

# **VIRGINIA RESOURCES AUTHORITY**

## **MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION INITIATIVE SUBCOMMITTEE MINUTES OF THE REGULAR MEETING**

The Municipalities Continuing Disclosure Cooperation Initiative Subcommittee of the Virginia Resources Authority met on Monday, June 1, 2015, in the Virginia Resources Authority Board Room, Bank of America Building, Suite 1920, 1111 E. Main Street, Richmond, Virginia.

### **Committee Members Present**

John H. Rust, Jr., Chair

Dena Frith Moore

William G. O'Brien, Ex Officio

### **Other Board Members Present**

Manju Ganeriwala

### **Staff Present**

Stephanie L. Hamlett, Executive Director, Secretary to the Board

Jean Bass, Director of Policy

Michael Cooper, Director of Administration and Operations

Peter D'Alema, Director of Program Management

Jon McCubbin, Controller

Stephanie Jones, Program Manager/Compliance Officer

Rachael Logan, Fiscal & Administrative Specialist

### **Others Present**

Arthur Anderson, McGuireWoods, Bond Counsel

Ty Wellford, Davenport & Company, LLC

### **Call to Order**

The meeting was called to order by Mr. John H. Rust, Jr., Chair, at 12:35 p.m.

### **Approval of Agenda**

Motion by Mr. O'Brien, seconded by Ms. Moore, to approve the agenda as presented.

Motion carried.

**Municipalities Continuing Disclosure Cooperation Initiative Committee (MCDC)**

Chairman Rust provided a short overview of the Subcommittee's and staff's efforts to date. He asked Mr. Arthur Anderson, McGuireWoods, Bond Counsel, to comment on the proposed policy. Mr. Anderson recommended that the Board not adopt the proposed Continuing Disclosure Policy until after the completion of the review of VRA's MCDC filing by the Securities and Exchange Commission (SEC). The draft policy was developed for VRA's continuing disclosure requirements. Mr. Anderson's recommendation is predicated on the fact that the SEC may have specific requirements that will need to be incorporated in VRA's policy which can be included prior to adoption by VRA's Board.

Mr. Peter D'Alema, Director of Program Management, continued that VRA has heard, indirectly through Wells Fargo, that after filings, Wells Fargo was contacted by the SEC to get additional clarity on some of the findings. Wells Fargo was asked to delineate administrative issues versus true misstatement of facts in their filing. Mr. D'Alema explained that review by the SEC is approximately a twelve month process, and VRA should receive notification from the SEC by November 2015.

**Draft Continuing Disclosure Policy**

Mr. Peter D'Alema, Director of Program Management, provided an overview of the draft Continuing Disclosure Policy. He noted that the policy sets the operational standards for continuing disclosure undertakings by VRA. In addition, the Policy identifies staff members that serve as the primary and secondary continuing disclosure officers. Further, he said, continuing disclosure undertakings will be governed by indentures associated with VRA public bond issues for relevant programs such as the Virginia Pooled Financing Program, Pooled Loan Bond Program, Clean Water State Revolving Fund, Virginia Airports Revolving Fund, stand-alone VRA bond issues and any future programs that require annual continuing disclosure. Mr. D'Alema stated that continuing disclosure matters will be available to the public electronically through the Municipal Securities Rulemaking Board EMMA website. The policy also provides that VRA will notify material obligors by the end of VRA's fiscal year; has the right to disclose certain voluntary information; and will retain all continuing disclosure documents at least three years past the redemption or final maturity date.

In response to Mr. Rust, Mr. D'Alema stated that the procedures document, developed by staff, shows that he is the primary Continuing Disclosure Officer, and Mr. Shawn Crumlish, Director of Financial Services, is the secondary disclosure officer.

After discussion, it was the consensus of the Subcommittee to include the titles of the primary and secondary Continuing Disclosure Officers in the final copy of the Continuing Disclosure Policy to be submitted for approval by the Subcommittee and the Full Board.

**Old Business**

There was no old business.

**New Business**

There was no new business.

**Adjournment**


Motion by Mr. O'Brien, seconded Ms. Moore, to adjourn the meeting.

Motion carried.

The meeting adjourned at 12:42 p.m. The next meeting of the Subcommittee is to be determined.



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John H. Rust, Jr., Chair



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Stephanie Hamlett, Executive Director  
Secretary to the Board

**VIRGINIA RESOURCES AUTHORITY**  
**PORTFOLIO RISK MANAGEMENT COMMITTEE MEETING**  
**MINUTES OF THE REGULAR MEETING**

The Portfolio Risk Management Committee met on Monday, June 1, 2015, in the Virginia Resources Authority Board Room, Bank of America Building, Suite 1920, 1111 E. Main Street, Richmond, Virginia.

**Committee Members Present**

Dena Frith Moore, Chair  
David Branscome  
Manju Ganeriwala  
Thomas L. Hasty, III  
John H. Rust, Jr.  
William G. O'Brien, Ex Officio

**Committee Members Absent**

None

**Staff Present**

Stephanie L. Hamlett, Executive Director, Secretary to the Board  
Jean Bass, Director of Policy  
Michael Cooper, Director of Administration & Operations  
Shawn Crumlish, Director of Financial Services  
Peter D'Alema, Director of Program Management  
Jon McCubbin, Controller  
Kimberly Adams, Senior Program Manager  
Stephanie Jones, Program Manager/Compliance Officer  
Jonathan Farmer, Program Manager  
Rachael Logan, Fiscal & Administrative Specialist

**Others Present**

Howard Eckstein, Virginia Department of Health  
Arthur Anderson, McGuireWoods, Bond Counsel  
Ty Wellford, Davenport & Company, LLC  
Leah Schubel, Davenport & Company, LLC

**Call to Order**

The meeting was called to order by Ms. Dena Frith Moore, Chair, at 1:00 p.m.

### **Approval of Agenda**

Motion by Mr. Rust, seconded by Mr. O'Brien, to approve the agenda as presented.

Motion carried.

### **Portfolio Risk Management**

Ms. Moore asked Mr. Peter D'Alema, Director of Program Management, to begin the Portfolio Risk Management staff update.

2015A Virginia Pooled Financing Program (VPFP): Mr. D'Alema provided an overview of the spring 2015A VPFP transaction, stating that VRA sold \$135 million in VPFP bonds on May 13, 2015, funding 17 loans on behalf of 14 local government borrowers. The series included eight of VRA's 18 authorized project areas, including broadband for the Roanoke Valley Broadband Authority. He continued that the transaction consisted of both taxable and tax-exempt Infrastructure Revenue Bonds and State Moral Obligation (MO) Revenue Bonds. Ratings were maintained on the bonds with the Infrastructure Revenue Bonds receiving Aaa/AAA ratings and the State Moral Obligation Bonds receiving Aa2/AA ratings from Moody's and Standard & Poor's, respectively. Mr. D'Alema complimented staff, noting that there were 10 credits with new exposure to VRA and 7 compliance reviews necessary as part of the local loan underwriting for the spring pool.

Mr. D'Alema continued that the market was challenging with an uptrend during the weeks leading up to pricing. However, the rates, in general, remained attractive on a historic basis and the True Interest Cost (TIC) was 3.13%, and an All-In TIC of 3.33% including the taxable series. Senior and Subordinate tax-exempt bonds mature in November 2040 and taxable bonds mature in 2035. There were four underwriters in the negotiated portion of the transaction relating to the Infrastructure Revenue Bonds and Taxable State Moral Obligation Bonds. Wells Fargo was the Senior Manager, JP Morgan was the Co-Senior Manager, Loop Capital Markets was a Co-Manager along with Raymond James. Raymond James submitted the lowest TIC bid (3.2%) on the tax-exempt MO Bonds and won the competitive bid as a result.

Mr. D'Alema shared a table summarizing the spring pool borrowers, noting that Louisa County and the James River Water Authority moved to the summer pool. Eleven borrowers in the transaction refunded prior VRA and non-VRA debt obligations for a total Net Present Value (NPV) savings in excess of \$6.67 million. He stated that the total borrower loans outstanding in the portfolio is \$2.2 billion with the top ten borrowers representing 35.5% of the overall VPFP portfolio, and the largest borrower being 6.08% of the overall VPFP portfolio. Mr. D'Alema concluded with a chart showing MO debt capacity, noting that the Commonwealth MO backed debt totals \$896.3 million after the VPFP 2015A issuance; there is \$603.7 million in remaining MO debt capacity; and over \$34 million in MO backed debt matures between June 30, 2015 and November 1, 2015. The five-year issuance trend shows a total issuance in 2015 of \$465 million in par amount, with 78% being refunding in nature.

**2015B Virginia Pooled Financing Program (VPFP) Summer Pool:** Mr. Peter D'Alema, Director of Program Management, stated that 9 loan requests were received for the summer pool, as well as a late application. He explained that requested proceeds will range between \$140 million and \$150 million as a result of the late application and one other VRA refunding. Eight to 12 local governments, including VRA refunding borrowers, are expected to participate in the summer pool. Currently, discussions are being held on refunding opportunities with VRA borrowers showing savings. He stated that 9 VPFP and PLBP loans with NPV savings of at least 3% are potential VRA refunding candidates. Recent market rate fluctuations may impact decisions of some VRA refunding borrowers to participate in the summer transaction. Mr. D'Alema shared a chart outlining borrowers' requests, noting that the Henry County Public Service Authority is the late application with approximately \$2 million in requested proceeds. The bulk of the requests are new money in nature. He pointed out that Lousia County and James River Water Authority are water related projects that require the receipt of a water withdrawal permit from the Virginia Department of Environmental Quality in order to participate in the summer transaction. The two borrowers had originally applied for funding from the 2015 Spring Pool.

In response to Mr. O'Brien, Ms. Moore explained that the Spring Pool will contain more new money loan applications than occurred over the full FY2015. In further response to Ms. Moore, Mr. Ty Wellford, Davenport & Company, LLC, stated that the uptick in new money loans is not necessarily, in his view, a trend.

Mr. D'Alema explained that the largest borrowers include four individual new exposure loan requests in excess of \$10 million, and noted that the Appendix to the presentation contains details on each. However, he stated that Bedford Regional Water Authority is requesting a loan to construct a new water treatment plant and waterline expansion. Previously, the application was approved with an exception to VRA's revenue guidelines. Currently, the loan request falls within the Revenue Credit Guidelines. Charlotte County is a new credit, and the loan is for a courthouse. Charlotte is not rated but is very strong in terms of VRA's Tax Supported Guidelines. Hanover County is seeking funding to complete the construction of a new courthouse. It meets all of the requirements set forth in the Special Fund Revenue Guidelines. Louisa County is a carryover from the Spring Pool. With the exception of Hanover County, the other three borrowers with loan requests in excess of \$10 million are unrated. However, all are very strong borrowers and fall within VRA's Revenue, Lease Revenue, and Appropriation-only Special Fund Revenue Guidelines, respectively.

Mr. D'Alema stated that due diligence calls were conducted with applicants in May; borrowers seeking new debt exposure with VRA will adopt local authorizing resolutions by the end of June; and transaction details will be provided at the September 2015 PRMC meeting. He concluded that the bond sale is scheduled for July 28, 2015, with pre-closing and closing taking place on August 11- 12, 2015.

**Virginia Airport Revolving Fund (VARF) Bond Redemption:** Mr. Peter D'Alema, Director of Program Management, stated that staff has moved forward with recommendations to use existing VARF program equity to redeem and defease existing VARF bonds. In May, \$9 million was transferred from VARF Series 2002B, 2002C, and 2004 bonds and to defease the Series 2005

bonds. Rates will be reset for 9 underlying local airport borrower loans based on market rates on May 6. Local borrower savings are anticipated to be in excess of \$700,000. Through FY2032, the VARF program equity is estimated to increase by over \$1 million as a result of the redemption and defeasance.

**2015 Clean Water Revolving Loan Fund (CWRLF) Refunding:** Mr. Shawn Crumlish, Director of Financial Services, provided an overview of the Clean Water transaction, noting that the purpose of the refunding is to obtain debt service savings and take out all of the callable maturities. He stated that VRA closed on the sale of \$115,225,000 in CWRLF refunding bonds. The All-in TIC was 2.60% and the Net Present Value (NPV) savings was 6.29% which is above the 3% threshold that was approved June 2014. The Aaa, AAA and AAA ratings were reaffirmed by all rating agencies. Mr. Crumlish continued that 10 localities with 13 loans funded from the 2009 Clean Water Bonds will benefit from savings of \$9.1 million based on reduced rates. He stated that earlier in FY2015 VRA refunded part of 2007 and 2008 bonds. In total, he said, there was over \$25 million in debt service savings to wastewater facilities. Mr. Crumlish concluded that the transaction was negotiated and four underwriters participated, namely Morgan Stanley, Senior Manager; Citigroup, Co-Senior Manager; Jeffries, Co-Manager; and Siebert Brandford Shank & Co., Co-Manager.

Mr. Ty Wellford, Davenport and Company, LLC, stated that very good feedback was received from rating agencies this spring as a result of discussions to provide required information pertaining to transactions. The agencies stated that they appreciated the stability and consistency in VRA practices and they also noted that VRA is providing an appropriate level of compliance oversight with regard to the local borrowers. He concluded that the comments provide a nice vote of confidence from the rating agencies.

In response to Mr. O'Brien, staff stated that over the course of FY2015 borrowers have realized about \$50 million in savings. Ms. Stephanie Hamlett, Executive Director, stated that the Secretary of Commerce and Trade has requested a list of VRA's accomplishments which will include debt service savings that have been provided to localities across VRA programs. The information will be provided to the Board, as well.

#### **FY2016 Shelf Resolutions**

Mr. Peter D'Alema, Director of Program Management, explained that the Virginia Pooled Financing Program (VPFP) shelf resolution authorizes up to \$475 million in FY2016 issuance, an increase from last year's \$450 million. The increase will prevent the need to bring the resolution back to the Board should funding requests exceed the par amount issued in FY2015. Mr. D'Alema continued that the Virginia Airport Revolving Fund (VARF) shelf resolution authorizes up to \$15 million in FY2016 issuance. The resolution shows an increase of \$10 million from the previous year to accommodate the need to leverage a potentially large project in the upcoming year. The refunding shelf resolution, he stated, authorizes the refunding of any VRA bonds as long as a minimum of 3% NPV savings can be achieved. Mr. D'Alema concluded that a Clean Water State Revolving Fund (CWSRF) shelf resolution is not needed for FY2016.

However, he asked Mr. Shawn Crumlish, Director of Financial Services, to comment on a resolution regarding the revolving funds.

Mr. Crumlish explained that in 1987 when the Water Facilities Act pertaining to clean water was created by the General Assembly, and in 1992 when the Virginia Water Supply Revolving Fund Act pertaining to drinking water was created, the VRA Board of Directors adopted a resolution authorizing the VRA Executive Director to execute those loans. The two acts have been amended several times over past years. However, he stated that VRA's resolution has not been updated to reflect amendments to the two acts. The proposed resolution will bring VRA into compliance with the Acts. Updates to programs include Clean Water which will allow financing to not only wastewater treatment plants, but brownfield remediation, land conservation and stormwater.

After discussion pertaining to the above-stated resolutions, the following motion was made.

Motion by Mr. Rust, seconded by Mr. O'Brien, to recommend approval of the following FY2016 Shelf Resolutions (attached) and the Water Supply Revolving Fund Act Resolutions (attached) to full Board of Directors:

Resolution authorizing the issuance of up to \$475,000,000 in Infrastructure Revenue Bonds (Virginia Pooled Financing Program) for the Fiscal Year ending June 30, 2016.

Resolution authorizing the issuance and sale of up to \$15,000,000 in Airports Revolving Fund Bonds for the Fiscal Year ending June 30, 2016, the lending of the proceeds thereof to finance or refinance airport projects, and the making of direct loans from the Virginia Airports Revolving Fund (VARF) for airport projects.

Resolution authorizing the issuance and sale of bonds to refund outstanding bonds.

Resolutions authorizing grants and loans pursuant to the Virginia Water Supply Revolving Fund and the Virginia Facilities Revolving Fund Acts.

Motion carried.

### **Loan Monitoring and Compliance Update**

Ms. Stephanie Jones, Program Manager/Compliance Officer, stated since the March 2015 meeting, there has been two positive risk category upgrades from Red to Yellow. The first upgrade is Bland County Service Authority. She explained that Bland County has been rated Green over the last several years, and the Service Authority has been traditionally rated Yellow. The Service Authority fell to Red when it failed to meet its rate covenant. In the FY2014 audit, the Service Authority returned to compliance with the covenant, thus moving back to Yellow. In addition, the Service Authority has improved its liquidity position.



Ms. Jones continued that the second upgraded borrower is Cafferty-5321 Shawnee Road, LLC a non-governmental borrower, which obtained funding in the Clean Water Program for a Brownfield remediation project. The borrower purchased the property to eventually develop it into an office park. The property was in need of remediation due to contamination from a rocket-fuel manufacturer previously located on the site. She noted that VRA holds the first-lien deed of trust on the remediation property. Based on the loan-to-value ratio and adequate liquidity, Cafferty was upgraded from Red to Yellow. She shared an aerial photo of the property.

#### **Old Business**

There was no old business.

#### **New Business**

There was no new business.

#### **Public Comment Period**

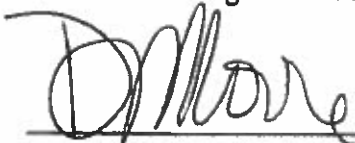
There was no public comment.

#### **Adjournment**

Motion by Mr. O'Brien, seconded by Mr. Rust, to adjourn the meeting.

Motion carried and the meeting adjourned at 1:48 p.m.

The next meeting of the Committee will be held on September 14, 2015.

  
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Dena Frith Moore, Chair  
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Stephanie Hamlett, Executive Director  
Secretary to the Board

# **VIRGINIA RESOURCES AUTHORITY**

## **- RESOLUTION -**

### **AUTHORIZING THE ISSUANCE OF UP TO \$475,000,000 IN INFRASTRUCTURE REVENUE BONDS (VIRGINIA POOLED FINANCING PROGRAM) FOR THE FISCAL YEAR ENDING JUNE 30, 2016**

June 2, 2015

**WHEREAS**, the Virginia Resources Authority ("VRA") is a public body corporate and a political subdivision of the Commonwealth of Virginia (the "Commonwealth") created by the Virginia Resources Authority Act, Chapter 21, Title 62.1, Code of Virginia of 1950, as amended (the "Act"); and

**WHEREAS**, the Act provides that VRA was created for the purpose of encouraging the investment of both public and private funds and making loans, grants and credit enhancements available to local governments to finance or refinance the costs of the facilities or projects now or hereafter described in Section 62.1-199 of the Act (each a "Project" and, as a group, the "Projects"); and

**WHEREAS**, the Act authorizes and empowers VRA, among other things, to borrow money and issue its bonds to provide funds to carry out VRA's purposes and powers and to pay all costs and expenses incurred in connection with the issuance of such bonds; and

**WHEREAS**, by a resolution adopted by the Board of Directors of VRA (the "Board") on November 13, 2003, VRA established the Virginia Pooled Financing Program (the "Program") and authorized the execution and delivery of 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 in interest to SunTrust Bank), as trustee (the "Trustee"), under which VRA has provided for the issuance from time to time of bonds of VRA for the purpose of purchasing and acquiring local obligations to finance or refinance the cost of any Project, and for such other purposes as may be authorized under and pursuant to the Act; and

**WHEREAS**, unless otherwise defined, each capitalized term used in this Resolution shall have the meaning given it in the Master Indenture; and

**WHEREAS**, the Program and the Master Indenture contemplate and authorize VRA's issuance of Infrastructure Revenue Bonds and State Moral Obligation Revenue Bonds and the use of the proceeds thereof to purchase and acquire Local Obligations, with (i) the Infrastructure Revenue Bonds to be secured primarily by revenues derived from the Local Obligations, and (ii) the State Moral Obligation Revenue Bonds to be secured primarily by (A) revenues derived from the Local Obligations (on a subordinate basis to the Infrastructure Revenue Bonds) and (B) a "capital reserve fund" with "moral obligation" support within the meaning of Section 62.1-215 of the Act to the extent provided under the Master Indenture; and

**WHEREAS**, to further the purposes of the Act and the Program, the Board has determined to authorize VRA to issue one or more Series of Bonds under the Master Indenture in an aggregate principal amount of up to \$475,000,000 net of refundings authorized under the VRA refunding shelf resolution dated June 2, 2015 (the "Bonds") at one time or from time to time during VRA's fiscal year ending June 30, 2016; and

**WHEREAS**, VRA will use the proceeds of the Bonds (i) to purchase and acquire Local Obligations issued or incurred by Localities to finance or refinance qualified Projects, (ii) to provide for any funding of the Capital Reserve Fund necessary or desirable to provide credit support for the Bonds issued as State Moral Obligation Revenue Bonds and any other State Moral Obligation Revenue Bonds heretofore or hereafter issued under the Master Indenture, and (iii) to pay the costs of issuance related to the Bonds; and

**WHEREAS**, the Master Indenture provides that, as a condition to the issuance and authentication of any Series of Bonds, VRA shall deliver to the Trustee a Supplemental Series Indenture which will contain, among other things, the specific payment and redemption provisions for the Bonds; and

**WHEREAS**, debt service payments on the Bonds are expected to be made from revenues derived from the Local Obligations and the investment earnings on certain funds and accounts established under the Master Indenture and the Supplemental Series Indentures as provided therein; and

**WHEREAS**, the foregoing arrangements will be reflected in the following documents, forms of which are on file with VRA: (i) the Master Indenture, (ii) a model Supplemental Series Indenture, to which forms of the Bonds are attached as exhibits, and (iii) model Local Bond Sale Agreements, Local Lease Acquisition Agreements, Financing Agreements and Financing Leases to be used in the acquisition of revenue Local Obligations, general obligation Local Obligations, "double-barreled" Local Obligations and lease Local Obligations (collectively, the "Local Obligation Documents"); and

After careful consideration and to further the public purposes for which the Virginia Resources Authority was created, **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE VIRGINIA RESOURCES AUTHORITY THAT:**

**1. Authorization of the Bonds.** There is hereby authorized the issuance at one time or from time to time of one or more series of revenue bonds of VRA to be known as the Virginia Resources Authority Infrastructure and State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program). Each Series of the Bonds shall bear appropriate Series designations and any Bonds to be issued as a single Series for purposes of the Master Indenture may, for purposes of the related Supplemental Series Indenture and federal tax law, be issued under two or more sub-designations. The Bonds shall be in substantially the forms attached as exhibits to the related Supplemental Series Indenture. VRA shall use the proceeds of the issuance and sale of each Series of the Bonds as described in the Recitals above and in accordance with the Master Indenture and the related Supplemental Series Indenture. It is

hereby found and determined that the debt service payments on the Bonds are not expected to be made, in whole or in part, directly or indirectly, from appropriations of the Commonwealth within the meaning of Section 2.2-2416(7) of the Code of Virginia of 1950, as amended.

**2. Details of the Bonds.** VRA's Chairman and Executive Director are authorized to determine and approve the final details of each Series of the Bonds, including without limitation, their series designations, dated date, original aggregate principal amount, interest rates, maturity dates, redemption provisions, sale prices, the portions to be issued as Infrastructure Revenue Bonds and State Moral Obligation Revenue Bonds and the principal amount of each maturity; provided, however, that (i) the original aggregate principal amount of the Bonds shall not exceed \$475,000,000 net of refundings authorized under the VRA refunding shelf resolution dated June 2, 2015; (ii) the proceeds derived from the sale of the Bonds of any Series that are issued as State Moral Obligation Revenue Bonds, excluding any proceeds derived from any Bonds issued for the purpose of funding the Capital Reserve Fund and proceeds related to the refunding of existing State Moral Obligation Revenue Bonds, shall not exceed 35% of proceeds derived from the sale of all of the Bonds of such Series; (iii) no Series of the Bonds shall have a true interest cost in excess of 7%; (iv) the final maturity any of the Bonds of any Series shall be no later than December 31, 2046. The approval of the Chairman and Executive Director of such details with respect to any Series of Bonds shall be evidenced conclusively by the execution and delivery thereof on VRA's behalf.

**3. Approval of Supplemental Series Indentures.** Each Series of Bonds shall be issued pursuant to the Master Indenture and a Supplemental Series Indenture in substantially the same forms as previous Supplemental Series Indentures presented to this Board. With respect to each Series of bonds authorized under this Resolution, the Chairman and Executive Director are authorized to execute and deliver on VRA's behalf, and, if required, to affix and attest VRA's seal on a Supplemental Series Indenture, with such changes, insertions or omissions as may be approved by the Chairman and Executive Director. Such approval shall be evidenced conclusively by the execution and delivery of each respective Supplemental Series Indenture on VRA's behalf.

**4. Preparation, Execution, Authentication and Delivery of Bonds.** The Executive Director is authorized and directed to have the Bonds of each Series prepared in substantially the forms on file with VRA, to have such Bonds executed pursuant to the terms of the Master Indenture and the related Supplemental Series Indenture, to deliver such Bonds to the Trustee for authentication, and to cause such Bonds so executed and authenticated to be delivered to or for the account of the initial purchasers thereof upon payment of the purchase price thereof as provided in the related Supplemental Series Indenture.

**5. Sale of Bonds.** At the election of the Executive Director, each Series of Bonds may be sold (i) in a negotiated sale to an underwriter or group of underwriters with demonstrated experience in underwriting municipal securities ("Underwriter") to be selected by the Executive Director in accordance with VRA's previously adopted underwriter selection procedures, (ii) in a private placement to a bank or other institutional investor, or (iii) at public bid to the bidder with the lowest true interest cost to VRA. With respect to each Series of Bonds, the Executive Director is authorized to execute and deliver a bond purchase agreement or similar

agreement with the Underwriter or private placement purchaser, or, if sold at public bid, other appropriate documents with the successful bidder (the "Bid Documents") providing for the sale and delivery of the Bonds upon terms and conditions to be approved by the Chairman and Executive Director within the parameters set forth in paragraph 2 above.

**6. Preliminary Official Statement.** VRA authorizes the preparation of a preliminary official statement, in such form as the Executive Director may approve (a "Preliminary Official Statement"), in connection with the offering of each Series of Bonds authorized hereunder and sold in a public sale. The Executive Director is authorized to deem final each Preliminary Official Statement as of its date for purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule") and to approve the distribution thereof. Distribution of a Preliminary Official Statement shall constitute conclusive evidence that it has been deemed final as of its date, except for the omission of such pricing and other information permitted to be omitted, for purposes of the Rule.

**7. Official Statement.** After a public sale of a Series of the Bonds, the Executive Director is authorized and directed to complete the Preliminary Official Statement therefor as an official statement in final form (the "Official Statement") to reflect the final terms and details of the related Series of Bonds and the sale thereof. The Executive Director is authorized to execute each Official Statement, which execution shall constitute conclusive evidence of approval of the Official Statement on behalf of VRA and that it has been deemed final within the meaning of the Rule. The Executive Director is authorized to prepare, execute, publish and distribute any other disclosure or sale documents as the Executive Director deems necessary or appropriate to effect the sale of the Bonds.

**8. Credit Enhancement.** The Executive Director is authorized to procure bond insurance for all or any portion of the Bonds or a surety bond, liquidity facility or similar instrument to provide for the funding of all or any portion of the Capital Reserve Fund or any other reserve fund or account established pursuant to the Master Indenture, if the Executive Director determines such procurement to be in the best interests of VRA.

**9. Participating Localities.** Without the need for additional approval by this Board, the Executive Director is authorized on behalf of VRA to solicit, accept and approve applications from Local Governments to be participants in the Program through VRA's purchase or acquisition of their Local Obligations. The criteria for approving the purchase or acquisition of Local Obligations from participating Localities shall in no event be less stringent than VRA's internal credit criteria previously approved by this Board.

**10. Approval of Local Obligation Documents.** The Local Obligation Documents in forms on file with VRA are hereby approved for use in providing for the purchase or acquisition of Local Obligations related to the Bonds; provided, however, that the provisions therein may be altered to accommodate different terms agreed to by VRA and the various participating Localities.

**11. Tax Matters.** The Executive Director is authorized and directed to (i) conduct public hearings in connection with the issuance of Bonds, if applicable, (ii) seek the

approval of the Governor of the issuance of any Series of Bonds, if applicable, and (iii) execute and deliver on VRA's behalf simultaneously with the issuance of each Series of Bonds a Tax Regulatory Agreement and/or similar agreements or certificates. The Tax Regulatory Agreement and/or similar agreements or certificates shall set forth the expected use of and investment of all or any portion of the proceeds of each Series of the Bonds and include such covenants as may be necessary to qualify the interest on all or any portion of each Series of the Bonds for exemption from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations (the "Tax Code"), and to maintain such exemption. The Executive Director is further authorized to make on behalf of VRA such elections under the Tax Code with respect to any Series of the Bonds as she may deem to be in the best interests of VRA after consultation with VRA's Bond Counsel and Financial Advisor.

**12. Investment of Proceeds.** Notwithstanding anything to the contrary contained in VRA's Investment Policy, the investment of all monies deposited in any of the funds or accounts established by the Master Indenture and any Supplemental Series Indenture related to a Series of the Bonds will be governed by the sections of the Master Indenture and such Supplemental Series Indenture related to permitted investments. In addition, the Executive Director is authorized to contract with the Virginia State Non-Arbitrage Program and/or an arbitrage rebate consulting firm to provide investment and/or arbitrage compliance services with respect to the Bonds.

**13. Interim Financing.** Prior to the offering of any Series of Bonds, if market or other conditions are such that the Chairman, in consultation with the Executive Director, determines that it is not advisable to enter into a long-term financing for all or any portion of the purchasing and acquiring of Local Obligations to finance or refinance the cost of any Project, the Executive Director, without further approval of the Board as to documentation or otherwise, may execute, deliver and issue short-term notes of VRA ("Notes") at public or private sale in anticipation of the issuance of any or all Series of Bonds; provided that the aggregate principal amount of the Notes shall not exceed \$475,000,000 (less the aggregate principal amount of any previously issued Series of Bonds), the term to maturity thereof shall not exceed five years and the true interest cost thereon shall not exceed 7% and the Notes shall be subject to such other terms and conditions contained in this Resolution to the extent not inconsistent with this paragraph 13. Any of the Notes may be extended or refinanced from time to time by or at the direction of the Executive Director, provided that no extension or refinancing matures later than five years from the date of the original issuance of such Note. The Executive Director is authorized and directed to affix the seal of VRA to such Notes and to attest the seal. The Notes may be secured in the same manner as the corresponding Series of Bonds and may be retired, in the discretion of the Board, from the proceeds of the corresponding Series of Bonds or by means of current revenues or other funds, provided that the maximum amount of the Series of Bonds authorized will be reduced by the amount of Notes retired by means of such current revenues or other funds.

**14. Authorization of Further Actions.** Each officer of VRA is authorized to execute and deliver on VRA's behalf such other instruments, documents or certificates, and to do and perform such things and acts as he or she shall deem necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Master Indenture and any

Supplemental Series Indenture related to the Bonds. Any of the foregoing previously done or performed by any officer of VRA is in all respects approved, ratified and confirmed.

**15. Effective Date; Termination.** This Resolution shall be effective on July 1, 2015. The authority to issue Bonds pursuant to this Resolution shall terminate on June 30, 2016.

**VIRGINIA RESOURCES AUTHORITY**

**-RESOLUTION-**

**AUTHORIZING THE ISSUANCE AND SALE OF UP TO \$15,000,000  
IN AIRPORTS REVOLVING FUND BONDS FOR THE FISCAL YEAR ENDING  
JUNE 30, 2016, THE LENDING OF THE PROCEEDS THEREOF TO FINANCE OR  
REFINANCE AIRPORT PROJECTS, AND THE MAKING OF DIRECT LOANS FROM  
THE VIRGINIA AIRPORTS REVOLVING FUND FOR AIRPORT PROJECTS**

June 2, 2015

**WHEREAS**, the Virginia Resources Authority ("VRA") is a public body corporate and a political subdivision of the Commonwealth of Virginia (the "Commonwealth") created by the Virginia Resources Authority Act, Chapter 21, Title 62.1, Code of Virginia of 1950, as amended (the "VRA Act"); and

**WHEREAS**, the VRA Act provides that VRA was created for the purpose of encouraging the investment of both public and private funds and to make loans, grants and credit enhancements available to any county, city, town, municipal corporation, authority, district, commission or political subdivision created by the General Assembly or pursuant to the Constitution and laws of the Commonwealth of Virginia or any combination of any two or more of the foregoing ("Obligors") to finance or refinance, among other facilities, qualified airport facilities ("Airport Projects"); and

**WHEREAS**, the VRA Act authorizes and empowers VRA, among other things, to borrow money and issue its bonds to provide funds to carry out VRA's purposes and powers, including making loans to Obligors to finance or refinance the cost of any Airport Project from the proceeds of such bonds ("Leveraged Loans"), and to pay all costs and expenses incurred in connection with the issuance of such bonds; and

**WHEREAS**, pursuant to Chapter 2.1, Title 5.1, Code of Virginia of 1950, as amended (the "VARF Act"), VRA may, among other things, at any time or from time to time transfer from the Virginia Airports Revolving Fund established under the VARF Act to banks or trust companies designated by VRA any or all of the assets of the Virginia Airports Revolving Fund to be held in trust as security for the payment of the principal of and premium, if any, and interest on any or all of the bonds of VRA; and

**WHEREAS**, VRA has prepared a Master Indenture of Trust dated as of January 1, 2001, as previously supplemented and amended (the "Master Indenture"), between VRA and U.S. Bank National Association, as successor trustee, under which VRA has provided for the issuance from time to time of bonds of VRA for the purpose of purchasing and acquiring obligations ("Local Obligations") of Obligors to finance and refinance the cost of Airport Projects, and for such other purposes as may be authorized under and pursuant to the VRA Act; and



**WHEREAS**, pursuant to the VARF Act, VRA may make direct loans ("Direct Loans") from the Virginia Airports Revolving Fund to Obligors to finance or refinance the cost of any Airport Project; and

**WHEREAS**, to further the purposes of the VARF Act and the VRA Act, the Board of Directors of VRA (the "Board") has determined to authorize VRA to make Direct Loans from the Virginia Airports Revolving Fund to Obligors to finance or refinance the cost of any Airport Project; and

**WHEREAS**, to further the purposes of the VRA Act, VRA has determined to authorize VRA to issue one or more Series of Bonds under the Master Indenture in an aggregate principal amount of up to \$15,000,000 net of refundings authorized under the VRA refunding shelf resolution dated June 2, 2015 (the "Bonds") at one time or from time to time during VRA's fiscal year ending June 30, 2016, and to use the proceeds of such Bonds to make Leveraged Loans to Obligors to finance or refinance Airport Projects and to pay the cost of issuance related to such Bonds; and

**WHEREAS**, the Master Indenture provides that, as a condition to the issuance and authentication of any Series of Bonds, VRA shall deliver to the Trustee a supplemental series indenture; and

**WHEREAS**, the Master Indenture provides for the establishment of a separate debt service reserve fund (a "Debt Service Reserve Fund") for each Series of Bonds issued thereunder; and

**WHEREAS**, the funding for the Debt Service Reserve Fund may be derived in whole or in part from amounts transferred from the Virginia Airports Revolving Fund; and

**WHEREAS**, debt service payments on the Bonds are expected to be made from revenues derived from the Local Obligations and the investment earnings on the Debt Service Reserve Fund established for the applicable Bonds and certain other funds and accounts established under the Master Indenture and any Supplemental Series Indenture as provided therein; and

**WHEREAS**, the foregoing arrangements will be reflected in the following documents, the forms of which are on file with VRA : (i) the Master Indenture; (ii) a model supplemental series indenture ("Supplemental Series Indenture"); and (iii) a model financing agreement ("Financing Agreement") to be used in making the Leveraged Loans and the Direct Loans; and

**WHEREAS**, unless otherwise defined, each capitalized term used in this Resolution shall have the meaning given it in the Master Indenture.

**After careful consideration and to further the public purposes for which the Virginia Resources Authority was created, NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE VIRGINIA RESOURCES AUTHORITY AS FOLLOWS:**

**1. Authorization of Bonds.** The Board determines that it is in the best interest of VRA to authorize the issuance at one time or from time to time of one or more series

of Bonds under the Master Indenture to make Leveraged Loans to Obligor to finance or refinance Airport Projects and to pay the cost of issuance related to such Bonds. The Board authorizes the issuance and sale of the Bonds, pursuant to the following terms and conditions: (i) the original aggregate principal amount of the Bonds shall not exceed \$15,000,000, net of refundings authorized under the VRA refunding shelf resolution dated June 2, 2015; (ii) no Series of the Bonds shall have a true interest cost in excess of 7%; and (iii) the final maturity any of the Bonds of any Series shall be no later than December 31, 2042. It is hereby found and determined that the debt service payments on the Bonds are not expected to be made, in whole or in part, directly or indirectly, from appropriations of the Commonwealth of Virginia within the meaning of Section 2.2-2416(7) of the Code of Virginia of 1950, as amended.

**2. Details of the Bonds.** Subject to the limitations outlined in paragraph 1 above, VRA's Chairman and Executive Director are authorized to determine and approve the Bonds' final details, including without limitation, their series designation, dated date, original aggregate principal amount, interest rates, maturity dates, redemption provisions, sale prices and the principal amount of each maturity, the sale date, the sale price and the reoffering prices. The approval of the Chairman and Executive Director of such details shall be evidenced conclusively by their execution and delivery of the Bonds on VRA's behalf.

**3. Approval of Supplemental Series Indentures.** Each Series of Bonds shall be issued pursuant to the Master Indenture and a Supplemental Series Indenture in substantially the same form as those on file with VRA, with such changes, insertions, or omissions as may be approved by VRA's Executive Director. With respect to each Series of Bonds authorized under this Resolution, the Chairman and Executive Director are authorized to execute and deliver on VRA's behalf, and, if required, to affix and attest VRA's seal on a Supplemental Series Indenture in substantially the form of the Supplemental Series Indenture documents on file with VRA, with such changes, insertions or omissions as may be approved by the Chairman and Executive Director. Such approval shall be evidenced conclusively by the execution and delivery of each respective Supplemental Series Indenture on VRA's behalf.

**4. Preparation, Execution, Authentication and Delivery of Bonds.** The Executive Director is authorized and directed to have the Bonds of each Series prepared in substantially the forms on file with VRA with such changes, insertions, or omissions as may be approved by VRA's Executive Director, to have such Bonds executed pursuant to the terms of the Master Indenture and the related Supplemental Series Indenture, to deliver such Bonds to the Trustee for authentication, and to cause such Bonds so executed and authenticated to be delivered to or for the account of the initial purchasers thereof upon payment of the purchase price thereof as provided in the related Supplemental Series Indenture.

**5. Sale of Bonds.** At the election of the Executive Director, each Series of Bonds may be sold (i) in a negotiated sale to an underwriter or group of underwriters with demonstrated experience in underwriting municipal securities ("Underwriter") to be selected by the Executive Director in accordance with VRA's previously adopted underwriter selection procedures, (ii) in a private placement to a bank or other institutional investor, or (iii) at public bid to the bidder with the lowest true interest cost to VRA. With respect to each Series of Bonds, the Executive Director is authorized to execute and deliver a bond purchase agreement or similar document with the Underwriter or private placement purchaser, or, if sold at public bid, other

appropriate documents with the successful bidder (the "Bid Documents") providing for the sale and delivery of the Bonds upon terms and conditions to be approved by the Chairman and Executive Director within the parameters set forth in paragraph 1 above.

6. **Preliminary Official Statement.** VRA authorizes the preparation of a preliminary official statement, in such form as the Executive Director may approve (a "Preliminary Official Statement"), in connection with the offering of each Series of Bonds authorized hereunder and sold in a public sale. The Executive Director is authorized to deem final each Preliminary Official Statement as of its date for purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule") and to approve distribution thereof. Distribution of a Preliminary Official Statement shall constitute conclusive evidence that it has been deemed final as of its date, except for the omission of such pricing and other information permitted to be omitted, for purposes of the Rule.

7. **Official Statement.** After the public sale of a Series of the Bonds, the Executive Director is authorized and directed to complete the Preliminary Official Statement therefore as an official statement in final form (the "Official Statement") to reflect the final terms and details of the related Series of Bonds and the sale thereof. The Executive Director is authorized to execute each Official Statement, which execution shall constitute conclusive evidence of approval of the Official Statement on behalf of VRA and that it has been deemed final within the meaning of the Rule. The Executive Director is authorized to prepare, execute, publish and distribute any other disclosure or sale documents as the Executive Director deems necessary or appropriate to effect the sale of the Bonds.

8. **Credit Enhancement.** The Executive Director is authorized to procure bond insurance for all or any portion of the Bonds or a surety bond, liquidity facility or similar instrument to provide for the funding of all or any portion of a Debt Service Reserve Fund or any other reserve fund or account established pursuant to the Master Indenture, if the Executive Director determines such procurement to be in the best interests of VRA.

9. **Tax Matters.** The Executive Director is authorized and directed to (i) conduct public hearings in connection with the issuance of Bonds, if applicable, (ii) seek the approval of the Governor of the issuance of Bonds, if applicable, and (iii) execute and deliver on VRA's behalf simultaneously with the issuance of each Series of the Bonds a Tax Regulatory Agreement and/or similar agreements or certificates. The Tax Regulatory Agreement and/or similar agreements or certificates shall set forth the expected use of and investment of all or any portion of the proceeds of each Series of the Bonds and include such covenants as may be necessary to qualify the interest on all or any portion of each Series of the Bonds for exemption from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations (the "Tax Code"), and to maintain such exemption. The Executive Director is further authorized to make on behalf of VRA such elections under the Tax Code with respect to any Series of the Bonds as she may deem to be in the best interests of VRA after consultation with VRA's bond counsel and financial advisor.

10. **Investment of Proceeds.** Notwithstanding anything to the contrary contained in VRA's Investment Policy, the investment of all monies deposited in any of the funds or accounts established by the Master Indenture and any Supplemental Series Indenture

related to a Series of the Bonds will be governed by the sections of the Master Indenture and such Supplemental Series Indenture related to permitted investments. In addition, the Executive Director is authorized to contract with the Virginia State Non-Arbitrage Program and/or an arbitrage rebate consulting firm to provide investment and/or arbitrage compliance services with respect to the Bonds.

**11. Authorization of Loans.** The Board determines that it is in the best interest of VRA to authorize Leveraged Loans and Direct Loans to Obligor to finance or refinance the cost of any Airport Project; provided, however, that such Leveraged Loans and Direct Loans shall be subject to the following terms and conditions: (i) VRA shall have received from the Virginia Aviation Board (the "Aviation Board") written evidence of approval of the Airport Project by the Aviation Board in connection with such Leveraged Loan or Direct Loan, including the purpose and amount of such loan; (ii) the Leveraged Loan or Direct Loan shall be formally authorized and approved by the Obligor's governing body for at least the principal amount of the Leveraged Loan or Direct Loan; (iii) the Leveraged Loan or Direct Loan shall be evidenced and secured by a financing agreement or lease between the Obligor and VRA, containing such terms and conditions as may be authorized or approved by the Executive Director; (iv) the Obligor's Local Obligation evidencing the Leveraged Loan or Direct Loan shall be secured by (a) a pledge of the net revenues of the Obligor's airport facility operations or of any Airport Project, (b) a support agreement containing such terms and conditions as may be authorized or approved by the Executive Director and providing for the moral obligation of the Obligor or the participating jurisdiction of the Obligor to fund any deficiencies in debt service or debt coverage on the Leveraged Loan or Direct Loan arising from insufficiencies in revenues from the Obligor's airport facility operations and/or (c) a lease or such other security as deemed appropriate by the Executive Director; and (v) a Leveraged Loan or Direct Loan to any Obligor shall not exceed the costs of the related Airport Project. Without the need for additional approval by this Board, the Executive Director is authorized on behalf of VRA to solicit, accept and approve applications from local governments within the Commonwealth of Virginia to be potential Obligor through VRA's purchase or acquisition of their Local Obligations. The criteria for approving the purchase or acquisition of Local Obligations from Obligor shall in no event be less stringent than VRA's internal credit criteria previously approved by this Board.

**12. Approval of Local Obligation Documents.** The model Financing Agreement on file with VRA is hereby approved for use in providing for the purchase or acquisition of Local Obligations related to the Bonds and the Leveraged Loans or the Direct Loans; provided, however, that the provisions therein may be altered to accommodate different terms agreed to by VRA and the various participating Obligor.

**13. Interim Financing.** Prior to the offering of any series of Bonds, if market or other conditions are such that the Chairman, in consultation with the Executive Director, determines that it is not advisable to enter into a long-term financing for all or any portion of the purchasing and acquiring of Local Obligations to finance or refinance the cost of any Airport Project, the Executive Director, without further approval of the Board as to documentation or otherwise, may execute, deliver and issue short-term notes of VRA ("Notes") at public or private sale in anticipation of the issuance of any or all series of Bonds; provided that the aggregate principal amount of the Notes shall not exceed \$15,000,000 (less the aggregate principal amount of any previously issued Series of Bonds), the term to maturity thereof shall not exceed five

years and the true interest cost thereon shall not exceed 7% and the Notes shall be subject to such other terms and conditions contained in this Resolution to the extent not inconsistent with this paragraph 13. Any of the Notes may be extended or refinanced from time to time by or at the direction of the Executive Director, provided that no extension or refinancing matures later than five years from the date of the original issuance of such Note. The Executive Director is authorized and directed to affix the seal of VRA to such Notes and to attest the seal. The Notes may be secured in the same manner as the corresponding series of Bonds and may be retired, in the discretion of the Board, from the proceeds of the corresponding series of Bonds or by means of current revenues or other funds, provided that the maximum amount of the series of Bonds authorized will be reduced by the amount of Notes retired by means of such current revenues or other funds.

**14. Authorization of Further Actions.** Each officer of VRA is authorized to execute and deliver on VRA's behalf such other instruments, documents or certificates, and to do and perform such things and acts as he or she shall deem necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Master Indenture and any Supplemental Series Indenture related to the Bonds, Notes or the Direct Loans. Any of the foregoing previously done or performed by any officer of VRA is in all respects approved, ratified and confirmed.

**15. Effective Date; Termination.** This Resolution shall be effective on July 1, 2015. The authority to issue Bonds, Notes and make Direct Loans pursuant to this Resolution shall terminate on June 30, 2016.

# **VIRGINIA RESOURCES AUTHORITY**

## **- RESOLUTION -**

### **AUTHORIZING THE ISSUANCE AND SALE OF BONDS TO REFUND OUTSTANDING BONDS**

June 2, 2015

**WHEREAS**, the Virginia Resources Authority ("VRA") is a public body corporate and a political subdivision of the Commonwealth of Virginia (the "Commonwealth") created by the Virginia Resources Authority Act, Chapter 21, Title 62.1, Code of Virginia of 1950, as amended (the "Act"); and

**WHEREAS**, Section 62.1-205 of the Act authorizes VRA to issue refunding bonds to refund any bonds previously issued by VRA; and

**WHEREAS**, to further the purposes of the Act, the Board of Directors of VRA (the "Board") has determined to authorize VRA to issue bonds from time to time (the "Bonds") to refund, redeem and/or defease outstanding bonds of VRA issued in VRA's Virginia Pooled Financing Program, Pooled Loan Bond Program, Virginia Water Facilities Revolving Loan Fund Program, Virginia Airports Revolving Loan Fund leveraging program and otherwise by VRA to further the purposes of the Act; and

**After careful consideration and to further the public purposes for which the Virginia Resources Authority was created, NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS OF THE VIRGINIA RESOURCES AUTHORITY THAT:**

**1. Authorization of Bonds.** The Board determines that it is in the best interest of VRA to authorize the issuance of Bonds to refund, redeem and/or defease all or any of the outstanding bonds of VRA as may be selected by the Executive Director from time to time (the "Refunded Bonds") pursuant to the criteria set forth in this paragraph 1. The outstanding bonds selected by the Executive Director shall be referred to below as the "Refunded Bonds." The Board authorizes the issuance and sale of the Bonds, pursuant to the following terms and conditions: (a) the minimum savings threshold for any series of Bonds shall be not less than three percent (3%) savings on a present value basis compared to the existing debt service on the Refunded Bonds and (b) the final maturity for the Bonds shall not exceed the final maturity for the Refunded Bonds. The Executive Director, in collaboration with VRA's financial advisor (the "Financial Advisor"), is authorized from time to time to review the terms of VRA's outstanding bonds and determine which bonds satisfy the criteria set forth in this paragraph 1. It is hereby found and determined that the debt service payments on the Bonds are not expected to be made, in whole or in part, directly or indirectly, from appropriations of the Commonwealth within the meaning of Section 2.2-2416(7) of the Code of Virginia of 1950, as amended.

**2. Determination of Details of Bonds.** VRA's Chairman and Executive Director, either of whom may act, are authorized, subject to the limitations set forth in paragraph

1, to determine the details of the Bonds issued hereunder, including without limitation the aggregate principal amount, the maturity schedule, the interest rates, the redemption provisions, the sale date, the sale price and the reoffering prices. The Bonds may be issued and sold in one or more series from time to time as determined by the Chairman and Executive Director, either of whom may act.

**3. Sale of Bonds.** VRA's Chairman and Executive Director, either of whom may act, are authorized to solicit and consider, if determined to be desirable, proposals for a negotiated sale of any Bonds (including through a private placement with a bank or other financial institution) authorized hereunder and to negotiate the terms of such sale. The Chairman and Executive Director, either of whom may act, are authorized to execute and deliver a purchase contract or agreement reflecting such proposal.

**4. Preliminary Official Statement.** VRA authorizes the preparation of a Preliminary Official Statement, in such form as the Executive Director may approve, in connection with the offering of each series of Bonds authorized hereunder. The Executive Director is authorized to deem final the Preliminary Official Statement as of its date for purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule") and to approve distribution thereof. Distribution of the Preliminary Official Statement shall constitute conclusive evidence that it has been deemed final as of its date, except for the omission of such pricing and other information permitted to be omitted, for purposes of the Rule.

**5. Official Statement.** The Executive Director is authorized and directed in collaboration with the Financial Advisor, to complete the Preliminary Official Statement as an official statement in final form (the "Official Statement") to reflect the provisions of the executed purchase contract. The Executive Director is authorized to execute the Official Statement, which execution shall constitute conclusive evidence of approval of the Official Statement on behalf of VRA and that it has been deemed final within the meaning of the Rule. The Executive Director is authorized to prepare, execute, publish and distribute any other disclosure or sale documents as she deems necessary or appropriate to effect the sale of the Bonds.

**6. Credit Enhancement.** The Executive Director is authorized to procure bond insurance for all or any portion of the Bonds or a surety bond, liquidity facility or similar instrument to provide for the funding of all or any portion of the Capital Reserve Fund or any other reserve fund or account established under the Master Indenture, if she determines such procurement to be in the best interests of VRA.

**7. Financing Documents.** The Chairman or Vice-Chairman is authorized and directed to prepare and execute any indentures, supplemental indentures, escrow agreements and any other documents necessary or desirable to effect the issuance of the particular series of Bonds and the refunding of the Refunded Bonds.

**8. Execution and Delivery of Bonds.** The Chairman or the Executive Director is authorized and directed to have the Bonds prepared and to execute the Bonds in accordance with the respective supplemental indenture or other authorizing document executed in connection with the Bonds and/or the Refunded Bonds, to deliver them to the trustee for authentication if required and to cause the Bonds so executed and authenticated to be delivered

to or for the account of the underwriters, private placement purchasers, or winning bidders upon payment of the purchase price therefor, all in accordance with the executed purchase contract or notice of sale, as appropriate.

**9. Tax Matters.** The Executive Director is authorized and directed to execute and deliver on VRA's behalf simultaneously with the issuance of the Bonds a Tax Regulatory Agreement and supplemental or similar agreements or certificates. The Tax Regulatory Agreement and such other agreements or certificates shall set forth the expected use of and investment of all or any portion of the proceeds of the Bonds and include such covenants as may be necessary to qualify the interest on all or any portion of the Bonds for exemption from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations (the "Tax Code"), and to maintain such exemption. The Executive Director is further authorized to make on behalf of VRA such elections under the Tax Code with respect to the Bonds as she may deem to be in the best interests of VRA after consultation with VRA's Bond Counsel and Financial Advisor.

**10. Authorization of Further Action.** The Executive Director is authorized to execute and deliver financing agreements, amended financing agreements, bond sale agreements and any other documents or certificates in connection with each locality which previously issued local obligations securing any portion of the Refunded Bonds ("the "Local Obligations"), including any such amendments necessary or advisable in connection with the issuance of the Bonds, the refunding, redemption and defeasance of the Refunded Bonds or the incorporation of such Local Obligations into the Program; provided, however that the provisions of such amendments may not (a) extend the final maturity of any Local Obligations and (b) the security for such Local Obligations may not be reduced. Each officer of VRA is authorized to execute and deliver on VRA's behalf such other instruments, documents or certificates, and to do and perform such things and acts as he or she shall deem necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Master Indenture, the Bonds or the Refunded Bonds (and associated financing documents). Any of the foregoing previously done or performed by any officer of VRA is in all respects approved, ratified and confirmed.

**11. Effective Date. Termination.** This Resolution shall be effective on July 1, 2015. The authority to issue Bonds pursuant to this Resolution shall terminate on June 30, 2016.



**VIRGINIA RESOURCES AUTHORITY**  
**RESOLUTION AUTHORIZING GRANTS AND LOANS**  
**PURSUANT TO**  
**THE VIRGINIA WATER SUPPLY REVOLVING FUND ACT**

June 2, 2015

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**WHEREAS**, the Virginia Resources Authority (the "Authority") is authorized under the provisions of the Virginia Water Supply Revolving Fund Act (the "Act") to administer and manage the Virginia Water Supply Revolving Fund (the "Fund") to make grants and loan subsidies, including principal forgiveness (collectively, "Grants"), and loans ("Loans") to local governments (the "Local Governments") and other entities as defined from time to time in the Act ("Other Entities") to finance and/or refinance water supply facilities and such other activities that may be authorized from time to time in the Act, all of which are located or to be located in the Commonwealth of Virginia; and

**WHEREAS**, the Virginia Department of Health (the "Department") is authorized under the Act to direct the Local Governments and Other Entities to which Grants or Loans are to be made, the purposes of each such Grant or Loan, the amount thereof, and the interest rate and the repayment terms with respect to any Loan, such information and terms for each Grant or Loan to be designated by the Department in writing to the Authority, following consultation with the Authority; and

**WHEREAS**, the Act provides that the Authority, except as set forth above, shall determine the terms and conditions of each Grant or Loan from the Fund; and

**WHEREAS**, on September 8, 1992, the Directors of the Authority authorized the Executive Director and other officers of the Authority to act in such matters and to execute and

deliver financing agreements and other appropriate documents in connection with the Loans, and the Directors of the Authority desire to reaffirm such authorization, within the parameters herein set forth.

**NOW, THEREFORE, BE IT RESOLVED** by the Directors of the Authority acting under the Act as follows:

1. At such time as the Department may from time to time designate in writing to the Authority a Local Government or Other Entity to which a Grant or Loan is to be made, the purpose of the Grant or Loan, the amount thereof, and the interest rate and the repayment terms with respect to any Loan, the Executive Director is authorized to implement such Grant or Loan on behalf of the Fund. The Grant shall be made pursuant to the terms of a model Funding Agreement and the Loan shall be made pursuant to the terms of a model Financing Agreement, each between the Authority, as Administrator of the Fund, and the Local Government or Other Entity, the forms of which have been previously presented to the Board or at this meeting, with such additions, changes, insertions and omissions as the Executive Director, with the advice of counsel, may deem appropriate in the circumstances of the Grant or Loan being made, and shall otherwise be made subject to and in accordance with the terms and conditions of the Act.

2. Each officer of the Authority is authorized to execute and deliver on behalf of the Authority such instruments, documents or certificates, and to do and perform such acts and things as such officer shall deem necessary or appropriate to carry out the Grant or Loan transactions contemplated by this Resolution or the Act, including, but not limited to, the administration and enforcement of the Financing Agreement or Funding Agreement, and all of the foregoing, previously done or performed by any such officer, are in all respects approved, ratified and confirmed.

3. This Resolution shall take effect immediately.

**VIRGINIA RESOURCES AUTHORITY**  
**RESOLUTION AUTHORIZING GRANTS AND LOANS**  
**PURSUANT TO**  
**THE VIRGINIA WATER FACILITIES REVOLVING FUND ACT**

June 2, 2015

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**WHEREAS**, the Virginia Resources Authority (the “Authority”) is authorized under the provisions of the Virginia Water Facilities Revolving Fund Act (the “Act”) to administer and manage the Virginia Water Facilities Revolving Fund (the “Fund”) to make grants, sometimes referred to as principal forgiveness loans (“Grants”), and loans (“Loans”) to local governments (the “Local Governments”) and other entities as defined from time to time in the Act (“Other Entities”) to finance and/or refinance wastewater treatment facilities, agricultural best management practices, remediation activities undertaken at a brownfield site, land conservation that will protect or improve water quality and the natural or open-space values of the property, stormwater runoff control best management practices, and such other activities that may be authorized from time to time in the Act, all of which are located or to be located in the Commonwealth of Virginia; and

**WHEREAS**, the State Water Control Board (the “Board”) is authorized under the Act to direct the Local Governments and Other Entities to which Grants or Loans are to be made, the purposes of each such Grant or Loan, the amount thereof, and the interest rate and the repayment terms with respect to any Loan, such information and terms for each Grant or Loan to be designated by the Board in writing to the Authority, following consultation with the Authority; and

**WHEREAS**, the Act provides that the Authority, except as set forth above, shall determine the terms and conditions of each Grant or Loan from the Fund; and

**WHEREAS**, on December 8, 1987, the Directors of the Authority authorized the Executive Director and other officers of the Authority to act in such matters and to execute and deliver financing agreements and other appropriate documents in connection with the Loans, and the Directors of the Authority desire to reaffirm such authorization, within the parameters herein set forth.

**NOW, THEREFORE, BE IT RESOLVED** by the Directors of the Authority acting under the Act as follows:

1. At such time as the Board may from time to time designate in writing to the Authority a Local Government or Other Entity to which a Grant or Loan is to be made, the purpose of the Grant or Loan, the amount thereof, and the interest rate and the repayment terms with respect to any Loan, the Executive Director is authorized to implement such Grant or Loan on behalf of the Fund. The Grant shall be made pursuant to the terms of a model Funding Agreement and the Loan shall be made pursuant to the terms of a model Financing Agreement, each between the Authority, as Administrator of the Fund, and the Local Government or Other Entity, the forms of which have been previously presented to the Board or at this meeting, with such additions, changes, insertions and omissions as the Executive Director, with the advice of counsel, may deem appropriate in the circumstances of the Grant or Loan being made, and shall otherwise be made subject to and in accordance with the terms and conditions of the Act.

2. Each officer of the Authority is authorized to execute and deliver on behalf of the Authority such instruments, documents or certificates, and to do and perform such acts and things as such officer shall deem necessary or appropriate to carry out the Grant or Loan transactions contemplated by this Resolution or the Act, including, but not limited to, the administration and enforcement of the Financing Agreement or Funding Agreement, and all of the foregoing.

previously done or performed by any such officer, are in all respects approved, ratified and confirmed.

3. This Resolution shall take effect immediately.

**VIRGINIA RESOURCES AUTHORITY**  
**PERSONNEL COMMITTEE MEETING**  
**MINUTES OF THE REGULAR MEETING**

The Personnel Committee of the Virginia Resources Authority met on Monday, June 1, 2015, in the Virginia Resources Authority Board Room, Bank of America Building, Suite 1920, 1111 E. Main Street, Richmond, Virginia.

**Members Present**

Thomas L. Hasty, III, Chair  
Randall P Burdette  
Valerie Thomson on behalf of David K. Paylor  
William G. O'Brien, Ex Officio

**Members Absent**

Barbara McCarthy Donnellan

**Other Committee Members Present**

John H. Rust, Jr.

**Staff Present**

Stephanie L. Hamlett, Executive Director, Secretary to the Board  
Jean Bass, Director of Policy  
Michael Cooper, Director of Administration & Operations  
Peter D'Alema, Director of Program Management  
Jon McCubbin, Controller  
Rachael Logan, Fiscal & Administrative Specialist

**Others Present**

None

**Call to Order**

The meeting was called to order by Mr. Thomas L. Hasty, III, Chair, at 2:31 p.m.

**Approval of Agenda**

Motion by Mr. O'Brien, seconded by Mr. Burdette, to approve the agenda.

Motion carried.

**Old Business**

There was no old business.

## **New Business**

Mr. Hasty asked Michael Cooper, Director of Administration and Operations, to provide a briefing to Committee members of agenda items.

**Personnel Policies Manual:** Mr. Michael Cooper began sharing two recommended policy changes to the Personnel Policies Manual. The first, he stated, is an updated organizational chart. The chart shows some position title changes and the addition of a receptionist position, which was authorized in the FY2015 budget. The second update is a gym reimbursement policy for full-time employees, which does not include reimbursement for family members. The policy will reimburse employees up to \$30 a month for eligible fees. The decision was made in conjunction with VRA's new Strategic Plan goal, the Governor's Healthy Workforce Initiative, and the State's offer of a reduction in monthly health insurance premiums for employee participation in a wellness program.

**FY2016 Health Insurance Premiums:** Mr. Michael Cooper, Director of Administration and Operations, explained that the Affordable Care Act has put additional provisions in place pertaining to health insurance, one of which includes a preventive care dental component to the existing dental plan. In addition, there will be an increase in maximum out of pocket expense limits for members; a slight increase in prescription drug costs over last year; and the increase in payment tiers from a 3-tier to a 4-tier structure. Mr. Cooper explained that VRA is a part of The Local Choice Program and received a 10.1% rate increase over last year's rates. The increase will be shared across the board with VRA covering 89% of the total cost of premiums, leaving employees to pay 11%. Mr. Cooper shared a chart outlining health plans offered by VRA and the premiums associated with each.

In response to Mr. Rust, Mr. Cooper stated that VRA costs for employee insurance will likely continue to increase. Decisions will need to be made regarding the share of the costs between VRA and its employees.

Mr. Cooper proceeded stating that VRA provides its employees a compensation package beyond wages or salary. The complete package includes health insurance, participation in the Virginia Retirement System (VRS), short and long term disability policies and parking subsidies. He shared a chart outlining two hypothetical examples of single employee coverage and family employee coverage detailing the value of an employee's total compensation. In response to Mr. Rust, Mr. Cooper stated that the 457 Retirement Plan is a VRS program. In response to Mr. O'Brien, Mr. Cooper stated that VRA pays 100% of the employees' disability and life insurance policies.

In response to Mr. Burdette, Ms. Hamlett explained the difference between compensation packages for the private sector and the public sector based on her experience. She stated that the private sector employees receive higher salaries and lesser benefits. She added that VRA is very comparable to the state compensation program. Discussion transpired relative to the rationale for not including annual leave as part of the compensation package. Mr. Cooper highlighted other



incentives not included in the compensation package such as an increase in VRA's tuition reimbursement and educational and training budget.

Mr. Cooper concluded by recommending approval of the Personnel Policies Manual revisions and the health insurance premium rates as presented.

Motion by Mr. O'Brien, seconded by Ms. Thomson, to recommend to the Full Board approval of revisions to the Personnel Policies Manual, including changes to the organizational chart, the gym membership policy, and the proposed health insurance premiums based on increased health insurance rates.

Motion carried.

### **Closed Session**

Mr. Hasty called for a motion to convene in closed session to discuss specific employee performance.

Motion by Mr. Burdette, seconded by Mr. O'Brien, that the Personnel Committee of the Virginia Resources Authority Board of Directors convene in closed session pursuant to Section 2.2-3711(A)(1) of the Code of Virginia for the purpose of discussion and consideration of the performance and compensation of specific public officers, employees or appointees.

Motion carried, and the closed session convened at 2:57 p.m.

### **Open Session**

Open session reconvened at 3:08 p.m. Mr. Michael Cooper, Director of Administration & Operations, read the following resolution:

#### **Resolution Certifying Closed Session in Accordance with Virginia Law**

**Whereas**, the Personnel Committee of the Board of Directors of the Virginia Resources Authority has on the date of this resolution recessed in to closed session pursuant to a motion made and adopted in accordance with the Virginia Freedom of Information Act; and

**Whereas**, Section 2.2-3712 of the Code of Virginia requires a certification by the Committee that such closed session was conducted in accordance with Virginia Law;

**Now, therefore, be it resolved** that the Committee does hereby certify that, to the best of each member's knowledge, only the public business matters that were identified in the motion by which closed session was convened, and that were lawfully exempted by the Freedom of Information Act from the Act's open meeting requirements, were heard, discussed or considered by the Committee during the closed session.

Motion by Mr. Burdette, seconded by Mr. O'Brien, that the above-stated resolution certifying Closed Session in accordance with Virginia Law be approved.

A roll call vote on the motion resulted as follows:

Ayes: Mr. Burdette, Mr. O'Brien, Mr. Rust, Ms. Thomson, and Mr. Hasty.

Nays: None.

Absent during vote: Ms. Donnellan.

Absent during meeting: Ms. Donnellan.

Motion carried.

### **Executive Director Compensation**

Mr. O'Brien explained that the purpose of the closed meeting was to evaluate the performance of Ms. Stephanie L. Hamlett, Executive Director of VRA. He stated that the Committee is extremely pleased with the outstanding job Ms. Hamlett has done and continues to do, along with the outstanding staff supporting her. Mr. O'Brien thanked Ms. Hamlett on behalf of the Committee. He said that in keeping with the action to be approved in the budget for employees and similar to what state agencies are doing regarding compensation, he offered the following motion.

Motion by Mr. O'Brien, seconded by Ms. Thomson, that the Committee recommend to the Full Board a 2.5% increase in the Executive Director's salary for FY2016.

Motion carried

### **Public Comment Period**

There was no public comment.

### **Adjournment**

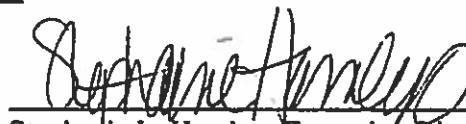
Motion by Mr. Burdette, seconded by Mr. O'Brien, that the meeting be adjourned.

Motion carried, and the meeting adjourned at 3:12 p.m.

The next meeting of the Committee is to be determined.



Thomas L. Hasty, III, Chair



Stephanie L. Hamlett, Executive Director and  
Secretary to the Board

**VIRGINIA RESOURCES AUTHORITY**  
**BUDGET COMMITTEE MEETING**  
**MINUTES OF THE REGULAR MEETING**

The Budget Committee of the Virginia Resources Authority met on Monday, June 1, 2015, in the Virginia Resources Authority Board Room, Bank of America Building, Suite 1920, 1111 E. Main Street, Richmond, Virginia.

**Members present**

Barbara McCarthy Donnellan, Chair  
John L. Aulbach, II  
Manju Ganeriwala (arrived at 4:12 p.m.)  
Thomas L. Hasty, III  
Dena Frith Moore  
Valerie Thomson on behalf of David K. Paylor  
William G. O'Brien, Ex Officio

**Members Absent**

None

**Other Board Members Present**

John H. Rust, Jr.

**Staff Present**

Stephanie L. Hamlett, Executive Director, Secretary to the Board  
Jean Bass, Director of Policy  
Michael Cooper, Director of Administration & Operations  
Peter D'Alema, Director of Program Management  
Jon McCubbin, Controller  
Rachael Logan, Fiscal & Administrative Specialist

**Others Present**

None

**Call to Order**

Ms. Barbara McCarthy Donnellan, Chair, called the meeting to order at 4:00 p.m.

**Approval of Agenda**

Motion by Ms. Moore, seconded by Mr. O'Brien, that the agenda be approved.

Motion carried.

## **FY2016 Budget Presentation**

Ms. Donnellan asked Mr. Jon McCubbin, Controller, to provide an update on VRA's FY2016 Budget.

**FY2015 Budget:** Mr. McCubbin began with an overview of the FY2015 Budget ending June 30, 2015. He explained that total projected revenues of \$4.4 million are tracking above total projected expenses of \$2.9 million resulting in a projected \$1.5 million surplus. The surplus funds will be transferred to the Portfolio Risk Management Reserve. He continued that the revenue surplus was due in part to the summer and fall pools that had over \$400 million in new issuances, 80% in refundings and 20% or \$95 million in new money. Mr. McCubbin added that new borrowers refunding their non-VRA debt are also contributing to the revenue growth with the total par value of new exposure being \$205 million versus the \$120 million budgeted. Mr. McCubbin continued that the program budget revenues are under budget. These revenues are transactional driven and volume has been down. The decline in volume was offset in the Clean Water Program which had two refunding transactions in the fall of 2014 and spring of 2015.

Mr. McCubbin shared information relative to the expenses, stating that the personnel budget is under budget. An additional staff position was budgeted, however, it was not utilized. He concluded that operating and contractual services were a little under budget.

Mr. McCubbin highlighted the FY2015 Unrestricted Net Assets Reserves as of March 31, 2015. He explained that the shortfall in the reserve is due to a drop in the Portfolio Risk Management Reserve as a result of an upgrade of borrowers in the risk categories. He shared a chart outlining risk by category based on FY2012 and FY2013 data.

**FY2016 Budget Drivers:** Mr. McCubbin explained that the proposed 2016 budget was developed based on VRA's mission and strategic goals. The first budget driver is Goal 1, enhance outreach. He stated that additional funds were allocated to the Information and Education line item for a total of \$106,000 to cover two regional workshops and advertising for VRA. The training budget, \$90,000, helps to enhance VRA's staff representation on professional boards and organizations. Lastly, \$10,000 is budgeted for website redesign.

Mr. McCubbin stated that Goal 2, continue quality underwriting and monitoring, falls under the Training Budget. VRA staff will be able to attend government training courses to stay abreast of local government accounting standards and to help with understanding credit underwriting; receive information that will enhance operations with revolving loan funds; and to ensure that credit underwriting guidelines are in line with the rating agencies' methodologies.

Goal 3, he stated, is to optimize technology and information systems thereby providing resources for loan servicing system project planning and computer and printer upgrades. Mr. McCubbin stated that contractors may be needed to assist with needs assessment associated with the loan servicing system. Goal 4, assure financial sustainability, encourages a structurally balanced budget, as presented, allowing for additional funding to be transferred to the Portfolio Risk

**Management Reserve.** The reserve goals are expected to be met within the next 4 years. Under Goal 5, maintain qualified staff, merit increases will be provided consistent with State and Local Governments, and VRA will also be offering a new gym membership reimbursement program.

**FY2016 Proposed Budget:** Mr. McCubbin shared a general fund summary showing total revenues of \$4.6 million, total expenses of \$3.5 million resulting in revenues over expenses of \$1 million that will be transferred to the Portfolio Risk Management Reserve.

Mr. O'Brien expressed concern relative to showing such a large reserve. He asked if the reserve should be shown as a budget line item. It was explained that it is shown as a line item in the budget. VRA agreed to present the transfers to the reserves as a budget line item. It was also noted that the Portfolio Risk Management Reserve is critical to the VRA pool program.

Mr. McCubbin continued stating that projected revenue growth for the Virginia Pooled Financing Program (VPFP) is \$160 million in new issuances; 20 loans are projected for the Clean Water Revolving Loan Fund; and 22 loans are projected for the Drinking Water State Revolving Fund. Appropriations to the Virginia Transportation Infrastructure Bank have been allocated to projects, so no new volume is anticipated in the program. He shared a graph showing general revenue funds over a four-year period. Mr. McCubbin also shared a graph showing budgeted expenses, and a chart outlining budgeted expenses over a four-year period. Summarizing the FY2016 proposed expenses, Mr. McCubbin stated there is a proposed merit increase consistent with other state and local governments, support for one additional staff position, a gym membership reimbursement, and shared increased health insurance rates. Other expenses include payment of Trustees Fees for PLBP and VPFP borrowers, arbitrage rebate services for PLBP and VPFP borrowers and increased outreach and training.

Mr. McCubbin concluded sharing a five-year projection with reserve analysis for the period FY2016 – FY2020.

Motion by Mr. Hasty, seconded by Ms. Ganeriwala, that the Committee recommends to the Full Board approval of the FY2016 Budget.

Motion carried.

Mr. O'Brien left the meeting at 4:21 p.m.

### **Old Business**

There was no old business.

### **New Business**

Ms. Moore suggested that a meeting be scheduled in May 2016 to begin review of the draft budget as a committee versus one-on-one discussions. Ms. Hamlett stated that staff will work to accommodate Ms. Moore's recommendation.

**Public Comment Period**

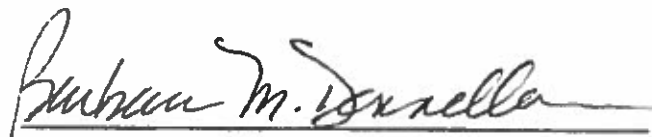
There was no public comment.

**Adjournment**

Motion by Ms. Moore, seconded by Mr. Aulbach, that the meeting be adjourned.

Motion carried and the meeting adjourned at 4:39 p.m.

The next meeting of the Committee is to be determined.

  
\_\_\_\_\_  
Barbara McCarthy Donnellan, Chair

  
\_\_\_\_\_  
Stephanie L. Hamlett, Executive Director  
Secretary to the Board

**VIRGINIA RESOURCES AUTHORITY**  
**BOARD OF DIRECTORS MEETING**  
**MINUTES OF THE REGULAR MEETING**

The Board of Directors of the Virginia Resources Authority met on Tuesday, June 2, 2015, in the Virginia Resources Authority Board Room, Bank of America Building, Suite 1920, 1111 E. Main Street, Richmond, Virginia.

**Members Present**

William G. O'Brien, Chair  
James H. Spencer, III, Vice Chair  
John H. Aulbach, II on behalf of Dr. Marissa J. Levine  
David Branscome  
Randall P Burdette (arrived at 9:18 a.m.)  
Barbara McCarthy Donnellan  
Manju Ganeriwala  
Thomas L. Hasty, III  
Dena Frith Moore  
John H. Rust, Jr.  
Valerie Thomson on behalf of David K. Paylor

**Members Absent**

None

**Staff Present**

Stephanie L. Hamlett, Executive Director, Secretary to the Board  
Jean F. Bass, Director of Policy  
Michael Cooper, Director of Administration & Operations  
Shawn B. Crumlish, Director of Financial Services  
Peter D'Alema, Director of Program Management  
Kimberly S. Adams, Senior Program Manager  
Jon McCubbin, Controller  
Rachael Logan, Fiscal & Administrative Specialist  
Jonathan Farmer, Program Manager  
Stephanie Jones, Program Manager/Compliance Officer

**Others Present**

Howard Eckstein, Virginia Department of Health  
Steve Pellei, Virginia Department of Health  
Arthur Anderson, McGuireWoods, Bond Counsel  
Ty Wellford, Davenport & Company, LLC  
Lea Schubel, Davenport & Company, LLC  
Colonel Dane Rideout, City Manager, Bristol, West Virginia

### **Call to Order**

Mr. William G. O'Brien, Chair, called the meeting to order at 9:01 a.m.

Mr. James H. Spencer, III, Vice Chair, recognized and welcomed Ret. Col. Dane Rideout, City Manager of Bluefield, West Virginia. Col. Rideout is a former City Manager of West Point. Mr. Spencer stated that he is currently working with Col. Rideout to form special projects between Virginia and West Virginia.

Col. Rideout thanked the Board stating that he is present to learn new ideas.

### **Approval of Agenda**

Motion by Mr. Rust, seconded by Mr. Spencer, to approve the agenda.

Motion carried.

### **Approval of Meeting Minutes**

Mr. O'Brien called for a motion to approve minutes for the Strategic Planning Committee meeting held on February 25, 2015; the Personnel Committee and Portfolio Risk Management Committee meetings held March 2, 2015; and the Board of Directors meeting held March 3, 2015.

Motion by Mr. Hasty, seconded by Mr. Rust, to approve minutes for the Strategic Planning Committee meeting held on February 25, 2015; the Personnel Committee and Portfolio Risk Management Committee meetings held March 2, 2015; and the Board of Directors meeting held March 3, 2015.

Motion carried.

### **Executive Director's Report**

Ms. Stephanie L. Hamlett, Executive Director, highlighted her report. She stated that in 2014 VRA closed on a transaction for the Middle River Regional Jail Authority, and it is performing well and strong. However, the Regional Jail Authority was approached by the City of Harrisonburg and Rockingham County to participate with the Regional Jail and to amend the service agreement with a guaranteed 150 beds being purchased by the new localities. The City and County were not a part of the original transaction; the request is not a new financing or refinancing; but is a credit enhancement to an existing transaction.

Ms. Hamlett congratulated Board Member Mrs. Barbara McCarthy Donnellan, the recipient of the Lifetime Achievement Award from the Virginia Women in Public Finance meeting. She complimented Mrs. Donnellan on her acceptance remarks.



Ms. Hamlett continued that staff has worked through assignments outlined in the Strategic Planning Initiative, and the Action Plan is available on Board Docs for the Board's review. One of her assignments is to form the Market Advisory Group. Ms. Hamlett announced that she is seeking the guidance of Board Member Barbara McCarthy Donnellan and has asked her to join the Advisory Group. The goal is to have a full Advisory Group by the fall.

Ms. Hamlett noted that she visited the Town of Farmville to give a presentation regarding tourism gap financing.

She completed her report congratulating Mr. Shawn B. Crumlish, Director of Financial Services, and Ms. Leah Schubel from Davenport and Company, LLC, upon successfully completing the Boston Marathon.

### **Committee Reports**

**Municipalities Continuing Disclosure Cooperation (MCDC) Subcommittee:** Mr. John H. Rust, Jr., Chair, explained that VRA filed updated disclosures in November 2014 which were largely inadvertent issues. VRA is now waiting for the Securities Exchange Commission (SEC) to respond to the filing. Usually, he stated, the SEC responds to filings within a year. Therefore, it is hopeful that VRA will be notified by November 2015. Mr. Rust continued that staff has developed a policy that places the responsibility to update disclosures on the Continuing Disclosure Officers and there is a policy procedure in place. However, staff is not prepared to recommend the policy for adoption until such time as feedback is received from the SEC regarding the filings as the feedback may need to be incorporated into the policy.

**Portfolio Risk Management Committee:** Ms. Dena Frith Moore, Chair, asked Mr. Peter D'Alema, Director of Program Management, to begin the Portfolio Risk Management staff update.

**2015A Virginia Pooled Financing Program (VPFP):** Mr. D'Alema provided an overview of the VPFP transaction, stating that VRA sold \$135 million in VPFP bonds on May 13, 2015, funding 17 loans on behalf of 14 local government borrowers. The series included eight of VRA's 18 authorized project areas, including broadband for the Roanoke Valley Broadband Authority. He continued that the transaction consisted of both taxable and tax-exempt Infrastructure Revenue Bonds and State Moral Obligation (MO) Revenue Bonds. Ratings were maintained on the bonds with the Infrastructure Revenue Bonds receiving Aaa/AAA ratings and the State Moral Obligation Bonds receiving Aa2/AA ratings.

Mr. Randall P Burdette arrived.

Mr. D'Alema continued that the market was fairly challenging with an uptrend in rates during the weeks leading to pricing. However, the rates, in general, remained attractive and the True Interest Cost (TIC) was 3.123%, and an All-In TIC of 3.33% including the taxable series. There were four underwriters in the negotiated portion of the transaction relating to the Infrastructure

Revenue Bonds and Taxable State Moral Obligation Bonds. Wells Fargo was the Senior Manager, JP Morgan was the Co-Senior Manager, Loop Capital Markets was a Co-Manager along with Raymond James. Raymond James submitted the lowest TIC bid (3.2%) on the tax-exempt MO Bonds.

Mr. D'Alema shared a table summarizing program borrowers, noting that there is a good mix of securities. There were eleven borrowers in the transaction that refunded \$515 million in VRA debt obligations for a total Net Present Value (NPV) savings in excess of \$6.67 million for localities. He stated that the total borrower loans outstanding in the overall portfolio is \$2.2 billion with the top ten borrowers representing 35.5% of the VPFP portfolio overall with the largest borrower at 6.08%. Mr. D'Alema concluded with a chart showing MO debt capacity. He noted that the Commonwealth MO backed debt totals \$896.3 million after the VPFP 2015A issuance; there is \$603.7 million in remaining MO debt capacity; and over \$34 million in MO backed debt matures between June 30, 2015 and November 1, 2015. The five-year issuance trend shows a total issuance in 2015 of \$465 million in par issues, with 78% being refunding in nature.

2015B Virginia Pooled Financing Program (VPFP) Summer Pool: Mr. Peter D'Alema, Director of Program Management, stated that 9 loan requests were received for the summer pool, the bulk of which is new money, along with a late application. Currently, discussions are being held on refunding opportunities with VRA borrowers showing savings. Mr. D'Alema shared a chart outlining borrowers' requests, explaining that the largest borrowers include four individual new exposure loan requests in excess of \$10 million. However, he stated, Bedford Regional Water Authority is requesting a loan to construct a new water treatment plant and waterline expansion. The loan request falls within the Revenue Credit Guidelines. Charlotte County is a new credit, and the loan is for a courthouse. Charlotte is not rated but is very strong in terms of VRA's Tax Supported Guidelines. Hanover County is seeking funding for a new courthouse. It meets all of the requirements set forth in the Special Fund Revenue Guidelines. Louisa County is a carryover from the Spring Pool. With the exception of Hanover County, all are unrated. However, all are very strong borrowers, and fall within VRA's Revenue, Lease Revenue, and Appropriation-only Special Fund Revenue Guidelines, respectively.

Mr. D'Alema stated that due diligence calls were conducted with applicants in May; borrowers seeking new debt exposure with VRA will adopt local authorizing resolutions by the end of June; and transaction details will be provided at the September 2015 PRMC meeting. He concluded that the bond sale is scheduled for July 28, 2015, with pre-closing and closing taking place on August 11- 12, 2015.

In response to the Chair, Mr. Ty Wellford, Davenport and Company, LLC, stated that there is currently not enough evidence to indicate a trend in new money. However, new money in the Summer Pool is an encouraging sign that a trend is possible.

Virginia Airport Revolving Fund (VARF) Bond Redemption: Mr. Peter D'Alema, Director of Program Management, stated that staff has moved forward with the recommendation to use existing VARF program equity to redeem and defease existing VARF bonds. In May, \$9 million

was transferred from VARF equity to VRA's trustee to redeem the VARF Series 2002B, 2002C, and 2004 bonds and defease the Series 2005 bonds. Rates will be reset for 9 underlying local airport borrower loans based on market rates on May 6 into direct equity loans. Local borrower savings are anticipated to be in excess of \$700,000. Through FY2032, the VARF program equity is estimated to increase by over \$1 million as a result of the redemption and defeasance.

Mr. Burdette thanked Mr. D'Alema and staff for their efforts in making the transaction possible.

**FY2015 Clean Water Revolving Loan Fund (CWRLF) Refunding:** Mr. Shawn Crumlish, Director of Financial Services, provided an overview of the Clean Water transaction, noting that the purpose of the refunding is to obtain debt service savings and take out all of the callable maturities bonds. He stated that VRA closed on the sale of \$115,225,000 in CWRLF refunding bonds. The All-in TIC was 2.60% and the Net Present Value (NPV) savings was 6.29% which is above the 3% threshold that was approved June 2014. The Aaa, AAA and AAA ratings were reaffirmed by all rating agencies. Mr. Crumlish continued that 10 localities with 13 loans funded from the 2009 Clean Water Bonds will benefit from savings of \$9.1 million based on reduced rates. He stated that earlier in FY2015 VRA refunded part of 2007 and 2008 bonds. Mr. Crumlish concluded that the transaction was negotiated and four underwriters participated.

**FY2016 Shelf Resolutions:** Mr. Peter D'Alema, Director of Program Management, explained that the Virginia Pooled Financing Program (VPFP) shelf resolution authorizes up to \$475 million in FY2016 issuance, noting that the amount was increased from last year from \$450 million. The increase will prevent the need to bring the resolution back to the Board for an authorized increase should funding requests exceed anticipated amounts. Mr. D'Alema continued that the Virginia Airport Revolving Fund (VARF) shelf resolution authorizes up to \$15 million in FY2016 issuance. The resolution shows an increase of \$10 million from the previous year to accommodate the need to leverage a potentially large project in the upcoming year. The refunding shelf resolution, he stated, authorizes the refunding of any VRA bonds as long as a minimum of 3% NPV savings can be achieved on par. Mr. D'Alema concluded that a Clean Water State Revolving Fund (CWSRF) shelf resolution is not needed for FY2016. However, he asked Mr. Shawn Crumlish, Director of Financial Services, to comment on a resolution regarding the revolving funds.

Mr. Crumlish explained that in 1987 when the Water Facilities Act pertaining to clean water was created by the General Assembly, and in 1992 when the Virginia Water Supply Revolving Fund Act pertaining to drinking water was created, the VRA Board of Directors adopted a resolution authorizing the Executive Director to execute those loans. The two acts have been updated several times over past years. However, he stated that VRA's resolution has not been updated to reflect amendments to the two acts. The proposed resolution will bring VRA into compliance with the Acts. Updates to programs include Clean Water which will allow financing to not only wastewater treatment plants, but brownfield remediation, land conservation and stormwater.

Ms. Moore stated that there is a recommendation from the PRMC to approve the shelf resolutions and the administrative updates to the Clean Water and Drinking Water resolutions as presented.

Motion by Ms. Moore, seconded by Mr. O'Brien, to approve the following FY2016 Shelf Resolutions and the Water Supply Revolving Fund Act Resolution:

Resolution authorizing the issuance of up to \$475,000,000 in Infrastructure Revenue Bonds (Virginia Pooled Financing Program) for the Fiscal Year ending June 30, 2016.

Resolution authorizing the issuance and sale of up to \$15,000,000 in Airports Revolving Fund Bonds for the Fiscal Year ending June 30, 2016, the lending of the proceeds thereof to finance or refinance airport projects, and the making of direct loans from the Virginia Airports Revolving Fund (VARF) for airport projects.

Resolution authorizing the issuance and sale of bonds to refund outstanding bonds.

Resolutions authorizing grants and loans pursuant to the Virginia Water Supply Revolving Fund and the Virginia Water Facilities Revolving Fund Acts.

Motion carried.

Resolutions are attached hereto and made a part herein.

**Loan Monitoring and Compliance Update:** Ms. Moore stated that Ms. Stephanie Jones, Program Manager/Compliance Officer, provided the PRMC with material updates on changes to borrower categories. The Committee was informed that two borrowers went from the Red category to the Yellow category.

**Personnel Committee:** Mr. Thomas L. Hasty, III, stated that the Committee received briefings on health insurance recommendations and a Personnel Policies Manual update. He asked Mr. Michael Cooper, Director of Administration and Operations, to brief the Board. Mr. Hasty also noted that a Closed Session will be required.

**Personnel Policies Manual:** Mr. Cooper began sharing two recommended policy changes to the Personnel Policies Manual. The first, he stated, is an updated organizational chart. The chart shows some position title changes. In addition, a receptionist position, authorized in the FY2015 budget, has been added. The second update is a gym reimbursement policy for full-time employees. The policy will reimburse employees up to \$30 a month for eligible fees. He noted that the State offers its employees a reduction in monthly health insurance premiums up to \$17.00 for participating in a wellness program. However, VRA opted to implement the gym reimbursement.

**FY2016 Health Insurance Premiums:** Mr. Michael Cooper, Director of Administration and Operations, explained that VRA received a rate increase of about 10.1% in health insurance costs as well as other changes that are a function of The Affordable Care Act. In theory, Mr. Cooper said, VRA will be approaching the cap set by the Cadillac Tax in terms of rates. However, when the IRS determines the tax regulations, changes in programs will be forthcoming. Mr. Cooper

concluded that the 10.1% increase will be shared across the board with VRA covering 89% of the total cost of premiums, leaving employees to pay 11%.

Mr. Cooper proceeded stating that VRA provides its employees a compensation package beyond wages or salary. The complete package includes health insurance, participation in the Virginia Retirement System (VRS), short and long term disability policies and parking subsidies. He shared a chart outlining two hypothetical examples of single employee coverage and family employee coverage detailing the value of an employee's total compensation. He concluded that as a result of discussions at the Personnel Committee meeting, he and Mr. Jon McCubbin, Controller, will provide a very specific summary of benefits for individual employees that will be issued with W-2's at the beginning of each calendar.

Motion by Mr. Hasty, seconded by Ms. Moore, to approve revisions to the Personnel Policies Manual, including changes to the organizational chart and the gym membership policy; and the proposed health insurance premiums based on increased health insurance rates as presented.

Motion carried.

Closed Session: Mr. Hasty stated that a Closed Session is needed to discuss specific employee performance.

Motion by Mr. Rust, seconded by Mr. Hasty, that the Board of Directors of the Virginia Resources Authority, convene in closed session pursuant to Section 2.2-3711(A)(1) of the Code of Virginia, for the purpose of discussion and consideration of the performance and compensation of specific public officers, employees or appointees.

Motion carried and the closed session convened at 9:44 a.m.

Open Session: The Open session reconvened at 9:49 a.m., and Mr. Michael Cooper, Director of Administration & Operations, read the following resolution:

**Resolution Certifying Closed Session in Accordance with Virginia Law**

**Whereas**, the Board of Directors of the Virginia Resources Authority has on the date of this resolution recessed in to closed session pursuant to a motion made and adopted in accordance with the Virginia Freedom of Information Act; and

**Whereas**, Section 2.2-3712 of the Code of Virginia requires a certification by the Board that such closed session was conducted in accordance with Virginia law;

**Now, therefore, be it resolved** that the Board does hereby certify that, to the best of each member's knowledge, only the public business matters that were identified in the motion by which closed session was convened, and that were lawfully exempted by the Freedom of Information Act from the Act's open meeting requirements, were heard, discussed or considered by the Board during the closed session.

Motion by Mr. Hasty, seconded by Mr. Aulbach, that the above-stated resolution certifying closed session in accordance with Virginia law be approved.

A roll call vote on the motion resulted as follows:

**Ayes:** Mr. Aulbach, Mr. Branscome, Mr. Burdette, Ms. Donnellan, Ms. Ganeriwala, Mr. Hasty, Ms. Moore, Mr. Rust, Mr. Spencer, Ms. Thomson, and Mr. O'Brien.

**Nays:** None.

**Absent for Vote:** None.

**Absent for Meeting:** None.

**Executive Director Compensation:**

Motion by Mr. Hasty, seconded by Mr. Rust, to accept the compensation package for the Executive Director as discussed in closed session.

Motion carried.

**Budget Committee:** Mrs. Barbara McCarthy Donnellan, Chair, asked Mr. Jon McCubbin, Controller, to provide a brief overview of the FY2016 Budget.

**FY2015 Budget:** Mr. McCubbin began with an overview of the FY2015 Budget ending June 30, 2015. He explained that total revenues are tracking well at \$4.4 million, 105% of budgeted revenues, primarily because of the Pool Program and a low interest rate environment providing refunding opportunities. Mr. McCubbin continued noting that expenses are under budget tracking at 87% of budget or \$2.9 million. There were two main drivers, one on the personnel side whereby a budgeted position was not utilized. The other is the professional and contractual services that were a little under budget because legal services were down.

Mr. McCubbin highlighted the FY2015 Unrestricted Net Assets Reserves as of March 31, 2015. There were shifts in the Portfolio Risk Management Reserve whereby Red borrowers became Yellow borrowers based on FY2012 and FY2013 data. He concluded that the \$1.5 million surplus in the operations budget will be used to cut the shortfall in the Risk Management Reserve in half.

**FY2016 Budget Drivers:** Mr. Jon McCubbin, Controller, explained that the budget was developed based on VRA's mission and strategic goals. The first budget driver is Goal 1, Enhance outreach. He stated that additional funds were allocated to the Information and Education line item. The main drivers are two regional workshops and advertising for VRA. The training budget was increased to allow VRA staff to attend conferences in the hopes of expanding their opportunities to represent VRA on professional boards and organizations. Lastly, additional funds were allocated for website redesign and will provide for a consultant to assist with the redesign.

Mr. McCubbin stated that Goal 2, Continue quality underwriting and monitoring, falls under the Training Budget. VRA staff will be able to attend government training courses that will allow staff to stay abreast of local government accounting standards and help with understanding underwriting of credits; receive information that will enhance operations with revolving loan funds; and to ensure that credit underwriting guidelines are in line with S & P and Moody's rating methodologies.

The Goal 3, he stated, is Optimizing technology and information systems thereby providing resources for loan servicing system project planning, obtaining assistance for a needs assessment; and computer and printer upgrades. Goal 4, Assure financial sustainability, encourages a structurally balanced budget, as presented, allowing for additional funding to be transferred to the Portfolio Risk Management Reserve. The reserve goals are expected to be met within the next 3 years. Under Goal 5, Maintain qualified staff, merit increases will be provided consistent with State and Local Governments, along with a gym membership reimbursement program.

FY2016 Proposed Budget: Mr. Jon McCubbin, Controller, shared a general fund summary showing total revenues of \$4,589,000, total expense of \$3,543,000 resulting in revenues over expenses of \$1,046,000 that will be transferred to the Portfolio Risk Management Reserve.

Mr. McCubbin continued stating that projected revenue growth for the Virginia Pooled Financing Program (VPFP) is \$160 million in new issuances; 20 loans are projected for the Clean Water Revolving Loan Fund; and 22 loans are projected for the Drinking Water State Revolving Fund. Appropriations to the Virginia Transportation Infrastructure Bank have been allocated to projects. He shared a graph showing general revenue funds over a four-year period. In addition, Mr. McCubbin showed a graph of budgeted expenses, and a chart outlining budgeted expenses over a four-year period. He elaborated on personnel expenses in FY2016, stating that there is a proposed merit increase consistent with other state and local governments, support for one additional staff position, a gym membership reimbursement, and shared increased health insurance rates. Other expenses include payment of Trustees Fees and arbitrage rebate services calculation fees for borrowers; and increased outreach and training.

Mr. McCubbin concluded sharing a five-year projection with reserve analysis for the period FY2016 – FY2020.

Mrs. Donnellan stated that the Budget Committee recommends to the Full Board approval of the FY2016 Budget as presented.

Motion by Ms. Donnellan, seconded by Ms. Ganeriwala, that the FY2016 Budget be approved as presented by staff.

Motion carried.

**Old Business**

There was no old business.

**New Business**

Mr. O'Brien stated this is the meeting to elect the Vice Chair for the Board of Directors. Mr. Spencer has served well as Vice Chair, and he suggested that he continue in the position.

Motion by Mr. Rust, seconded by Ms. Moore, that Mr. James H. Spencer, III, be reappointed to the position of Vice Chair of the Board of Directors of the Virginia Resources Authority for a one-year term, beginning July 1, 2015 and ending June 30, 2016.

Motion carried.

**Public Comment Period**

There was no public comment.

**Adjournment**

Motion by Ms. Ganeriwala, seconded by Mr. Aulbach, to adjourn the meeting.

Motion carried, and the meeting adjourned at 10:05 a.m.

The next meeting of the Board will be held on Tuesday, September 15, 2015.

  
\_\_\_\_\_  
William G. O'Brien, Chair

  
\_\_\_\_\_  
Stephanie L. Hamlett, Executive Director  
Secretary to the Board



# **VIRGINIA RESOURCES AUTHORITY**

## **- RESOLUTION -**

### **AUTHORIZING THE ISSUANCE OF UP TO \$475,000,000 IN INFRASTRUCTURE REVENUE BONDS (VIRGINIA POOLED FINANCING PROGRAM) FOR THE FISCAL YEAR ENDING JUNE 30, 2016**

June 2, 2015

**WHEREAS**, the Virginia Resources Authority ("VRA") is a public body corporate and a political subdivision of the Commonwealth of Virginia (the "Commonwealth") created by the Virginia Resources Authority Act, Chapter 21, Title 62.1, Code of Virginia of 1950, as amended (the "Act"); and

**WHEREAS**, the Act provides that VRA was created for the purpose of encouraging the investment of both public and private funds and making loans, grants and credit enhancements available to local governments to finance or refinance the costs of the facilities or projects now or hereafter described in Section 62.1-199 of the Act (each a "Project" and, as a group, the "Projects"); and

**WHEREAS**, the Act authorizes and empowers VRA, among other things, to borrow money and issue its bonds to provide funds to carry out VRA's purposes and powers and to pay all costs and expenses incurred in connection with the issuance of such bonds; and

**WHEREAS**, by a resolution adopted by the Board of Directors of VRA (the "Board") on November 13, 2003, VRA established the Virginia Pooled Financing Program (the "Program") and authorized the execution and delivery of 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 in interest to SunTrust Bank), as trustee (the "Trustee"), under which VRA has provided for the issuance from time to time of bonds of VRA for the purpose of purchasing and acquiring local obligations to finance or refinance the cost of any Project, and for such other purposes as may be authorized under and pursuant to the Act; and

**WHEREAS**, unless otherwise defined, each capitalized term used in this Resolution shall have the meaning given it in the Master Indenture; and

**WHEREAS**, the Program and the Master Indenture contemplate and authorize VRA's issuance of Infrastructure Revenue Bonds and State Moral Obligation Revenue Bonds and the use of the proceeds thereof to purchase and acquire Local Obligations, with (i) the Infrastructure Revenue Bonds to be secured primarily by revenues derived from the Local Obligations, and (ii) the State Moral Obligation Revenue Bonds to be secured primarily by (A) revenues derived from the Local Obligations (on a subordinate basis to the Infrastructure Revenue Bonds) and (B) a "capital reserve fund" with "moral obligation" support within the meaning of Section 62.1-215 of the Act to the extent provided under the Master Indenture; and

**WHEREAS**, to further the purposes of the Act and the Program, the Board has determined to authorize VRA to issue one or more Series of Bonds under the Master Indenture in an aggregate principal amount of up to \$475,000,000 net of refundings authorized under the VRA refunding shelf resolution dated June 2, 2015 (the "Bonds") at one time or from time to time during VRA's fiscal year ending June 30, 2016; and

**WHEREAS**, VRA will use the proceeds of the Bonds (i) to purchase and acquire Local Obligations issued or incurred by Localities to finance or refinance qualified Projects, (ii) to provide for any funding of the Capital Reserve Fund necessary or desirable to provide credit support for the Bonds issued as State Moral Obligation Revenue Bonds and any other State Moral Obligation Revenue Bonds heretofore or hereafter issued under the Master Indenture, and (iii) to pay the costs of issuance related to the Bonds; and

**WHEREAS**, the Master Indenture provides that, as a condition to the issuance and authentication of any Series of Bonds, VRA shall deliver to the Trustee a Supplemental Series Indenture which will contain, among other things, the specific payment and redemption provisions for the Bonds; and

**WHEREAS**, debt service payments on the Bonds are expected to be made from revenues derived from the Local Obligations and the investment earnings on certain funds and accounts established under the Master Indenture and the Supplemental Series Indentures as provided therein; and

**WHEREAS**, the foregoing arrangements will be reflected in the following documents, forms of which are on file with VRA: (i) the Master Indenture, (ii) a model Supplemental Series Indenture, to which forms of the Bonds are attached as exhibits, and (iii) model Local Bond Sale Agreements, Local Lease Acquisition Agreements, Financing Agreements and Financing Leases to be used in the acquisition of revenue Local Obligations, general obligation Local Obligations, "double-barreled" Local Obligations and lease Local Obligations (collectively, the "Local Obligation Documents"); and

**After careful consideration and to further the public purposes for which the Virginia Resources Authority was created, NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE VIRGINIA RESOURCES AUTHORITY THAT:**

**1. Authorization of the Bonds.** There is hereby authorized the issuance at one time or from time to time of one or more series of revenue bonds of VRA to be known as the Virginia Resources Authority Infrastructure and State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program). Each Series of the Bonds shall bear appropriate Series designations and any Bonds to be issued as a single Series for purposes of the Master Indenture may, for purposes of the related Supplemental Series Indenture and federal tax law, be issued under two or more sub-designations. The Bonds shall be in substantially the forms attached as exhibits to the related Supplemental Series Indenture. VRA shall use the proceeds of the issuance and sale of each Series of the Bonds as described in the Recitals above and in accordance with the Master Indenture and the related Supplemental Series Indenture. It is

hereby found and determined that the debt service payments on the Bonds are not expected to be made, in whole or in part, directly or indirectly, from appropriations of the Commonwealth within the meaning of Section 2.2-2416(7) of the Code of Virginia of 1950, as amended.

**2. Details of the Bonds.** VRA's Chairman and Executive Director are authorized to determine and approve the final details of each Series of the Bonds, including without limitation, their series designations, dated date, original aggregate principal amount, interest rates, maturity dates, redemption provisions, sale prices, the portions to be issued as Infrastructure Revenue Bonds and State Moral Obligation Revenue Bonds and the principal amount of each maturity; provided, however, that (i) the original aggregate principal amount of the Bonds shall not exceed \$475,000,000 net of refundings authorized under the VRA refunding shelf resolution dated June 2, 2015; (ii) the proceeds derived from the sale of the Bonds of any Series that are issued as State Moral Obligation Revenue Bonds, excluding any proceeds derived from any Bonds issued for the purpose of funding the Capital Reserve Fund and proceeds related to the refunding of existing State Moral Obligation Revenue Bonds, shall not exceed 35% of proceeds derived from the sale of all of the Bonds of such Series; (iii) no Series of the Bonds shall have a true interest cost in excess of 7%; (iv) the final maturity any of the Bonds of any Series shall be no later than December 31, 2046. The approval of the Chairman and Executive Director of such details with respect to any Series of Bonds shall be evidenced conclusively by the execution and delivery thereof on VRA's behalf.

**3. Approval of Supplemental Series Indentures.** Each Series of Bonds shall be issued pursuant to the Master Indenture and a Supplemental Series Indenture in substantially the same forms as previous Supplemental Series Indentures presented to this Board. With respect to each Series of bonds authorized under this Resolution, the Chairman and Executive Director are authorized to execute and deliver on VRA's behalf, and, if required, to affix and attest VRA's seal on a Supplemental Series Indenture, with such changes, insertions or omissions as may be approved by the Chairman and Executive Director. Such approval shall be evidenced conclusively by the execution and delivery of each respective Supplemental Series Indenture on VRA's behalf.

**4. Preparation, Execution, Authentication and Delivery of Bonds.** The Executive Director is authorized and directed to have the Bonds of each Series prepared in substantially the forms on file with VRA, to have such Bonds executed pursuant to the terms of the Master Indenture and the related Supplemental Series Indenture, to deliver such Bonds to the Trustee for authentication, and to cause such Bonds so executed and authenticated to be delivered to or for the account of the initial purchasers thereof upon payment of the purchase price thereof as provided in the related Supplemental Series Indenture.

**5. Sale of Bonds.** At the election of the Executive Director, each Series of Bonds may be sold (i) in a negotiated sale to an underwriter or group of underwriters with demonstrated experience in underwriting municipal securities ("Underwriter") to be selected by the Executive Director in accordance with VRA's previously adopted underwriter selection procedures, (ii) in a private placement to a bank or other institutional investor, or (iii) at public bid to the bidder with the lowest true interest cost to VRA. With respect to each Series of Bonds, the Executive Director is authorized to execute and deliver a bond purchase agreement or similar

agreement with the Underwriter or private placement purchaser, or, if sold at public bid, other appropriate documents with the successful bidder (the "Bid Documents") providing for the sale and delivery of the Bonds upon terms and conditions to be approved by the Chairman and Executive Director within the parameters set forth in paragraph 2 above.

**6. Preliminary Official Statement.** VRA authorizes the preparation of a preliminary official statement, in such form as the Executive Director may approve (a "Preliminary Official Statement"), in connection with the offering of each Series of Bonds authorized hereunder and sold in a public sale. The Executive Director is authorized to deem final each Preliminary Official Statement as of its date for purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule") and to approve the distribution thereof. Distribution of a Preliminary Official Statement shall constitute conclusive evidence that it has been deemed final as of its date, except for the omission of such pricing and other information permitted to be omitted, for purposes of the Rule.

**7. Official Statement.** After a public sale of a Series of the Bonds, the Executive Director is authorized and directed to complete the Preliminary Official Statement therefor as an official statement in final form (the "Official Statement") to reflect the final terms and details of the related Series of Bonds and the sale thereof. The Executive Director is authorized to execute each Official Statement, which execution shall constitute conclusive evidence of approval of the Official Statement on behalf of VRA and that it has been deemed final within the meaning of the Rule. The Executive Director is authorized to prepare, execute, publish and distribute any other disclosure or sale documents as the Executive Director deems necessary or appropriate to effect the sale of the Bonds.

**8. Credit Enhancement.** The Executive Director is authorized to procure bond insurance for all or any portion of the Bonds or a surety bond, liquidity facility or similar instrument to provide for the funding of all or any portion of the Capital Reserve Fund or any other reserve fund or account established pursuant to the Master Indenture, if the Executive Director determines such procurement to be in the best interests of VRA.

**9. Participating Localities.** Without the need for additional approval by this Board, the Executive Director is authorized on behalf of VRA to solicit, accept and approve applications from Local Governments to be participants in the Program through VRA's purchase or acquisition of their Local Obligations. The criteria for approving the purchase or acquisition of Local Obligations from participating Localities shall in no event be less stringent than VRA's internal credit criteria previously approved by this Board.

**10. Approval of Local Obligation Documents.** The Local Obligation Documents in forms on file with VRA are hereby approved for use in providing for the purchase or acquisition of Local Obligations related to the Bonds; provided, however, that the provisions therein may be altered to accommodate different terms agreed to by VRA and the various participating Localities.

**11. Tax Matters.** The Executive Director is authorized and directed to (i) conduct public hearings in connection with the issuance of Bonds, if applicable, (ii) seek the

approval of the Governor of the issuance of any Series of Bonds, if applicable, and (iii) execute and deliver on VRA's behalf simultaneously with the issuance of each Series of Bonds a Tax Regulatory Agreement and/or similar agreements or certificates. The Tax Regulatory Agreement and/or similar agreements or certificates shall set forth the expected use of and investment of all or any portion of the proceeds of each Series of the Bonds and include such covenants as may be necessary to qualify the interest on all or any portion of each Series of the Bonds for exemption from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations (the "Tax Code"), and to maintain such exemption. The Executive Director is further authorized to make on behalf of VRA such elections under the Tax Code with respect to any Series of the Bonds as she may deem to be in the best interests of VRA after consultation with VRA's Bond Counsel and Financial Advisor.

**12. Investment of Proceeds.** Notwithstanding anything to the contrary contained in VRA's Investment Policy, the investment of all monies deposited in any of the funds or accounts established by the Master Indenture and any Supplemental Series Indenture related to a Series of the Bonds will be governed by the sections of the Master Indenture and such Supplemental Series Indenture related to permitted investments. In addition, the Executive Director is authorized to contract with the Virginia State Non-Arbitrage Program and/or an arbitrage rebate consulting firm to provide investment and/or arbitrage compliance services with respect to the Bonds.

**13. Interim Financing.** Prior to the offering of any Series of Bonds, if market or other conditions are such that the Chairman, in consultation with the Executive Director, determines that it is not advisable to enter into a long-term financing for all or any portion of the purchasing and acquiring of Local Obligations to finance or refinance the cost of any Project, the Executive Director, without further approval of the Board as to documentation or otherwise, may execute, deliver and issue short-term notes of VRA ("Notes") at public or private sale in anticipation of the issuance of any or all Series of Bonds; provided that the aggregate principal amount of the Notes shall not exceed \$475,000,000 (less the aggregate principal amount of any previously issued Series of Bonds), the term to maturity thereof shall not exceed five years and the true interest cost thereon shall not exceed 7% and the Notes shall be subject to such other terms and conditions contained in this Resolution to the extent not inconsistent with this paragraph 13. Any of the Notes may be extended or refinanced from time to time by or at the direction of the Executive Director, provided that no extension or refinancing matures later than five years from the date of the original issuance of such Note. The Executive Director is authorized and directed to affix the seal of VRA to such Notes and to attest the seal. The Notes may be secured in the same manner as the corresponding Series of Bonds and may be retired, in the discretion of the Board, from the proceeds of the corresponding Series of Bonds or by means of current revenues or other funds, provided that the maximum amount of the Series of Bonds authorized will be reduced by the amount of Notes retired by means of such current revenues or other funds.

**14. Authorization of Further Actions.** Each officer of VRA is authorized to execute and deliver on VRA's behalf such other instruments, documents or certificates, and to do and perform such things and acts as he or she shall deem necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Master Indenture and any

**Supplemental Series Indenture related to the Bonds. Any of the foregoing previously done or performed by any officer of VRA is in all respects approved, ratified and confirmed.**

**15. Effective Date; Termination.** This Resolution shall be effective on July 1, 2015. The authority to issue Bonds pursuant to this Resolution shall terminate on June 30, 2016.

**VIRGINIA RESOURCES AUTHORITY**

**-RESOLUTION-**

**AUTHORIZING THE ISSUANCE AND SALE OF UP TO \$15,000,000  
IN AIRPORTS REVOLVING FUND BONDS FOR THE FISCAL YEAR ENDING  
JUNE 30, 2016, THE LENDING OF THE PROCEEDS THEREOF TO FINANCE OR  
REFINANCE AIRPORT PROJECTS, AND THE MAKING OF DIRECT LOANS FROM  
THE VIRGINIA AIRPORTS REVOLVING FUND FOR AIRPORT PROJECTS**

June 2, 2015

**WHEREAS**, the Virginia Resources Authority ("VRA") is a public body corporate and a political subdivision of the Commonwealth of Virginia (the "Commonwealth") created by the Virginia Resources Authority Act, Chapter 21, Title 62.1, Code of Virginia of 1950, as amended (the "VRA Act"); and

**WHEREAS**, the VRA Act provides that VRA was created for the purpose of encouraging the investment of both public and private funds and to make loans, grants and credit enhancements available to any county, city, town, municipal corporation, authority, district, commission or political subdivision created by the General Assembly or pursuant to the Constitution and laws of the Commonwealth of Virginia or any combination of any two or more of the foregoing ("Obligors") to finance or refinance, among other facilities, qualified airport facilities ("Airport Projects"); and

**WHEREAS**, the VRA Act authorizes and empowers VRA, among other things, to borrow money and issue its bonds to provide funds to carry out VRA's purposes and powers, including making loans to Obligors to finance or refinance the cost of any Airport Project from the proceeds of such bonds ("Leveraged Loans"), and to pay all costs and expenses incurred in connection with the issuance of such bonds; and

**WHEREAS**, pursuant to Chapter 2.1, Title 5.1, Code of Virginia of 1950, as amended (the "VARF Act"), VRA may, among other things, at any time or from time to time transfer from the Virginia Airports Revolving Fund established under the VARF Act to banks or trust companies designated by VRA any or all of the assets of the Virginia Airports Revolving Fund to be held in trust as security for the payment of the principal of and premium, if any, and interest on any or all of the bonds of VRA; and

**WHEREAS**, VRA has prepared a Master Indenture of Trust dated as of January 1, 2001, as previously supplemented and amended (the "Master Indenture"), between VRA and U.S. Bank National Association, as successor trustee, under which VRA has provided for the issuance from time to time of bonds of VRA for the purpose of purchasing and acquiring obligations ("Local Obligations") of Obligors to finance and refinance the cost of Airport Projects, and for such other purposes as may be authorized under and pursuant to the VRA Act; and

**WHEREAS**, pursuant to the VARF Act, VRA may make direct loans ("Direct Loans") from the Virginia Airports Revolving Fund to Obligor to finance or refinance the cost of any Airport Project; and

**WHEREAS**, to further the purposes of the VARF Act and the VRA Act, the Board of Directors of VRA (the "Board") has determined to authorize VRA to make Direct Loans from the Virginia Airports Revolving Fund to Obligor to finance or refinance the cost of any Airport Project; and

**WHEREAS**, to further the purposes of the VRA Act, VRA has determined to authorize VRA to issue one or more Series of Bonds under the Master Indenture in an aggregate principal amount of up to \$15,000,000 net of refundings authorized under the VRA refunding shelf resolution dated June 2, 2015 (the "Bonds") at one time or from time to time during VRA's fiscal year ending June 30, 2016, and to use the proceeds of such Bonds to make Leveraged Loans to Obligor to finance or refinance Airport Projects and to pay the cost of issuance related to such Bonds; and

**WHEREAS**, the Master Indenture provides that, as a condition to the issuance and authentication of any Series of Bonds, VRA shall deliver to the Trustee a supplemental series indenture; and

**WHEREAS**, the Master Indenture provides for the establishment of a separate debt service reserve fund (a "Debt Service Reserve Fund") for each Series of Bonds issued thereunder; and

**WHEREAS**, the funding for the Debt Service Reserve Fund may be derived in whole or in part from amounts transferred from the Virginia Airports Revolving Fund; and

**WHEREAS**, debt service payments on the Bonds are expected to be made from revenues derived from the Local Obligations and the investment earnings on the Debt Service Reserve Fund established for the applicable Bonds and certain other funds and accounts established under the Master Indenture and any Supplemental Series Indenture as provided therein; and

**WHEREAS**, the foregoing arrangements will be reflected in the following documents, the forms of which are on file with VRA : (i) the Master Indenture; (ii) a model supplemental series indenture ("Supplemental Series Indenture"); and (iii) a model financing agreement ("Financing Agreement") to be used in making the Leveraged Loans and the Direct Loans; and

**WHEREAS**, unless otherwise defined, each capitalized term used in this Resolution shall have the meaning given it in the Master Indenture.

After careful consideration and to further the public purposes for which the Virginia Resources Authority was created, NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE VIRGINIA RESOURCES AUTHORITY AS FOLLOWS:

**1. Authorization of Bonds.** The Board determines that it is in the best interest of VRA to authorize the issuance at one time or from time to time of one or more series



of Bonds under the Master Indenture to make Leveraged Loans to Obligors to finance or refinance Airport Projects and to pay the cost of issuance related to such Bonds. The Board authorizes the issuance and sale of the Bonds, pursuant to the following terms and conditions: (i) the original aggregate principal amount of the Bonds shall not exceed \$15,000,000, net of refundings authorized under the VRA refunding shelf resolution dated June 2, 2015; (ii) no Series of the Bonds shall have a true interest cost in excess of 7%; and (iii) the final maturity any of the Bonds of any Series shall be no later than December 31, 2042. It is hereby found and determined that the debt service payments on the Bonds are not expected to be made, in whole or in part, directly or indirectly, from appropriations of the Commonwealth of Virginia within the meaning of Section 2.2-2416(7) of the Code of Virginia of 1950, as amended.

**2. Details of the Bonds.** Subject to the limitations outlined in paragraph 1 above, VRA's Chairman and Executive Director are authorized to determine and approve the Bonds' final details, including without limitation, their series designation, dated date, original aggregate principal amount, interest rates, maturity dates, redemption provisions, sale prices and the principal amount of each maturity, the sale date, the sale price and the reoffering prices. The approval of the Chairman and Executive Director of such details shall be evidenced conclusively by their execution and delivery of the Bonds on VRA's behalf.

**3. Approval of Supplemental Series Indentures.** Each Series of Bonds shall be issued pursuant to the Master Indenture and a Supplemental Series Indenture in substantially the same form as those on file with VRA, with such changes, insertions, or omissions as may be approved by VRA's Executive Director. With respect to each Series of Bonds authorized under this Resolution, the Chairman and Executive Director are authorized to execute and deliver on VRA's behalf, and, if required, to affix and attest VRA's seal on a Supplemental Series Indenture in substantially the form of the Supplemental Series Indenture documents on file with VRA, with such changes, insertions or omissions as may be approved by the Chairman and Executive Director. Such approval shall be evidenced conclusively by the execution and delivery of each respective Supplemental Series Indenture on VRA's behalf.

**4. Preparation, Execution, Authentication and Delivery of Bonds.** The Executive Director is authorized and directed to have the Bonds of each Series prepared in substantially the forms on file with VRA with such changes, insertions, or omissions as may be approved by VRA's Executive Director, to have such Bonds executed pursuant to the terms of the Master Indenture and the related Supplemental Series Indenture, to deliver such Bonds to the Trustee for authentication, and to cause such Bonds so executed and authenticated to be delivered to or for the account of the initial purchasers thereof upon payment of the purchase price thereof as provided in the related Supplemental Series Indenture.

**5. Sale of Bonds.** At the election of the Executive Director, each Series of Bonds may be sold (i) in a negotiated sale to an underwriter or group of underwriters with demonstrated experience in underwriting municipal securities ("Underwriter") to be selected by the Executive Director in accordance with VRA's previously adopted underwriter selection procedures, (ii) in a private placement to a bank or other institutional investor, or (iii) at public bid to the bidder with the lowest true interest cost to VRA. With respect to each Series of Bonds, the Executive Director is authorized to execute and deliver a bond purchase agreement or similar document with the Underwriter or private placement purchaser, or, if sold at public bid, other

appropriate documents with the successful bidder (the "Bid Documents") providing for the sale and delivery of the Bonds upon terms and conditions to be approved by the Chairman and Executive Director within the parameters set forth in paragraph 1 above.

**6. Preliminary Official Statement.** VRA authorizes the preparation of a preliminary official statement, in such form as the Executive Director may approve (a "Preliminary Official Statement"), in connection with the offering of each Series of Bonds authorized hereunder and sold in a public sale. The Executive Director is authorized to deem final each Preliminary Official Statement as of its date for purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule") and to approve distribution thereof. Distribution of a Preliminary Official Statement shall constitute conclusive evidence that it has been deemed final as of its date, except for the omission of such pricing and other information permitted to be omitted, for purposes of the Rule.

**7. Official Statement.** After the public sale of a Series of the Bonds, the Executive Director is authorized and directed to complete the Preliminary Official Statement therefore as an official statement in final form (the "Official Statement") to reflect the final terms and details of the related Series of Bonds and the sale thereof. The Executive Director is authorized to execute each Official Statement, which execution shall constitute conclusive evidence of approval of the Official Statement on behalf of VRA and that it has been deemed final within the meaning of the Rule. The Executive Director is authorized to prepare, execute, publish and distribute any other disclosure or sale documents as the Executive Director deems necessary or appropriate to effect the sale of the Bonds.

**8. Credit Enhancement.** The Executive Director is authorized to procure bond insurance for all or any portion of the Bonds or a surety bond, liquidity facility or similar instrument to provide for the funding of all or any portion of a Debt Service Reserve Fund or any other reserve fund or account established pursuant to the Master Indenture, if the Executive Director determines such procurement to be in the best interests of VRA.

**9. Tax Matters.** The Executive Director is authorized and directed to (i) conduct public hearings in connection with the issuance of Bonds, if applicable, (ii) seek the approval of the Governor of the issuance of Bonds, if applicable, and (iii) execute and deliver on VRA's behalf simultaneously with the issuance of each Series of the Bonds a Tax Regulatory Agreement and/or similar agreements or certificates. The Tax Regulatory Agreement and/or similar agreements or certificates shall set forth the expected use of and investment of all or any portion of the proceeds of each Series of the Bonds and include such covenants as may be necessary to qualify the interest on all or any portion of each Series of the Bonds for exemption from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations (the "Tax Code"), and to maintain such exemption. The Executive Director is further authorized to make on behalf of VRA such elections under the Tax Code with respect to any Series of the Bonds as she may deem to be in the best interests of VRA after consultation with VRA's bond counsel and financial advisor.

**10. Investment of Proceeds.** Notwithstanding anything to the contrary contained in VRA's Investment Policy, the investment of all monies deposited in any of the funds or accounts established by the Master Indenture and any Supplemental Series Indenture

related to a Series of the Bonds will be governed by the sections of the Master Indenture and such Supplemental Series Indenture related to permitted investments. In addition, the Executive Director is authorized to contract with the Virginia State Non-Arbitrage Program and/or an arbitrage rebate consulting firm to provide investment and/or arbitrage compliance services with respect to the Bonds.

**11. Authorization of Loans.** The Board determines that it is in the best interest of VRA to authorize Leveraged Loans and Direct Loans to Obligor to finance or refinance the cost of any Airport Project; provided, however, that such Leveraged Loans and Direct Loans shall be subject to the following terms and conditions: (i) VRA shall have received from the Virginia Aviation Board (the "Aviation Board") written evidence of approval of the Airport Project by the Aviation Board in connection with such Leveraged Loan or Direct Loan, including the purpose and amount of such loan; (ii) the Leveraged Loan or Direct Loan shall be formally authorized and approved by the Obligor's governing body for at least the principal amount of the Leveraged Loan or Direct Loan; (iii) the Leveraged Loan or Direct Loan shall be evidenced and secured by a financing agreement or lease between the Obligor and VRA, containing such terms and conditions as may be authorized or approved by the Executive Director; (iv) the Obligor's Local Obligation evidencing the Leveraged Loan or Direct Loan shall be secured by (a) a pledge of the net revenues of the Obligor's airport facility operations or of any Airport Project, (b) a support agreement containing such terms and conditions as may be authorized or approved by the Executive Director and providing for the moral obligation of the Obligor or the participating jurisdiction of the Obligor to fund any deficiencies in debt service or debt coverage on the Leveraged Loan or Direct Loan arising from insufficiencies in revenues from the Obligor's airport facility operations and/or (c) a lease or such other security as deemed appropriate by the Executive Director; and (v) a Leveraged Loan or Direct Loan to any Obligor shall not exceed the costs of the related Airport Project. Without the need for additional approval by this Board, the Executive Director is authorized on behalf of VRA to solicit, accept and approve applications from local governments within the Commonwealth of Virginia to be potential Obligors through VRA's purchase or acquisition of their Local Obligations. The criteria for approving the purchase or acquisition of Local Obligations from Obligors shall in no event be less stringent than VRA's internal credit criteria previously approved by this Board.

**12. Approval of Local Obligation Documents.** The model Financing Agreement on file with VRA is hereby approved for use in providing for the purchase or acquisition of Local Obligations related to the Bonds and the Leveraged Loans or the Direct Loans; provided, however, that the provisions therein may be altered to accommodate different terms agreed to by VRA and the various participating Obligors.

**13. Interim Financing.** Prior to the offering of any series of Bonds, if market or other conditions are such that the Chairman, in consultation with the Executive Director, determines that it is not advisable to enter into a long-term financing for all or any portion of the purchasing and acquiring of Local Obligations to finance or refinance the cost of any Airport Project, the Executive Director, without further approval of the Board as to documentation or otherwise, may execute, deliver and issue short-term notes of VRA ("Notes") at public or private sale in anticipation of the issuance of any or all series of Bonds; provided that the aggregate principal amount of the Notes shall not exceed \$15,000,000 (less the aggregate principal amount of any previously issued Series of Bonds), the term to maturity thereof shall not exceed five

years and the true interest cost thereon shall not exceed 7% and the Notes shall be subject to such other terms and conditions contained in this Resolution to the extent not inconsistent with this paragraph 13. Any of the Notes may be extended or refinanced from time to time by or at the direction of the Executive Director, provided that no extension or refinancing matures later than five years from the date of the original issuance of such Note. The Executive Director is authorized and directed to affix the seal of VRA to such Notes and to attest the seal. The Notes may be secured in the same manner as the corresponding series of Bonds and may be retired, in the discretion of the Board, from the proceeds of the corresponding series of Bonds or by means of current revenues or other funds, provided that the maximum amount of the series of Bonds authorized will be reduced by the amount of Notes retired by means of such current revenues or other funds.

**14. Authorization of Further Actions.** Each officer of VRA is authorized to execute and deliver on VRA's behalf such other instruments, documents or certificates, and to do and perform such things and acts as he or she shall deem necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Master Indenture and any Supplemental Series Indenture related to the Bonds, Notes or the Direct Loans. Any of the foregoing previously done or performed by any officer of VRA is in all respects approved, ratified and confirmed.

**15. Effective Date; Termination.** This Resolution shall be effective on July 1, 2015. The authority to issue Bonds, Notes and make Direct Loans pursuant to this Resolution shall terminate on June 30, 2016.

# **VIRGINIA RESOURCES AUTHORITY**

## **- RESOLUTION -**

### **AUTHORIZING THE ISSUANCE AND SALE OF BONDS TO REFUND OUTSTANDING BONDS**

June 2, 2015

**WHEREAS**, the Virginia Resources Authority ("VRA") is a public body corporate and a political subdivision of the Commonwealth of Virginia (the "Commonwealth") created by the Virginia Resources Authority Act, Chapter 21, Title 62.1, Code of Virginia of 1950, as amended (the "Act"); and

**WHEREAS**, Section 62.1-205 of the Act authorizes VRA to issue refunding bonds to refund any bonds previously issued by VRA; and

**WHEREAS**, to further the purposes of the Act, the Board of Directors of VRA (the "Board") has determined to authorize VRA to issue bonds from time to time (the "Bonds") to refund, redeem and/or defease outstanding bonds of VRA issued in VRA's Virginia Pooled Financing Program, Pooled Loan Bond Program, Virginia Water Facilities Revolving Loan Fund Program, Virginia Airports Revolving Loan Fund leveraging program and otherwise by VRA to further the purposes of the Act; and

**After careful consideration and to further the public purposes for which the Virginia Resources Authority was created, NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS OF THE VIRGINIA RESOURCES AUTHORITY THAT:**

**1. Authorization of Bonds.** The Board determines that it is in the best interest of VRA to authorize the issuance of Bonds to refund, redeem and/or defease all or any of the outstanding bonds of VRA as may be selected by the Executive Director from time to time (the "Refunded Bonds") pursuant to the criteria set forth in this paragraph 1. The outstanding bonds selected by the Executive Director shall be referred to below as the "Refunded Bonds." The Board authorizes the issuance and sale of the Bonds, pursuant to the following terms and conditions: (a) the minimum savings threshold for any series of Bonds shall be not less than three percent (3%) savings on a present value basis compared to the existing debt service on the Refunded Bonds and (b) the final maturity for the Bonds shall not exceed the final maturity for the Refunded Bonds. The Executive Director, in collaboration with VRA's financial advisor (the "Financial Advisor"), is authorized from time to time to review the terms of VRA's outstanding bonds and determine which bonds satisfy the criteria set forth in this paragraph 1. It is hereby found and determined that the debt service payments on the Bonds are not expected to be made, in whole or in part, directly or indirectly, from appropriations of the Commonwealth within the meaning of Section 2.2-2416(7) of the Code of Virginia of 1950, as amended.

**2. Determination of Details of Bonds.** VRA's Chairman and Executive Director, either of whom may act, are authorized, subject to the limitations set forth in paragraph

1, to determine the details of the Bonds issued hereunder, including without limitation the aggregate principal amount, the maturity schedule, the interest rates, the redemption provisions, the sale date, the sale price and the reoffering prices. The Bonds may be issued and sold in one or more series from time to time as determined by the Chairman and Executive Director, either of whom may act.

3. **Sale of Bonds.** VRA's Chairman and Executive Director, either of whom may act, are authorized to solicit and consider, if determined to be desirable, proposals for a negotiated sale of any Bonds (including through a private placement with a bank or other financial institution) authorized hereunder and to negotiate the terms of such sale. The Chairman and Executive Director, either of whom may act, are authorized to execute and deliver a purchase contract or agreement reflecting such proposal.

4. **Preliminary Official Statement.** VRA authorizes the preparation of a Preliminary Official Statement, in such form as the Executive Director may approve, in connection with the offering of each series of Bonds authorized hereunder. The Executive Director is authorized to deem final the Preliminary Official Statement as of its date for purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule") and to approve distribution thereof. Distribution of the Preliminary Official Statement shall constitute conclusive evidence that it has been deemed final as of its date, except for the omission of such pricing and other information permitted to be omitted, for purposes of the Rule.

5. **Official Statement.** The Executive Director is authorized and directed in collaboration with the Financial Advisor, to complete the Preliminary Official Statement as an official statement in final form (the "Official Statement") to reflect the provisions of the executed purchase contract. The Executive Director is authorized to execute the Official Statement, which execution shall constitute conclusive evidence of approval of the Official Statement on behalf of VRA and that it has been deemed final within the meaning of the Rule. The Executive Director is authorized to prepare, execute, publish and distribute any other disclosure or sale documents as she deems necessary or appropriate to effect the sale of the Bonds.

6. **Credit Enhancement.** The Executive Director is authorized to procure bond insurance for all or any portion of the Bonds or a surety bond, liquidity facility or similar instrument to provide for the funding of all or any portion of the Capital Reserve Fund or any other reserve fund or account established under the Master Indenture, if she determines such procurement to be in the best interests of VRA.

7. **Financing Documents.** The Chairman or Vice-Chairman is authorized and directed to prepare and execute any indentures, supplemental indentures, escrow agreements and any other documents necessary or desirable to effect the issuance of the particular series of Bonds and the refunding of the Refunded Bonds.

8. **Execution and Delivery of Bonds.** The Chairman or the Executive Director is authorized and directed to have the Bonds prepared and to execute the Bonds in accordance with the respective supplemental indenture or other authorizing document executed in connection with the Bonds and/or the Refunded Bonds, to deliver them to the trustee for authentication if required and to cause the Bonds so executed and authenticated to be delivered

to or for the account of the underwriters, private placement purchasers, or winning bidders upon payment of the purchase price therefor, all in accordance with the executed purchase contract or notice of sale, as appropriate.

**9. Tax Matters.** The Executive Director is authorized and directed to execute and deliver on VRA's behalf simultaneously with the issuance of the Bonds a Tax Regulatory Agreement and supplemental or similar agreements or certificates. The Tax Regulatory Agreement and such other agreements or certificates shall set forth the expected use of and investment of all or any portion of the proceeds of the Bonds and include such covenants as may be necessary to qualify the interest on all or any portion of the Bonds for exemption from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations (the "Tax Code"), and to maintain such exemption. The Executive Director is further authorized to make on behalf of VRA such elections under the Tax Code with respect to the Bonds as she may deem to be in the best interests of VRA after consultation with VRA's Bond Counsel and Financial Advisor.

**10. Authorization of Further Action.** The Executive Director is authorized to execute and deliver financing agreements, amended financing agreements, bond sale agreements and any other documents or certificates in connection with each locality which previously issued local obligations securing any portion of the Refunded Bonds ("the "Local Obligations"), including any such amendments necessary or advisable in connection with the issuance of the Bonds, the refunding, redemption and defeasance of the Refunded Bonds or the incorporation of such Local Obligations into the Program; provided, however that the provisions of such amendments may not (a) extend the final maturity of any Local Obligations and (b) the security for such Local Obligations may not be reduced. Each officer of VRA is authorized to execute and deliver on VRA's behalf such other instruments, documents or certificates, and to do and perform such things and acts as he or she shall deem necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Master Indenture, the Bonds or the Refunded Bonds (and associated financing documents). Any of the foregoing previously done or performed by any officer of VRA is in all respects approved, ratified and confirmed.

**11. Effective Date. Termination.** This Resolution shall be effective on July 1, 2015. The authority to issue Bonds pursuant to this Resolution shall terminate on June 30, 2016.

**VIRGINIA RESOURCES AUTHORITY**  
**RESOLUTION AUTHORIZING GRANTS AND LOANS**  
**PURSUANT TO**  
**THE VIRGINIA WATER SUPPLY REVOLVING FUND ACT**

**June 2, 2015**

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**WHEREAS**, the Virginia Resources Authority (the "Authority") is authorized under the provisions of the Virginia Water Supply Revolving Fund Act (the "Act") to administer and manage the Virginia Water Supply Revolving Fund (the "Fund") to make grants and loan subsidies, including principal forgiveness (collectively, "Grants"), and loans ("Loans") to local governments (the "Local Governments") and other entities as defined from time to time in the Act ("Other Entities") to finance and/or refinance water supply facilities and such other activities that may be authorized from time to time in the Act, all of which are located or to be located in the Commonwealth of Virginia; and

**WHEREAS**, the Virginia Department of Health (the "Department") is authorized under the Act to direct the Local Governments and Other Entities to which Grants or Loans are to be made, the purposes of each such Grant or Loan, the amount thereof, and the interest rate and the repayment terms with respect to any Loan, such information and terms for each Grant or Loan to be designated by the Department in writing to the Authority, following consultation with the Authority; and

**WHEREAS**, the Act provides that the Authority, except as set forth above, shall determine the terms and conditions of each Grant or Loan from the Fund; and

**WHEREAS**, on September 8, 1992, the Directors of the Authority authorized the Executive Director and other officers of the Authority to act in such matters and to execute and



deliver financing agreements and other appropriate documents in connection with the Loans, and the Directors of the Authority desire to reaffirm such authorization, within the parameters herein set forth.

**NOW, THEREFORE, BE IT RESOLVED** by the Directors of the Authority acting under the Act as follows:

1. At such time as the Department may from time to time designate in writing to the Authority a Local Government or Other Entity to which a Grant or Loan is to be made, the purpose of the Grant or Loan, the amount thereof, and the interest rate and the repayment terms with respect to any Loan, the Executive Director is authorized to implement such Grant or Loan on behalf of the Fund. The Grant shall be made pursuant to the terms of a model Funding Agreement and the Loan shall be made pursuant to the terms of a model Financing Agreement, each between the Authority, as Administrator of the Fund, and the Local Government or Other Entity, the forms of which have been previously presented to the Board or at this meeting, with such additions, changes, insertions and omissions as the Executive Director, with the advice of counsel, may deem appropriate in the circumstances of the Grant or Loan being made, and shall otherwise be made subject to and in accordance with the terms and conditions of the Act.

2. Each officer of the Authority is authorized to execute and deliver on behalf of the Authority such instruments, documents or certificates, and to do and perform such acts and things as such officer shall deem necessary or appropriate to carry out the Grant or Loan transactions contemplated by this Resolution or the Act, including, but not limited to, the administration and enforcement of the Financing Agreement or Funding Agreement, and all of the foregoing, previously done or performed by any such officer, are in all respects approved, ratified and confirmed.

3. This Resolution shall take effect immediately.

VIRGINIA RESOURCES AUTHORITY  
RESOLUTION AUTHORIZING GRANTS AND LOANS  
PURSUANT TO  
THE VIRGINIA WATER FACILITIES REVOLVING FUND ACT

June 2, 2015

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**WHEREAS**, the Virginia Resources Authority (the “Authority”) is authorized under the provisions of the Virginia Water Facilities Revolving Fund Act (the “Act”) to administer and manage the Virginia Water Facilities Revolving Fund (the “Fund”) to make grants, sometimes referred to as principal forgiveness loans (“Grants”), and loans (“Loans”) to local governments (the “Local Governments”) and other entities as defined from time to time in the Act (“Other Entities”) to finance and/or refinance wastewater treatment facilities, agricultural best management practices, remediation activities undertaken at a brownfield site, land conservation that will protect or improve water quality and the natural or open-space values of the property, stormwater runoff control best management practices, and such other activities that may be authorized from time to time in the Act, all of which are located or to be located in the Commonwealth of Virginia; and

**WHEREAS**, the State Water Control Board (the “Board”) is authorized under the Act to direct the Local Governments and Other Entities to which Grants or Loans are to be made, the purposes of each such Grant or Loan, the amount thereof, and the interest rate and the repayment terms with respect to any Loan, such information and terms for each Grant or Loan to be designated by the Board in writing to the Authority, following consultation with the Authority; and

**WHEREAS**, the Act provides that the Authority, except as set forth above, shall determine the terms and conditions of each Grant or Loan from the Fund; and

**WHEREAS**, on December 8, 1987, the Directors of the Authority authorized the Executive Director and other officers of the Authority to act in such matters and to execute and deliver financing agreements and other appropriate documents in connection with the Loans, and the Directors of the Authority desire to reaffirm such authorization, within the parameters herein set forth.

**NOW, THEREFORE, BE IT RESOLVED** by the Directors of the Authority acting under the Act as follows:

1. At such time as the Board may from time to time designate in writing to the Authority a Local Government or Other Entity to which a Grant or Loan is to be made, the purpose of the Grant or Loan, the amount thereof, and the interest rate and the repayment terms with respect to any Loan, the Executive Director is authorized to implement such Grant or Loan on behalf of the Fund. The Grant shall be made pursuant to the terms of a model Funding Agreement and the Loan shall be made pursuant to the terms of a model Financing Agreement, each between the Authority, as Administrator of the Fund, and the Local Government or Other Entity, the forms of which have been previously presented to the Board or at this meeting, with such additions, changes, insertions and omissions as the Executive Director, with the advice of counsel, may deem appropriate in the circumstances of the Grant or Loan being made, and shall otherwise be made subject to and in accordance with the terms and conditions of the Act.

2. Each officer of the Authority is authorized to execute and deliver on behalf of the Authority such instruments, documents or certificates, and to do and perform such acts and things as such officer shall deem necessary or appropriate to carry out the Grant or Loan transactions contemplated by this Resolution or the Act, including, but not limited to, the administration and enforcement of the Financing Agreement or Funding Agreement, and all of the foregoing,

previously done or performed by any such officer, are in all respects approved, ratified and confirmed.

3. This Resolution shall take effect immediately.