with Section 62.1-219 of the VRA Act, the 2015D Tax-Exempt Bonds and the income from them, including any profit made on their sale, are exempt from taxation by the Commonwealth and any of its political subdivisions. We express no opinion regarding (i) other tax consequences arising with respect to the 2015D Tax-Exempt Bonds under the laws of the Commonwealth or (ii) any consequences arising with respect to the 2015D Tax-Exempt Bonds under the tax laws of any state or local jurisdiction other than the Commonwealth and its political subdivisions.

The rights of the registered owners of the 2015D Tax-Exempt Bonds and the enforceability of VRA's obligations under the 2015D Tax-Exempt Bonds and the Indenture may be limited or otherwise affected by bankruptcy, insolvency, reorganization, moratorium, and similar laws now or hereafter in effect affecting creditors' rights. The enforceability of those rights and obligations is also subject to the exercise of judicial discretion in accordance with general principles of equity.

The principal of, premium, if any, and interest on the 2015D Tax-Exempt Bonds do not constitute a debt of the Commonwealth or any of its political subdivisions other than VRA. Neither the Commonwealth nor any of its political subdivisions, including VRA, is legally obligated to pay the principal of, premium, if any, or interest on the 2015D Tax-Exempt Bonds or other costs incident to them except from the revenues, money and property of VRA pledged for such purpose, and neither the faith and credit nor the taxing power of the Commonwealth or

any of its political subdivisions, including VRA, is pledged to the payment of the principal of, premium, if any, or interest on the 2015D Tax-Exempt Bonds.

Our services as Bond Counsel have been limited to rendering the foregoing opinion based on our review of such legal proceedings as we deem necessary to approve the validity of the 2015D Tax-Exempt Bonds and the tax-exempt status of the interest on them and the enforceability of the Indenture. The foregoing opinion is in no respect an opinion as to VRA's business or financial resources or its ability to provide for the payment of the 2015D Tax-Exempt Bonds or the accuracy or completeness of any information, including VRA's Preliminary Official Statement dated October 27, 2015, and Official Statement dated November 4, 2015, that anyone may have relied upon in making the decision to purchase the 2015D Tax-Exempt Bonds.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Very truly yours,

November 18, 2015

Virginia Resources Authority  
1111 East Main Street, Suite 1920  
Richmond, Virginia 23219

**Virginia Resources Authority**

**\$4,475,000 Infrastructure Revenue Bonds  
(Virginia Pooled Financing Program)  
Series 2015D (Taxable)**

**and**

**\$2,455,000 State Moral Obligation Revenue Bonds  
(Virginia Pooled Financing Program)  
Series 2015D (Taxable)**

Ladies and Gentlemen:

We have served as Bond Counsel to the Virginia Resources Authority ("VRA") in connection with the issuance of VRA's \$4,475,000 Infrastructure Revenue Bonds (Virginia Pooled Financing Program), Series 2015D (Taxable) (the "2015D Taxable Infrastructure Revenue Bonds") and \$2,455,000 State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program), Series 2015D (Taxable) (the "2015D Taxable Moral Obligation Bonds," and, together with the 2015D Taxable Infrastructure Revenue Bonds, the "2015D Taxable Bonds"). The 2015D Taxable Bonds have been issued under (i) the Virginia Resources Authority Act, Chapter 21, Title 62.1, Code of Virginia of 1950, as amended (the "VRA Act"), (ii) resolutions adopted by VRA's Board of Directors on June 2, 2015, and (iii) a Master Indenture of Trust dated as of December 1, 2003, as previously supplemented and amended (the "Master Indenture"), between VRA and U.S. Bank National Association, as successor trustee (the "Trustee"), and as further supplemented by a Thirty-Fourth Supplemental Series Indenture of Trust dated as of November 1, 2015 (the "Thirty-Fourth Supplemental Series Indenture," and, together with the Master Indenture, the "Indenture"), between VRA and the Trustee. We refer you to the 2015D Taxable Bonds and the Indenture for a description of the purposes for which the 2015D Taxable Bonds are issued, their terms and the security for them. Unless otherwise defined, each capitalized term used in this opinion has the meaning given it in the Indenture.

In connection with our opinion, we have examined the Constitution of Virginia and the applicable laws of both the Commonwealth of Virginia (the "Commonwealth"), including the VRA Act, and such certified proceedings and other documents relating to the issuance of the 2015D Taxable Bonds and VRA as we deem necessary to render this opinion.

Without undertaking to verify them by independent investigation, as to questions of fact material to this opinion we have relied upon (i) representations of VRA contained in the Indenture and related documents, (ii) certifications of public officials furnished to us, including certifications made on behalf of the 2015D Taxable Local Governments, as hereinafter defined, and (iii) certifications and representations contained in certificates of VRA and others delivered at closing. In addition, without undertaking to verify the same by independent investigation, we have relied on computations provided to us by Davenport & Company LLC, VRA's financial advisor, the mathematical accuracy of which was verified by Bingham Arbitrage Rebate Services, Inc., relating to the sufficiency of the refunding escrow fund established with a portion of the proceeds of the 2015D Taxable Bonds.

We have assumed that all signatures on documents, certificates and instruments examined by us are genuine, all documents, certificates and instruments submitted to us as originals are authentic, and all documents, certificates and instruments submitted to us as copies conform to the originals. In addition, we have assumed that all documents, certificates and instruments relating to this transaction have been duly authorized, executed, and delivered by all parties to them other than VRA, and we have further assumed the due organization, existence, and powers of all parties other than VRA.

Based on the foregoing, we are of the opinion that, under current law:

(1) VRA is a public body corporate and a political subdivision of the Commonwealth duly created by the VRA Act and vested with all of the rights and powers conferred by the VRA Act.

(2) VRA has the requisite authority and power under the VRA Act to enter into the Indenture, to issue and sell the 2015D Taxable Bonds, and to apply the proceeds from the issuance and sale of the 2015D Taxable Bonds as set forth in the Indenture. All conditions precedent to the issuance of the 2015D Taxable Bonds as set forth in the VRA Act and the Indenture have been fulfilled.

(3) The 2015D Taxable Infrastructure Revenue Bonds have been duly authorized, executed, and delivered in accordance with the VRA Act and the Indenture and constitute valid and binding limited obligations of VRA, payable solely from the revenues, money and property of VRA specifically pledged for such purpose under the Indenture on a parity with the other Outstanding Infrastructure Revenue Bonds heretofore or hereafter issued under the Indenture.

(4) The 2015D Taxable Moral Obligation Bonds have been duly authorized, executed, and delivered in accordance with the VRA Act and the Indenture and constitute valid and binding limited obligations of VRA, payable solely from the revenues, money and property of VRA specifically pledged for such purpose under the Indenture, which pledge is (i) on a parity with the other Outstanding Moral Obligation Bonds heretofore or hereafter issued under the Indenture and (ii) subordinate as to certain revenues, money and property to the pledge thereof securing the 2015D Taxable Infrastructure Revenue Bonds issued on the date hereof and the other Outstanding Infrastructure Revenue Bonds heretofore or hereafter issued under the Indenture.

(5) The Indenture has been duly authorized, executed and delivered by VRA, constitutes the valid and binding obligation of VRA, pledges the Revenues and the Infrastructure Revenue Bond Revenues to the Trustee as security for the Infrastructure Revenue Bonds, pledges the Revenues on a subordinate basis to the Moral Obligation Bonds, and is enforceable against VRA in accordance with its terms. The Thirty-Fourth Supplemental Series Indenture is authorized and permitted by the Master Indenture and will have no adverse effect on the excludability of the interest on any of the Bonds Outstanding on the date hereof from gross income for federal income tax purposes.

(6) Additional Infrastructure Revenue Bonds and Moral Obligation Bonds may be issued from time to time under the conditions, limitations, and restrictions set forth in the Indenture, and may be secured equally and ratably thereunder with the 2015D Taxable Infrastructure Revenue Bonds and the other Outstanding Infrastructure Revenue Bonds or the 2015D Taxable Moral Obligation Bonds and the other Outstanding Moral Obligation Bonds, as the case may be.

(7) Interest on the 2015D Taxable Bonds is includable in the gross income of the owners of the 2015D Taxable Bonds for federal income tax purposes. We express no opinion regarding any other federal tax consequences with respect to the 2015D Taxable Bonds.

(8) In accordance with Section 62.1-219 of the VRA Act, the 2015D Taxable Bonds and the income from them, including any profit made on their sale, are exempt from taxation by the Commonwealth and any of its political subdivisions. We express no opinion regarding (i) other tax consequences arising with respect to the 2015D Taxable Bonds under the laws of the Commonwealth or (ii) any consequences arising with respect to the 2015D Taxable Bonds under the tax laws of any state or local jurisdiction other than the Commonwealth and its political subdivisions.

The rights of the registered owners of the 2015D Taxable Bonds and the enforceability of VRA's obligations under the 2015D Taxable Bonds and the Indenture may be limited or otherwise affected by bankruptcy, insolvency, reorganization, moratorium, and similar laws now or hereafter in effect affecting creditors' rights. The enforceability of those rights and obligations is also subject to the exercise of judicial discretion in accordance with general principles of equity.

The principal of, premium, if any, and interest on the 2015D Taxable Bonds do not constitute a debt of the Commonwealth or any of its political subdivisions other than VRA. Neither the Commonwealth nor any of its political subdivisions, including VRA, is legally obligated to pay the principal of, premium, if any, or interest on the 2015D Taxable Bonds or other costs incident to them except from the revenues, money and property of VRA pledged for such purpose, and neither the faith and credit nor the taxing power of the Commonwealth or any of its political subdivisions, including VRA, is pledged to the payment of the principal of, premium, if any, or interest on the 2015D Taxable Bonds.

Our services as Bond Counsel have been limited to rendering the foregoing opinion based on our review of such legal proceedings as we deem necessary to approve the validity of the 2015D Taxable Bonds and the tax-exempt status of the interest on them and the enforceability of

the Indenture. The foregoing opinion is in no respect an opinion as to VRA's business or financial resources or its ability to provide for the payment of the 2015D Taxable Bonds or the accuracy or completeness of any information, including VRA's Preliminary Official Statement dated October 27, 2015, and Official Statement dated November 4, 2015, that anyone may have relied upon in making the decision to purchase the 2015D Taxable Bonds.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Very truly yours,

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**APPENDIX D**

**INFORMATION WITH RESPECT TO THE  
COMMONWEALTH OF VIRGINIA  
INCLUDED BY REFERENCE**

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## **Information Concerning the Commonwealth**

Certain financial, demographic and economic information with respect to the Commonwealth of Virginia (the "Commonwealth") contained in documents entitled "Commonwealth of Virginia Financial and Other Information" and "Commonwealth of Virginia Demographic and Economic Information," as well as the Commonwealth's comprehensive financial statements for the fiscal year ended June 30, 2014, is available on the internet website of the Municipal Securities Rulemaking Board (the "MSRB") under CUSIP Number 92817QKX9. This information is hereby included in this Official Statement in its entirety by reference.

Any statement contained in a document included by reference herein shall be deemed to be modified or superseded for purposes of this Official Statement to the extent that a statement made in any other subsequently filed document, which also is included by reference herein, modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Official Statement.

The Commonwealth and VRA make no representation as to the scope of services provided by the MSRB or as to the cost for the provision of such services.

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**APPENDIX E**

**FORM OF CONTINUING DISCLOSURE AGREEMENT  
OF THE COMMONWEALTH OF VIRGINIA**

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## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by the **Commonwealth of Virginia** (the "Commonwealth") in connection with the issuance by the Virginia Resources Authority (the "Authority") of \$166,980,000 aggregate principal amount of its Infrastructure and State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program), Series 2015D (the "Bonds") pursuant to the provisions of a Master Indenture of Trust dated as of December 1, 2003, as supplemented by a Thirty-Fourth Supplemental Series Indenture of Trust dated as of November 1, 2015, between the Authority and U.S. Bank National Association, as trustee. The proceeds of the Bonds are being used by the Authority to finance and refinance qualified infrastructure projects for various localities in the Commonwealth. The Authority has advised the Commonwealth that it has determined that the Commonwealth constitutes an "obligated person" within the meaning of the Rule in respect of the Bonds and the Commonwealth concurs in such determination. The Commonwealth hereby covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Commonwealth for the benefit of the Holders and in order to assist the Participating Underwriters in complying with the Rule. The Commonwealth acknowledges that it is undertaking primary responsibility for any reports, notices or disclosures that may be required under this Agreement.

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Commonwealth pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

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

"EMMA" shall mean the MSRB's Electronic Municipal Market Access system, the internet address of which is <http://emma.msrb.org/>, and any successor thereto.

"Fiscal Year" shall mean the twelve-month period, at the end of which the financial position of the Commonwealth and results of its operations for such period are determined. Currently, the Commonwealth's Fiscal Year begins July 1 and continues through June 30 of the next year.

"Holder" shall mean, for purposes of this Disclosure Agreement, any person who is a record owner or beneficial owner of a Bond.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of such Bonds.

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

SECTION 3. Provision of Annual Reports; Audited Financial Statements.

(a) Not later than seven months following the end of each Fiscal Year of the Commonwealth, commencing with the Fiscal Year ending June 30, 2015 the Commonwealth shall, or shall cause the Dissemination Agent (if different from the Commonwealth) to, submit to EMMA an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than 10 days prior to said date, the Commonwealth shall provide the Annual Report to the Dissemination Agent (if applicable). In each case, the Annual Report (i) may be submitted as a single document or as separate documents comprising a package, (ii) may cross-reference other information as provided in Section 4 of this Disclosure Agreement, and (iii) shall include such financial statements as may be required by the Rule.

(b) The annual financial statements of the Commonwealth shall be prepared on the basis of generally accepted accounting principles and will be audited. Copies of the audited annual financial statements, which may be filed separately from the Annual Report, will be submitted to EMMA when they become publicly available.

(c) If the Commonwealth fails to submit an Annual Report to EMMA by the date required in subsection (a) hereof, or to submit its audited annual financial statements to EMMA when they become publicly available, the Commonwealth shall send an appropriate notice to the MSRB in substantially the form attached hereto as Exhibit A.

SECTION 4. Content of Annual Reports. Each Annual Report required to be filed hereunder shall include, at a minimum, the information referred to in Exhibit B as it relates to the Commonwealth, all with a view toward assisting Participating Underwriters in complying with the Rule. Any or all of such information may be incorporated by reference from other documents, including official statements containing information with respect to the Commonwealth, which have been filed with the MSRB or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Commonwealth shall clearly identify each such other document so incorporated by reference.

SECTION 5. Notice of Rating Changes. The Commonwealth will provide in a timely manner not in excess of ten business days after the occurrence of the event to the Board and to EMMA notice of any changes in the ratings of the Commonwealth's general obligation bonds by the rating agencies requested by the Commonwealth to rate such bonds.

SECTION 6. Notice of Bankruptcy, Insolvency, Receivership or Similar Event. The Commonwealth will provide in a timely manner not in excess of ten business days after the occurrence of the event to the Board and to EMMA notice of any bankruptcy, insolvency, receivership or similar event of the Commonwealth. For purposes of this Section, a bankruptcy, insolvency, receivership or similar event of the Commonwealth is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Commonwealth in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Commonwealth, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan or reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Commonwealth.

SECTION 7. Notice of Merger, Consolidation, Acquisition or Similar Event. The Commonwealth will provide in a timely manner not in excess of ten business days after the occurrence of the event to the Board and to EMMA notice of any consummation of a merger, consolidation, or acquisition involving the Commonwealth or the sale of all or substantially all of the assets of the Commonwealth, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

SECTION 8. Termination of Reporting Obligation. The obligations of the Commonwealth under this Disclosure Agreement shall terminate upon the earlier to occur of the legal defeasance or final retirement of the Bonds, and the Board shall notify the Commonwealth promptly upon the occurrence of either such event.

SECTION 9. Dissemination Agent. The Commonwealth may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Commonwealth shall be the Dissemination Agent.

SECTION 10. Amendment. Notwithstanding any other provision of this Disclosure Agreement, the Commonwealth may amend this Disclosure Agreement, if such amendment is supported by an opinion of independent counsel with expertise in federal securities laws to the effect that such amendment is permitted or required by the Rule.

SECTION 11. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Commonwealth from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notices described in Section 5, Section 6, and Section 7 above, in addition to that which is required by this Disclosure Agreement. If the Commonwealth chooses to include any information in any Annual Report or notices described in Section 5, Section 6, and Section 7 above, in addition to that which is specifically required by this Disclosure Agreement, the Commonwealth shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice.

SECTION 12. Default. Any person referred to in Section 13 (other than the Commonwealth) may take such action as may be permitted by law against the appropriate public official to secure compliance with the obligation of the Commonwealth to file its Annual Report or to give notices as described in Section 5, Section 6, and Section 7 hereinabove. In addition, Holders of not less than a majority in aggregate principal amount of Bonds outstanding may take such actions as may be permitted by law to challenge the adequacy of any information provided pursuant to this Disclosure Agreement, or to enforce any other obligation of the Commonwealth hereunder. A default under this Disclosure Agreement shall not be deemed an event of default under any applicable resolution or other debt authorization of the Commonwealth, and the sole remedy under this Disclosure Agreement in the event of any failure of the Commonwealth to comply herewith shall be an action to compel performance. Nothing in this provision shall be deemed to restrict the rights or remedies of any Holder pursuant to the Securities Exchange Act of 1934, the rules and regulations promulgated thereunder, or other applicable laws.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Commonwealth, the Board, the Participating Underwriters, and Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 15. EMMA. All filings under this Disclosure Agreement shall be made solely by transmitting such filings to the Municipal Securities Rulemaking Board via EMMA, as described in 1934 Act Release No. 59062. Should the Securities and Exchange Commission approve any additional or subsequent internet-based electronic filing system for satisfying the continuing disclosure filing requirements of the Rule, any filings required under this Disclosure Agreement may be made by transmitting such filing to such system, as described in the applicable Securities and Exchange Commission regulation or release approving such filing system.

Date: November 18, 2015

**COMMONWEALTH OF VIRGINIA**

By: \_\_\_\_\_  
State Treasurer

AGREED TO & ACKNOWLEDGED:

**VIRGINIA RESOURCES AUTHORITY**

By: \_\_\_\_\_  
Executive Director

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

**COMMONWEALTH OF VIRGINIA**

in connection with  
 Virginia Resources Authority  
 \$166,980,000  
 Infrastructure and State Moral Obligation Revenue Bonds  
 (Virginia Pooled Financing Program), Series 2015D

Dated: November 18, 2015

\$107,760,000 Infrastructure Revenue Bonds Series 2015D (Tax-Exempt)  CUSIP Numbers 92818L M74 – Q54	\$52,290,000 State Moral Obligation Revenue Bonds Series 2015D (Tax-Exempt)  CUSIP Numbers 92818L J60 – M66
\$4,475,000 Infrastructure Revenue Bonds Series 2015D (Taxable)  CUSIP Numbers 92818L G22 – H39	\$2,455,000 State Moral Obligation Revenue Bonds Series 2015D (Taxable)  CUSIP Numbers 92818L H47 – J52

NOTICE IS HEREBY GIVEN that the Commonwealth of Virginia has not provided an Annual Report [Audited Annual Financial Statements] as required by Section 3 of the Continuing Disclosure Agreement, which was entered into in connection with the above-named bonds issued pursuant to a Master Indenture of Trust dated as of December 1, 2003, as supplemented by a Thirty-Fourth Supplemental Series Indenture of Trust dated as of November 1, 2015, between the Authority and U.S. Bank National Association, as trustee. The Commonwealth anticipates that the Annual Report [Audited Annual Financial Statements] will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

**COMMONWEALTH OF VIRGINIA**

By: \_\_\_\_\_  
 State Treasurer

**CONTENT OF ANNUAL REPORT**

**General Fund.** Information concerning revenues, sources of revenues, expenditures, categories of expenditures and balances of the General Fund of the Commonwealth for the preceding fiscal year.

**Appropriation Act.** A summary of the material budgetary aspects of the Appropriation Act for the current biennium.

**Debt.** Updated information respecting tax-supported and other outstanding debt of the Commonwealth including a historical summary of outstanding tax-supported debt; a summary of authorized but unissued tax-supported debt and a summary of annual debt service on outstanding tax-supported debt.

**Retirement Plans.** Updated information (to the extent not shown in the latest audited annual financial statements) respecting pension and retirement plans administered by the Commonwealth including a summary of membership, revenues, expenses and actuarial valuation(s) of such plans.

**Litigation.** A summary of material litigation pending against the Commonwealth.

**Demographic Information.** Updated demographic information respecting the Commonwealth such as its population and tax base.

**Economic Information.** Updated economic information respecting the Commonwealth such as income, employment, industry and infrastructure data.

In general, the foregoing will include information as of the end of the most recent fiscal year or as of the most recent practicable date. Where information for the fiscal year just ended is provided, it may be preliminary and unaudited. Where information has historically been provided for more than a single period, comparable information will in general be provided for the same number of periods where valid and available. Where comparative demographic or economic information for the Commonwealth and the United States as a whole is contemporaneously available and, in the judgment of the Commonwealth, informative, such information may be included. Where, in the judgment of the Commonwealth, an accompanying narrative is required to make data presented not misleading, such narrative will be provided.

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**APPENDIX F**

**SUMMARY OF CONTINUING DISCLOSURE UNDERTAKINGS  
BY VIRGINIA RESOURCES AUTHORITY**

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The following is a summary of the continuing disclosure undertaking made by VRA pursuant to the Thirty-Fourth Supplemental Series Indenture for the benefit of the holders of the 2015D Bonds. Unless otherwise defined, each capitalized term used herein will have the meaning given it above in this Official Statement.

### **Annual Disclosure**

(a) Directly or through a below-described Dissemination Agent, VRA shall provide annually the following financial information or operating data in each case as of the end of VRA's most recent fiscal year:

(i) an update of the table (the "Participating Local Governments Table") contained under the heading "Aggregate Participation in the Virginia Pooled Financing Program" in the subsection "THE 2015D LOCAL GOVERNMENTS AND THE OTHER PARTICIPATING LOCAL GOVERNMENTS" in Section Three of this Official Statement;

(ii) a list showing each Local Government constituting a "Material Local Government," which may be included in the updated Participating Local Governments Table provided under (a)(1) above; and

(iii) the balance and a list of the investments, if any, held in each of the Infrastructure Revenue Debt Service Reserve Fund, the Capital Reserve Fund and the Operating Reserve Fund and a statement as to whether the balance was at least equal to the level required under the Indenture.

(b) VRA shall provide annually the financial information or operating data described in subsection (a) above (collectively, the "Annual Disclosure") on or before March 31 after the end of each of VRA's fiscal years, commencing with VRA's fiscal year ended June 30, 2015, to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format as prescribed by the MSRB.

(c) Any Annual Disclosure may be included by specific reference to other documents available to the public on the MSRB's internet web site or previously filed with the SEC; provided, however, that any final official statement incorporated by reference must be available from the MSRB.

(d) VRA shall provide in a timely manner to the MSRB, in an electronic format as prescribed by the MSRB, notice specifying any failure of VRA to provide the Annual Disclosure by the date specified.

### **Event Disclosure**

VRA shall provide, or cause to be provided through the Dissemination Agent, to the MSRB, notice of the occurrence of any of the following events that may from time to time occur with respect to the 2015D Bonds, such notice to be given in a timely manner not in excess of 10 business days after the occurrence of the event:

(a) principal and interest payment delinquencies;

- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on any credit enhancement maintained with respect to the 2015D Bonds reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect to the tax status of the 2015D Bonds, or other material events affecting the tax status of the 2015D Bonds;
- (g) modifications to rights of the Owners of the 2015D Bonds, if material;
- (h) bond calls, if material, and tender offers;
- (i) defeasance of all or any portion of the 2015D Bonds;
- (j) release, substitution, or sale of property securing repayment of the 2015D Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of VRA;
- (m) the consummation of a merger, consolidation, or acquisition involving VRA or the sale of all or substantially all of the assets of VRA, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such action, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material; and
- (o) the failure of VRA on or before the date required by this Disclosure Agreement to provide Annual Financial Information to the persons and in the manner required by the Thirty-Fourth Supplemental Series Indenture.

### **Objective Criteria**

(a) The objective criteria for identifying a Material Local Government with respect to the 2015D Bonds shall be based upon a determination by VRA on the date of sale of each Series of Bonds pursuant to the Indenture (each a "Sale Date") and as of the end of each of VRA's fiscal years of the level of participation of each Local Government in the Program, which is funded by the Bonds issued under the Indenture. Any Local Government, the aggregate outstanding principal amount of Local Obligations of which represents 15% or more of the aggregate outstanding principal amount of all Local Obligations purchased or acquired with proceeds of Bonds issued under the Master Indenture, shall be a Material Local Government with respect to the 2015D Bonds as long as such Local Government satisfies such objective criteria. VRA shall

determine whether any of the Local Governments are (or remain) Material Local Governments as of each Sale Date and as of the end of each of VRA's fiscal years, commencing June 30, 2015.

(b) VRA covenants to require that each Agreement and Financing Lease with a Local Government contain a continuing disclosure undertaking substantially in the form summarized in Appendix G to this Official Statement.

(c) VRA shall, within 45 days of the end of each fiscal year of VRA, notify each Local Government satisfying the objective criteria set forth above that such Local Government is a "Material Local Government" as of the end of such fiscal year.

### **Format of Disclosure**

All documents provided to the MSRB pursuant to the requirements of the Rule shall be accompanied by identifying information as prescribed by the MSRB.

### **Termination**

The obligations of VRA will terminate upon the redemption, defeasance (within the meaning of the Rule) or payment in full of all the 2015D Bonds.

### **Amendment**

VRA may modify its continuing disclosure obligations without the consent of the underwriters of the 2015D Bonds or Owners of any of the Bonds, provided that the undertaking as so modified complies with the Rule as it exists at the time of modification. VRA shall within a reasonable time thereafter send to the MSRB a description of such modification(s).

### **Defaults**

(a) If VRA fails to comply with any covenant or obligation described in this Appendix F, any holder (within the meaning of the Rule) of Bonds then Outstanding may, by notice to VRA, proceed to protect and enforce its rights and the rights of the holders by an action for specific performance of such covenant or obligation.

(b) Notwithstanding anything in the Thirty-Fourth Supplemental Series Indenture to the contrary, any failure of VRA to comply with any covenant or obligation described in this Appendix F shall not (i) be deemed to constitute an event of default under the Bonds or the Indenture or (ii) give rise to any right or remedy other than that described in paragraph (a) above.

### **Additional Disclosure**

VRA may from time to time disclose certain information and data in addition to that described in this Appendix F. Notwithstanding anything in the Indenture to the contrary, VRA shall not incur any obligation to continue to provide, or to update, such additional information or data.

## **Dissemination Agent**

VRA may, in its discretion, from time to time appoint or engage an entity to serve as Dissemination Agent to assist VRA in fulfilling its covenants and obligations described in this Appendix F. VRA may engage or appoint as Dissemination Agent, among others, Digital Assurance Certification LLC or similar organizations that may exist from time to time. It is not necessary that the Dissemination Agent have any agency or other legal, contractual or implied relationship with VRA for purposes of state law.

**APPENDIX G**

**SUMMARY OF CONTINUING DISCLOSURE  
UNDERTAKINGS BY LOCAL GOVERNMENTS**

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## **Part I**

### **SUMMARY OF CONTINUING DISCLOSURE UNDERTAKINGS BY LOCAL GOVERNMENTS**

The following is a summary of the continuing disclosure undertakings that each Local Government will be required to make under its respective Agreement or Financing Lease for the benefit of the Owners of the 2015D Bonds. Unless otherwise defined, each capitalized term used herein will have the meaning given it above in this Official Statement.

#### **Annual Disclosure**

The provisions described under this heading shall apply from the time the Local Government has been notified by VRA that it is a Material Local Government until it has been further notified by VRA that it is no longer a Material Local Government.

(a) The Local Government shall provide or cause to be provided annually financial information and operating data in accordance with the provisions of Section (b)(5)(i) of the Rule as follows:

(i) audited financial statements of the Local Government, prepared in accordance with generally accepted accounting principles; and

(ii) the operating data of the type set forth in Part II hereof for a General Obligation Bond Local Government, a Financing Lease Local Government, a Revenue Bond Local Government or a Double Barrel Bond Local Government, as appropriate.

If the financial statements filed pursuant to this subsection (a) are not audited, the Local Government shall file such statements as audited when available.

(b) The Local Government shall provide or cause to be provided annually the financial information and operating data described in subsection (a) above (collectively, the "Annual Disclosure") to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format as prescribed by the MSRB within seven months after the end of the Local Government's fiscal year, but only as of the end of a fiscal year during which such Local Government constitutes a "Material Local Government.

(c) Any Annual Disclosure may be included by specific reference to other documents available to the public on the MSRB's internet web site or previously filed with the SEC; provided, however, that any final official statement incorporated by reference must be available from the MSRB.

(d) The Local Government shall provide or cause to be provided in a timely manner to the MSRB, in an electronic format as prescribed by the MSRB, notice specifying any failure of the Local Government to provide the Annual Disclosure by the date specified.

## Event Disclosure

Each 2015D Local Government shall notify VRA of the occurrence of any of the following events that may from time to time occur with respect to the Local Obligation, such notice to be given in a timely manner not in excess of five business days after the occurrence of the event:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on any credit enhancement maintained with respect to the Local Bond reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect to the Local Obligation that could affect the tax status of the 2015D Bonds, or other material events with respect to the Local Obligation that could affect the tax status of the 2015D Bonds;
- (g) modifications to rights of holders, if material;
- (h) bond calls, if material, and tender offers;
- (i) defeasances;
- (j) release, substitution, or sale of property securing repayment of the Local Obligation, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Local Government, which event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Local Government in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Local Government, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation of a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Local Government;
- (m) the consummation of a merger, consolidation, or acquisition involving the Local Government or the sale of all or substantially all of the assets of the Local Government, other

than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such action, other than pursuant to its terms;

(n) appointment of a successor or additional trustee for the Local Obligation, if any, or the change of name of a trustee; and

(o) the failure of the Local Government on or before the date required by the Financing Agreement to provide Annual Financial Information to the persons and in the manner required by the Financing Agreement.

### **Termination**

The obligations of the Local Government will terminate upon the redemption, defeasance (within the meaning of the Rule) or payment in full of all the Bonds.

### **Amendment**

The Local Government may modify its continuing disclosure obligations in the Agreement without the consent of Bondholders, provided that the Agreement as so modified complies with the Rule as it exists at the time of modification. The Local Government shall within a reasonable time thereafter send to VRA and to the MSRB a description of such modifications.

### **Defaults**

(a) If the Local Government fails to comply with any covenant or obligation regarding Annual Disclosure specified in the Agreement, any holder (within the meaning of the Rule) of Bonds then Outstanding may, by notice to the Local Government, proceed to protect and enforce its rights and the rights of the holders by an action for specific performance of the Local Government's covenant to provide the Annual Disclosure.

(b) Notwithstanding anything herein to the contrary, any failure of the Local Government to comply with any obligation regarding Annual Disclosure specified in the Agreement (i) shall not be deemed to constitute an event of default under the Local Obligations, the Bonds or the Indenture and (ii) shall not give rise to any right or remedy other than that described in subsection (a) above.

### **Additional Disclosure**

The Local Government may from time to time disclose certain information and data in addition to the Annual Disclosure. Notwithstanding anything in the Agreement to the contrary, the Local Government shall not incur any obligation to continue to provide, or to update, such additional information or data.

**Format of Disclosure**

All documents provided to the MSRB pursuant to the requirements of the Rule shall be accompanied by identifying information as prescribed by the MSRB.

**Dissemination Agent**

The Local Government may, in its discretion, from time to time appoint or engage an entity to serve as Dissemination Agent to assist the Local Government in providing its Annual Disclosure under this Agreement.

## Part II

### CONTENT OF ANNUAL DISCLOSURE

#### **Operating Data for General Obligation Bond Local Government and Financing Lease Local Government**

*Description of Local Government.* A description of the Local Government, including a summary of its form of government and budgetary processes.

*Debt.* A description of the terms of the Local Government's outstanding tax-supported and other debt, including capital leases and moral obligations, including a historical summary of outstanding tax-supported debt; a summary of authorized but unissued tax-supported debt; a summary of legal debt margin; a summary of overlapping debt; and a summary of annual debt service on outstanding tax-supported debt as of the end of the preceding fiscal year. The Annual Disclosure should also include (to the extent not shown in the latest audited financial statements) a description of contingent obligations as well as pension plans administered by the Local Government and any unfunded pension liabilities.

*Financial Information and Operating Data.* Financial information and operating data respecting the Local Government including a description of revenues and expenditures for its major funds and a summary of its tax policy, structure and collections as of the end of the preceding fiscal year.

#### **Operating Data for Revenue Bond Local Government**

*Description of Local Government.* A description of the Local Government, including a summary description of the revenue-producing system (the "System").

*Debt.* A description of the terms of the Local Government's outstanding debt including a historical summary of outstanding debt and a summary of annual debt service on outstanding debt as of the end of the preceding fiscal year. The Annual Disclosure should also include (to the extent not shown in the latest audited financial statements) a description of contingent obligations as well as pension plans administered by the Local Government and any unfunded pension liabilities.

*Financial Information and Operating Data.* Financial information for the System as of the end of the preceding fiscal year, including a description of revenues and expenditures, largest users, a summary of rates, fees and other charges of the System, and a historical summary of debt service coverage.

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**APPENDIX H**

**REFUNDED BONDS**

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The Refunded Bonds are subject to change based upon market conditions, but VRA expects the Refunded Bonds to include all or a portion of the outstanding principal amount of (i) the Industrial Development Authority of Giles County, Virginia's Public Facilities Lease Revenue Bonds, Series 2008A, (ii) the Rivanna Water and Sewer Authority's Regional Water and Sewer System Revenue and Refunding Bonds, Series 2005, (iii) the City of Suffolk, Virginia's General Obligation Public Utility Bonds, Series 2009 (Taxable Build America Bonds), General Obligation and Refunding Bonds, Series 2011, General Obligation and Refunding Bonds, Series 2012 and General Obligation and Refunding Bonds, Series 2013, and (iv) the maturities of the VRA bond issues listed below.

<u>Issue</u>	<u>Maturities or Portions Thereof Being Refunded (Years Inclusive)</u>	<u>Aggregate Principal Amount to be Refunded</u>	<u>Redemption Date or Maturity Date</u>	<u>Redemption Price</u>
Infrastructure Revenue Bonds (Virginia Pooled Financing Program), Senior Series 2005A	2016-2025	\$5,570,000	12/23/15	100%
Infrastructure Revenue Bonds (Virginia Pooled Financing Program), Subordinate Series 2005A	2016-2025	\$2,550,000	12/23/15	100%
Infrastructure Revenue Bonds (Virginia Pooled Financing Program), Senior Series 2005C (Non-AMT)	2016-2028	\$3,195,000	12/23/15	100%
Infrastructure Revenue Bonds (Virginia Pooled Financing Program), Subordinate Series 2005C (Non-AMT)	2016-2028	\$1,395,000	12/23/15	100%
Infrastructure Revenue Bonds (Virginia Pooled Financing Program), Senior Series 2005C (AMT)	2016-2025	\$3,650,000	12/23/15	100%
Infrastructure Revenue Bonds (Virginia Pooled Financing Program), Subordinate Series 2005C (AMT)	2016-2025	\$1,575,000	12/23/15	100%
Infrastructure Revenue Bonds (Virginia Pooled Financing Program), Senior Series 2006B (Non-AMT)	2016-2017	\$725,000	05/01/16	100%
Infrastructure Revenue Bonds (Virginia Pooled Financing Program), Subordinate Series 2006B (Non-AMT)	2016-2017	310,000	05/01/16	100%

<u>Issue</u>	<u>Maturities or Portions Thereof Being Refunded (Years Inclusive)</u>	<u>Aggregate Principal Amount to be Refunded</u>	<u>Redemption Date or Maturity Date</u>	<u>Redemption Price</u>
Infrastructure Revenue Bonds (Virginia Pooled Financing Program), Senior Series 2006C (Non-AMT)	2016-2017	710,000	11/1/16	100%
Infrastructure Revenue Bonds (Virginia Pooled Financing Program), Subordinate Series 2006C (Non-AMT)	2016-2027	4,320,000	11/1/16	100%
Infrastructure Revenue Bonds (Virginia Pooled Financing Program), Senior Series 2007B (Non-AMT)	2016-2019	2,670,000	11/1/16; 11/1/17	100%
Infrastructure Revenue Bonds (Virginia Pooled Financing Program), Subordinate Series 2007B (Non-AMT)	2017-2027	4,090,000	11/1/17	100%
Infrastructure Revenue Bonds (Virginia Pooled Financing Program), Senior Series 2008B (Non-AMT)	2017-2038	27,535,000	11/1/17; 11/1/18	100%
Infrastructure Revenue Bonds (Virginia Pooled Financing Program), Subordinate Series 2008B (Non-AMT)	2017-2038	11,735,000	11/1/17; 11/1/18	100%
Infrastructure Revenue Bonds (Virginia Pooled Financing Program), Series 2012C (Non-AMT)	2016-2019	2,770,000	11/1/16; 11/1/17; 11/1/18; 11/1/19	100%
State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program), Series 2012C (Non-AMT)	2016-2019	1,195,000	11/1/16; 11/1/17; 11/1/18; 11/1/19	100%



**VRA** VIRGINIA  
RESOURCES  
AUTHORITY

