

**VIRGINIA COLLEGE BUILDING AUTHORITY
BOARD OF COMMISSIONERS MEETING**

October 13, 2006 10:30 a.m.

Treasury Board Conference Room

James Monroe Building

101 North 14th Street, 3rd Floor

Richmond, Virginia

Members Present: William L. Nusbaum, Chairman
Heidi W. Abbott, Vice-Chairman
Vinod B. Agarwal
Richard D. Brown
John "Jack" F. Carter
J. Braxton Powell
Joseph S. Testa
David A. Von Moll
Molly J. Ward

Members Absent: Daniel J. LaVista
Elaine R. Wilde

Others Present: Stephanie L. Hamlett Attorney General's Office
Louie W. Love University of Richmond
Herbert Peterson University of Richmond
Martha A. Warthen Hunton & Williams
Dean Pope Hunton & Williams
Jim Johnson Morgan Keegan
Russell Carmichael State Council of Higher Education
Steve Johnson Troutman Sanders LLP
Amanda Ray Troutman Sanders LLP
Brandan Halsey Auditor of Public Accounts
Evelyn Whitley Secretary, VCBA, Department of the Treasury
Janet A. Aylor Assistant Secretary, VCBA, Department of the
Treasury
Jeanine Black Department of the Treasury
Treasury Staff and others attended

Call to Order and Approval of Minutes

Mr. Nusbaum called the meeting to order at 10:35 a.m. After welcoming Molly Ward, a Board member in attendance for the first time, and any visitors, he asked if there were any members of the public present that wished to comment on Board activities. There was no public comment.

Mr. Nusbaum then asked if there were any comments on or corrections to the minutes of the June 27, 2006, Virginia College Building Authority Board Meeting. Hearing none, he requested a motion for approval of the minutes. Dr. Agarwal made the motion; Mr. Von Moll seconded, and all members

present unanimously adopted the motion.

Consideration of the University of Richmond Financing Application

Mr. Nusbaum reviewed a letter from Heidi W. Abbott indicating that her law firm represents University of Richmond on various matters and pursuant to Rule 1.11(b) of the Virginia Rules of Professional Conduct, she will abstain from voting on the University of Richmond matter. At Ms. Abbott's request, the members of the Authority present consented to her abstention from voting on the University of Richmond matter and Mr. Nusbaum signed the letter (Exhibit A) on the Authority's behalf.

Ms. Aylor introduced representatives from University of Richmond, Hunton and Williams and Morgan Keegan. Ms. Aylor then reviewed the Preliminary Financing Summary for the proposed issuance of up to \$57,000,000 of Virginia College Building Authority Educational Facilities Revenue Bonds (University of Richmond Project), Series 2006. Mr. Johnson from Morgan Keegan reviewed the details of financing for the project and Mr. Peterson, Vice President for Business and Finance from University of Richmond addressed the board.

Public Hearing

The public hearing was opened at 10:45 a.m. and closed at 10:46 a.m., after no members of the public asked to speak. The minutes of the public hearing are attached hereto as Attachment A.

Mr. Pope from Hunton and Williams, bond counsel to the University, reviewed the Resolution for the board. A further discussion ensued. Mr. Powell moved the approval of the Resolution (Attachment B) of the Virginia College Building Authority authorizing the issuance and sale of its Educational Facilities Revenue Bonds (University of Richmond Project), Series 2006; Mr. Testa seconded the motion, and the motion was unanimously adopted, with Ms. Abbott and Mr. Brown abstaining.

Consideration of Shenandoah University Financing Application

Mr. Nusbaum reviewed a letter from Heidi W. Abbott indicating that her law firm represents Shenandoah University on various matters and pursuant to Rule 1.11(b) of the Virginia Rules of Professional Conduct, she will abstain from voting on the Shenandoah University matter. At Ms. Abbott's request, the members of the Authority present consented to her abstention from voting on the Shenandoah matter and Mr. Nusbaum signed the letter (Exhibit B) on the Authority's behalf.

Mr. Nusbaum stated his intention to abstain from voting on the Shenandoah University matter due to his law firm representing BB&T, the letter of credit provider, in the financing. At Mr. Nusbaum's request, the present members of the Authority present consented to his abstention from voting on the Shenandoah matter.

Ms. Black reviewed the Preliminary Financing Summary for the proposed issuance of up to \$23,000,000 of Virginia College Building Authority Educational Facilities Revenue Bonds (Shenandoah University Project), Series 2006. Mr. Johnson from Morgan Keegan reviewed the details of financing and the various projects.

Mr. Carter asked if there were any representatives from the University present. None being present, he stated the need for representation from schools seeking financing through the Authority's Private College Program. He requested staff to inform the board members prior to the meeting when no one from an applicant will be in attendance. Mr. Nusbaum confirmed with staff that they had knowledge of this matter prior to the meeting and reiterated the expectation that a representative from an applicant be

present at a board meeting when requesting approval for financing. Staff agreed to request that each applicant have a representative at the board meeting and inform the board members when no one from a University will be in attendance to address the board.

Public Hearing

The public hearing was opened at 10:57 a.m. and closed at 10:58 a.m., when no member of the public requested to speak. The minutes of the public hearing are attached hereto as Attachment C.

Mr. Pope from Hunton and Williams, bond counsel to the University, reviewed the Resolution for the board. Dr. Agarwal moved the approval of the Resolution (Attachment D) of the Virginia College Building Authority authorizing the issuance and sale of its Educational Facilities Revenue Bonds (Shenandoah University Project), Series 2006; Mr. Carter seconded the motion, and the motion was unanimously adopted, with the abstentions of Ms. Abbott and Mr. Nusbaum being duly noted.

Consideration of Issuance of Virginia College Building Authority Educational Facilities Revenue Bonds (Public Higher Education Financing Program), Series 2006A

Ms. Aylor introduced Emily Abrantes and June Matte, both from Public Finance Management, Inc. who participated by telephone. Ms. Aylor reviewed the Preliminary Financing Summary for the proposed issuance in the amount of \$150,765,000 (preliminary) of Virginia College Building Authority Educational Facilities Revenue Bonds (Public Higher Education Financing Program), Series 2006A. The Board then received an overview of the upcoming bond issue and current market conditions from Ms. Matte of Public Financial Management, Inc., its financial advisor for the issue (Exhibit C). A further discussion ensued. Mr. Johnson from Troutman Sanders LLP, bond counsel to the Authority, reviewed the revised Resolution before the Board.

Ms. Abbott moved the approval of the Resolution (Attachment E) of the Virginia College Building Authority authorizing the issuance and sale of its Educational Facilities Revenue Bonds (Public Higher Education Financing Program), Series 2006A; Mr. Powell seconded, and the motion was unanimously adopted by all members present.

Approval of Resolution Authorizing Certain Amendments in Connection with Its Educational Facilities Revenue Bonds (Public Higher Education Financing Program) Series 2004A

Ms. Aylor directed the board members to the Resolution that was handed out prior to the meeting and explained Virginia Commonwealth University's request to transfer unexpended funds from a Virginia College Building Authority project in a prior series of Virginia College Building Authority bonds to a project approved under the 2006A series of bonds. Mr. Johnson from Troutman Sanders LLP reviewed the Resolution before the Board. A discussion ensued.

Mr. Carter moved the approval of the Resolution (Attachment F) of the Virginia College Building Authority authorizing certain amendments in connection with its Educational Facilities Revenue Bonds (Public Higher Education Financing Program) Series 2004A; Dr. Agarwal seconded, and all members present unanimously adopted the motion.

Other Business

Ms. Aylor reviewed the Final Financing Summary for the Virginia College Building Authority Educational Facilities Revenue Bonds (21st Century College and Equipment Program), Series 2006B & C. A discussion ensued. Mr. Brown requested staff to provide the board with handouts that compare

variable rate to fixed rate financing. Staff agreed to have this information available at the next board meeting.

Ms. Black reviewed the Final Financing Summary for the Virginia College Building Authority Educational Facilities Revenue Bonds (Washington and Lee University), Series 2006 and the Virginia College Building Authority Educational Facilities Revenue Bonds (Regent University), Series 2006. A discussion ensued.

Ms. Aylor stated that staff is currently monitoring some outstanding Virginia College Building Authority Bonds for possible refunding. Under Treasury Board Guidelines, refundings must show 4% aggregate present value savings on obligations of more than one series. Currently the savings are at 3.5%. She also reminded the members about the resolution that was adopted on April 20, 2004 that authorizes the staff and officers of the Virginia College Building Authority to pursue refunding opportunities on an expeditious basis to take advantage of then-current market conditions from time to time and thereby maximize debt service savings. The issuance and delivery of any refunding bonds is subject to further approval by the Authority. A discussion ensued. Staff agreed to inform the Board if a refunding issue is initiated.

Mr. Powell asked Ms. Matte from Public Finance Management, Inc. if there was a way to enhance the State Aid Intercept Program to make it more attractive to Standard and Poor's and possible raise the rating on State aid enhanced bonds from AA to AA+. Ms. Matte stated that it is an ongoing conversation and she will work with Ms. Aylor concerning that matter.

Mr. Powell reiterated Mr. Carter's concern pertaining to representation from the private colleges and universities and suggested that in the future a Public Hearing not be held until a representative from the private college or university is present.

Adjournment

Having no other business to be brought before the Board, the meeting was adjourned at 11:53 a.m.

Respectfully submitted,
Janet A. Aylor
Assistant Secretary

/s/ Janet A. Aylor _____

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

VIRGINIA COLLEGE BUILDING AUTHORITY

Minutes of the Public Hearing
in Connection with the Issuance of Bonds for the Benefit of University of Richmond
October 13, 2006, 10:30 a.m.
3rd Floor Conference Room, James Monroe Building
Richmond, Virginia

Members Present: William L. Nusbaum, Chairman
Heidi W. Abbott, Vice-Chairman
Vinod B. Agarwal
Richard D. Brown
John "Jack" F. Carter
J. Braxton Powell
Joseph S. Testa
David A. Von Moll
Molly J. Ward

Members Absent: Daniel J. LaVista
Elaine R. Wilde

Others Present: Stephanie L. Hamlett Attorney General's Office
Louie W. Love University of Richmond
Herbert Peterson University of Richmond
Martha A. Warthen Hunton & Williams
Dean Pope Hunton & Williams
Jim Johnson Morgan Keegan
Russell Carmichael State Council of Higher Education
Steve Johnson Troutman Sanders LLP
Amanda Ray Troutman Sanders LLP
Brandan Halsey Auditor of Public Accounts
Evelyn Whitley Secretary, VCBA, Department of the Treasury
Janet A. Aylor Assistant Secretary, VCBA, Department of the
Treasury
Jeanine Black Department of the Treasury
Treasury Staff and others attended

Mr. Nusbaum opened the public hearing at 10:45 a.m.

Mr. Nusbaum asked if anyone wished to address the Board.

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

Mr. Nusbaum closed the public hearing at 10:46 a.m.

Respectfully submitted,

/s/ Janet A. Aylor
Assistant Secretary

**RESOLUTION OF
VIRGINIA COLLEGE BUILDING AUTHORITY**

WHEREAS, the University of Richmond (the “University”) has filed with the Virginia College Building Authority (the “Authority”) an application requesting the Authority, pursuant to the Educational Facilities Authority Act (Title 23, Chapter 3.3, Code of Virginia of 1950, as amended) (the “Act”), to issue its revenue bonds (the “Bonds”) and to lend the proceeds from the sale thereof to the University for the purposes of (a) refunding all or a portion of the Authority’s Variable Rate Demand/Fixed Rate Educational Facilities Revenue Bonds (University of Richmond Project), Series 1996, in the original principal amount of \$22,500,000, and its Variable Rate Demand/Fixed Rate Educational Facilities Revenue Bonds (University of Richmond Project), Series 1999, in the original principal amount of \$15,400,000 (together, the “Prior Bonds”); (b) financing costs incurred in (1) the acquisition, construction and equipping of a new residence hall, (2) the renovation, expansion and equipping of the Boatwright Library, (3) the acquisition and installation of certain performance enhancements to the University’s existing boiler plant and (4) the construction and equipping of other capital improvements and repairs for the University’s facilities (collectively, the “Project”); and (c) paying costs of issuance with respect to the Bonds;

WHEREAS, the University has selected Morgan Keegan & Company, Inc., as underwriter and initial remarketing agent for the Bonds (the “Underwriter”);

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

WHEREAS, there have been presented to this meeting drafts of the following instruments (the “Documents”), which the Authority proposes to execute or approve to carry out the issuance and sale of the Bonds for the benefit of the University and the redemption of the Prior Bonds, copies of which instruments shall be filed with the records of the Authority:

(a) Loan Agreement between the Authority and the University, including the form of the University’s promissory note (the “Note”), which is to be in the aggregate principal amount of the Bonds;

(b) Indenture of Trust (the “Indenture”) between the Authority and U.S. Bank National Association, as trustee (the “Trustee”), including the form of the Bonds;

(c) Bond Purchase Agreement between the Underwriter, the Authority and the University setting forth the details of the initial purchase of the Bonds; and

(d) Offering Memorandum (the “Offering Memorandum”), describing the offering of the Bonds.

BE IT RESOLVED BY THE VIRGINIA COLLEGE BUILDING AUTHORITY:

1. The Authority finds and determines that the issuance of the Bonds and the loan to the University of the proceeds from the sale thereof to be used, together with other available funds, to refund all or a portion of the Prior Bonds, to finance the Project and to pay certain costs of issuance

relating to the Bonds will be consistent with the purpose of the Act. The Authority approves the application of the University and authorizes the issuance of the Bonds and the loan of the proceeds from the sale thereof to the University.

2. The Authority authorizes the issuance and sale of the Bonds, in one or more series, upon terms that shall be satisfactory to the Treasurer of the Authority (the "Treasurer"); provided, however, that (a) the aggregate principal amount of the Bonds shall not exceed \$57,000,000, (b) the Bonds shall be dated the date of their issuance, (c) the Bonds shall mature no later than 30 years after their issuance, (d) the Bonds shall bear interest at rates as provided in the Indenture and initially at a Daily Rate (as defined in the Indenture), (e) the Bonds shall be in denominations of \$100,000 or any multiple of \$5,000 in excess of \$100,000 during any period the Bonds bear interest at a Daily Rate, Weekly Rate or Commercial Paper Rate ("Short Term Period") and in denominations of \$5,000 or any multiple thereof during any period the Bonds bear interest at a Long Term Rate (the "Long Term Period"), (f) the Bonds shall be in registered form and shall be payable at the designated office of the paying agent selected for the Bonds or as otherwise permitted in the Indenture, (g) the Bonds shall be subject to optional redemption, during any Short Term Period, at a redemption price of 100% of the principal amount of the Bonds redeemed, plus accrued interest, and shall be subject to optional redemption, during any Long Term Period, at a redemption price not exceeding 103% of the principal amount of the Bonds redeemed, plus accrued interest, and (h) the Bonds shall have received an investment grade rating from a nationally recognized rating agency.

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

4. The Offering Memorandum and its use and distribution by the Underwriter and the remarketing agent for the Bonds is authorized and approved. The Offering Memorandum shall be in substantially the form submitted to this meeting, with such completions, omissions, insertions and changes as the Chairman, the Vice-Chairman or the Treasurer of the Authority, any of whom may act, may approve. The distribution of the Offering Memorandum shall constitute conclusive evidence of the approval of the Authority of any such completions, omissions, insertions and changes.

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

6. The Chairman and Vice Chairman of the Authority, either of whom may act, are authorized and directed to execute the Bonds by manual or facsimile signature, and the Secretary and any Assistant Secretary of the Authority, any of whom may act, are authorized and directed to have the seal of the Authority affixed or printed thereon and to attest such seal by his or her manual or facsimile signature. The Chairman and Vice Chairman of the Authority, either of whom may act, are authorized and directed to deliver the Bonds to the Trustee for authentication and to cause the Bonds so executed and authenticated to be delivered to or for the account of the Underwriter.

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

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

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

10. At the request of the University, the Authority hereby appoints Hunton & Williams LLP as bond counsel to supervise the proceedings and approve the legality of the issuance of the Bonds and approves Morgan Keegan & Company, Inc., as underwriter and as initial remarketing agent for the Bonds. The Authority consents to Hunton & Williams’ representation of Morgan Keegan & Company, Inc., as underwriter and as initial remarketing agent, and SunTrust Bank, as provider of a standby bond purchase agreement for the Bonds, in connection with the issuance of the Bonds.

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

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

CERTIFICATE

The undersigned Secretary of the Virginia College Building Authority (the "Authority") hereby certifies that the foregoing is a true, correct and complete copy of a resolution adopted by a majority of the Directors of the Authority present and voting at a meeting duly called and held on October 13, 2006, in accordance with law, and that such resolution has not been repealed, revoked, rescinded or amended, and is in full force and effect on the date hereof.

WITNESS the following signature this ___ day of October, 2006.

[SEAL]

Secretary, Virginia College Building Authority

VIRGINIA COLLEGE BUILDING AUTHORITY

Minutes of the Public Hearing
in Connection with the Issuance of Bonds for the Benefit of Shenandoah University
October 13, 2006, 10:30 a.m.
3rd Floor Conference Room, James Monroe Building
Richmond, Virginia

Members Present: William L. Nusbaum, Chairman
Heidi W. Abbott, Vice-Chairman
Vinod B. Agarwal
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Members Absent: Daniel J. LaVista
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Evelyn Whitley Secretary, VCBA, Department of the Treasury
Janet A. Aylor Assistant Secretary, VCBA, Department of the
Treasury
Jeanine Black Department of the Treasury
Treasury Staff and others attended

Mr. Nusbaum opened the public hearing at 10:57 a.m.

Mr. Nusbaum asked if anyone wished to address the Board.

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

Mr. Nusbaum closed the public hearing at 10:58 a.m.

Respectfully submitted,

/s/ Janet A. Aylor _____
Assistant Secretary

**RESOLUTION OF
VIRGINIA COLLEGE BUILDING AUTHORITY**

WHEREAS, Shenandoah University (the “University”) has filed with the Virginia College Building Authority (the “Authority”) an application requesting the Authority, pursuant to the Educational Facilities Authority Act (Title 23, Chapter 3.3, Code of Virginia of 1950, as amended) (the “Act”), to issue its revenue bonds (the “Bonds”) and to lend the proceeds from the sale thereof to the University for the purposes of (a) refunding all of the Authority’s Variable Rate Demand/Fixed Rate Educational Facilities Revenue Bonds (Shenandoah University Project), Series 2002, in the original principal amount of \$17,445,000 (the “Prior Bonds”); (b) financing and refinancing certain capital projects including, but not limited to the (i) acquisition, construction and equipping of a parking garage of approximately 273 spaces for use by students, faculty, staff and guests, located on the University’s main campus, (ii) repairing and replacing (1) roofs for one or more existing buildings on the main campus and/or the John Kerr Building, (2) heating and cooling systems (including cooling towers) for one or more existing buildings on the main campus, and (3) chiller and pneumatic controls on the Fairfax/Cameron Building and (iii) construction and equipping of other capital improvements and repairs for the University’s existing facilities (collectively, the “Project”); and (c) financing certain expenses of issuing the Bonds, including the financing of certain working capital costs, interest during and one year after construction and the establishment of certain reserves and contingencies, if any, therefor;

WHEREAS, the University has selected Morgan Keegan & Company, Inc., as underwriter and initial remarketing agent for the Bonds (the “Underwriter”);

WHEREAS, the University has obtained a commitment from Branch Banking & Trust Company of Virginia to provide a direct pay letter of credit as security for the Bonds;

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

WHEREAS, there have been presented to this meeting drafts of the following instruments (the “Documents”), which the Authority proposes to execute or approve to carry out the issuance and sale of the Bonds for the benefit of the University and the redemption of the Prior Bonds, copies of which instruments shall be filed with the records of the Authority:

(a) Loan Agreement between the Authority and the University, including the form of the University’s promissory note (the “Note”), which is to be in the aggregate principal amount of the Bonds;

(b) Indenture of Trust (the “Indenture”) between the Authority and The Bank of New York, as trustee (the “Trustee”), including as Exhibit A attached thereto, the form of the Bonds;

(c) Bond Purchase and Remarketing Agreement between the Underwriter, the Authority and the University setting forth the details of the initial purchase of the Bonds and the subsequent remarketing of the Bonds; and

(d) Limited Official Statement (the “Limited Official Statement”), describing the offering of the Bonds.

BE IT RESOLVED BY THE VIRGINIA COLLEGE BUILDING AUTHORITY:

1. The Authority finds and determines that the issuance of the Bonds and the loan to the University of the proceeds from the sale thereof to be used, together with other available funds, to refund the Prior Bonds, to finance and refinance the Project and to pay certain expenses of issuing the Bonds, including the financing of certain working capital costs, interest during and one year after construction and the establishment of certain reserves and contingencies, if any, therefor, will be consistent with the purpose of the Act. The Authority approves the application of the University and authorizes the issuance of the Bonds and the loan of the proceeds from the sale thereof to the University.

2. The Authority authorizes the issuance and sale of the Bonds upon terms that shall be satisfactory to the Treasurer of the Authority (the “Treasurer”); provided, however, that (a) the aggregate principal amount of the Bonds shall not exceed \$23,000,000, (b) the Bonds shall be dated the date of their issuance, (c) the Bonds shall mature no later than 30 years after their issuance, (d) the Bonds shall bear interest at rates as provided in the Indenture and initially at a Daily Rate (as defined in the Indenture), (e) the Bonds shall be in denominations of \$100,000 or any integral multiple of \$5,000 in excess of \$100,000 during any period the Bonds bear interest at a variable rate (the “Variable Rate Period”) and in denominations of \$5,000 or any integral multiple thereof during any period the Bonds bear interest at a fixed rate (the “Fixed Rate Period”), (f) the Bonds shall be in registered form and shall be payable at the designated office of the paying agent selected for the Bonds or as otherwise permitted in the Indenture, (g) the Bonds shall be subject to optional redemption, during any Variable Rate Period, at a redemption price of 100% of the principal amount of the Bonds redeemed, plus accrued interest, and shall be subject to optional redemption, during any Fixed Rate Period, at a redemption price not exceeding 103% of the principal amount of the Bonds redeemed, plus accrued interest, and (h) the Bonds shall have received an investment grade rating from a nationally recognized rating agency.

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

4. The Limited Official Statement and its use and distribution by the Underwriter and the remarketing agent for the Bonds is authorized and approved. The Limited Official Statement shall be in substantially the form submitted to this meeting, with such completions, omissions, insertions and changes as the Chairman, the Vice-Chairman or the Treasurer of the Authority, any of whom may act, may approve. The distribution of the Limited Official Statement shall constitute conclusive evidence of the approval of the Authority of any such completions, omissions, insertions and changes.

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

6. The Chairman and Vice Chairman of the Authority, either of whom may act, are authorized and directed to execute the Bonds by manual or facsimile signature, and the Secretary and any Assistant Secretary of the Authority, any of whom may act, are authorized and directed to have the seal of the Authority affixed or printed thereon and to attest such seal by his or her manual or facsimile signature. The Chairman and Vice Chairman of the Authority, either of whom may act, are authorized and directed to deliver the Bonds to the Trustee for authentication and to cause the Bonds so executed and authenticated to be delivered to or for the account of the Underwriter.

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

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

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

10. At the request of the University, the Authority hereby appoints Hunton & Williams LLP as bond counsel to supervise the proceedings and approve the legality of the issuance of the Bonds and approves Morgan Keegan & Company, Inc., as the underwriter and as initial remarketing agent for the Bonds.

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

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

CERTIFICATE

The undersigned Secretary of the Virginia College Building Authority (the "Authority"), hereby certifies that the foregoing is a true, correct and complete copy of a resolution adopted by a majority of the Directors of the Authority present and voting at a meeting duly called and held on October 13, 2006, in accordance with law, and that such resolution has not been repealed, revoked, rescinded or amended, and is in full force and effect on the date hereof.

WITNESS the following signature this ____ day of October, 2006.

(SEAL)

Secretary, Virginia College Building Authority

**VIRGINIA COLLEGE BUILDING AUTHORITY RESOLUTION
AUTHORIZING THE ISSUANCE OF ITS EDUCATIONAL FACILITIES
REVENUE BONDS (PUBLIC HIGHER EDUCATION FINANCING
PROGRAM) SERIES 2006A**

WHEREAS, the Virginia College Building Authority (the “Authority”) is a body corporate and politic, constituting a public corporation and governmental instrumentality of the Commonwealth of Virginia created by the Virginia College Building Authority Act of 1966, Chapter 3.2, Title 23, Code of Virginia of 1950, as amended (the “Act”);

WHEREAS, the Authority is empowered, among other things, to finance the construction of projects of capital improvement (the “Projects”) at public higher educational institutions in the Commonwealth of Virginia (the “Institutions”) by issuing its revenue bonds and using the proceeds of such revenue bonds to purchase debt obligations issued by such Institutions, pursuant to Chapter 3 of Title 23 of the Code of Virginia of 1950, as amended, to finance or refinance such Projects;

WHEREAS, the issuance of such revenue bonds for such purpose is referred to as the “Public Higher Education Financing Program” (the “Program”);

WHEREAS, in furtherance of the purposes of the Act and the Program, the Authority has determined to issue and sell a series of obligations issued for the Program under the Master Indenture of Trust dated as of September 1, 1997 (as previously supplemented, the “Master Indenture”), between the Authority and The Bank of New York, as successor trustee (the “Trustee”), as further supplemented by the Eleventh Supplemental Indenture of Trust dated as of November 1, 2006 (the “Eleventh Supplemental Indenture”), between the Authority and the Trustee, which obligations shall be the Educational Facilities Revenue Bonds (Public Higher Education Financing Program) Series 2006A (the “2006A Bonds”);

WHEREAS, the proceeds of the 2006A Bonds will be used to purchase debt obligations issued by certain participating Institutions (the “2006A Institutions”) pursuant to the 2006A Loan Agreements described below to finance or refinance the construction of certain Projects (the “2006A Projects”);

WHEREAS, as of the date of the adoption of this Resolution, it is anticipated that the 2006A Institutions and the related 2006A Projects will be as follows:

<u>Institution</u>	<u>Project</u>
Christopher Newport University	Construct Student Center
The College of William and Mary	Construct: Laycock Football Facility Construct: New Dormitory Acquire: Sentara Hospital Improve: Athletic Facilities Improve: Dormitory Fire Safety Systems
George Mason University	Krasnow Institute Addition Patriot Center Addition/Renovation Physical Education Addition/Renovation Physical Education Addition Prince William Bio Containment Lab Prince William Performing Arts Center Student Union III Fairfax Surge Space Fit Out (chap 3) Fairfax Surge Space Building (chap 951)
James Madison University	Acquisition: Acquire Land New Construction: Parking Deck
Longwood University	Renovate Baseball/Softball Fields Blackwell Hall & Bookstore Fitness Center Heating Plant - Phase III
Old Dominion University	Athletics Facilities Expansion Project Indoor Tennis Center
Virginia Commonwealth University	New School of Nursing Massey Cancer Center Addition Game and Inland Fisheries Regional Headquarters Monroe Park Campus Parking/Housing Facility
Virginia Polytechnic Institute and State University	Construct New Engineering Facility, Phase I Improve Boiler Pollution Construct Surge Space

provided that one or more of such Institutions may determine before the 2006A Bonds are issued to finance one or more of such Projects in another way or at another time and, accordingly, the final list of 2006A Institutions and 2006A Projects may include fewer Institutions and Projects than are listed above, as shall be determined by the State Treasurer as provided herein;

WHEREAS, the 2006A Bonds will be offered for sale pursuant to a Preliminary Official Statement, to be dated the date of its release (the “Preliminary Official Statement”) and will be awarded by the Authority through a competitive bidding process using a Notice of Sale, to be dated the date of the Preliminary Official Statement (the “Notice of Sale”), which states the structure and terms of the sale of the proposed 2006A Bonds; and

WHEREAS, the foregoing arrangements will be reflected in the following documents, drafts of which have been presented to this meeting and filed with the Authority’s records:

- (a) the Eleventh Supplemental Indenture, together with the form of the 2006A Bonds attached as Exhibit A thereto;
- (b) a form of the Loan Agreements dated as of November 1, 2006 (the “2006A Loan Agreements”) to be entered into between the Authority and each 2006A Institution, providing for certain matters regarding the issuance and purchase of the 2006A Notes (as described below) and the development and operation of the 2006A Projects;
- (c) a form of the 2006A Notes to be issued by each 2006A Institution to the Authority, in the form attached to the form of the 2006A Loan Agreement as Exhibit B (the “2006A Notes”), and the form of the Assignments appended thereto (the “2006A Assignments”) pursuant to which the Authority assigns the 2006A Notes to the Trustee, without recourse, as security for the 2006A Bonds and other obligations that have been and may be issued under the Master Indenture;
- (d) the Preliminary Official Statement with respect to the 2006A Bonds;
- (e) the Notice of Sale with respect to the 2006A Bonds; and
- (f) a Continuing Disclosure Agreement of the Authority (the “Continuing Disclosure Agreement”).

NOW, THEREFORE, BE IT RESOLVED BY THE VIRGINIA COLLEGE BUILDING AUTHORITY:

1. Preliminary Official Statement; Notice of Sale. The Preliminary Official Statement, in substantially the form presented at this meeting with such completions, omissions, additions and changes as shall be approved by the State Treasurer (the Treasurer of the Authority) or his staff in connection with the offering and sale of the 2006A Bonds, is approved and the distribution thereof is authorized. The Authority authorizes the State Treasurer to deem the Preliminary Official Statement final as of its date for purposes of Securities and Exchange Commission Rule 15c2-12 (the “Rule”), and 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 by the Rule. The Notice of Sale in substantially the form presented at this meeting, with such completions, omissions, additions and changes as shall be approved by the State Treasurer or his staff in connection with the offering and sale of the Bonds, is approved and the distribution and advertisement thereof is authorized.

2. Competitive Bidding; Credit Ratings. The Authority authorizes and directs its staff, its financial advisor, Public Financial Management, Inc., and its bond counsel, Troutman Sanders LLP: (a) to prepare all documentation and take all action necessary or desirable to bring the 2006A Bonds to market through a competitive bidding process, which may include electronic bidding, as soon as practicable, (b) to advertise the 2006A Bonds for sale and (c) to take such actions as shall be necessary or appropriate to obtain a rating or ratings for the 2006A Bonds from Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., Fitch Ratings, Inc., or Moody's Investors Service, Inc.

3. Issuance and Sale of Series 2006A Bonds. Pursuant to the Act, the Authority authorizes the issuance of its Bonds in accordance with the Eleventh Supplemental Indenture and the sale thereof in accordance with the Notice of Sale, including the receipt of bids electronically; *provided, however,* that (a) the aggregate principal amount of the 2006A Bonds shall not exceed \$170,000,000; (b) the true interest cost of the 2006A Bonds, determined in accordance with the terms of the Notice of Sale, shall not exceed 5.00%, taking into account original issue discount or premium, if any; (c) the final maturity of the 2006A Bonds does not exceed September 1, 2038; and (d) the 2006A Bonds shall have regularly scheduled payments of principal and interest that do not exceed the sum of the Basic Payments due under, and as described in, the 2006A Notes.

4. Bond Documents. The Authority ratifies and confirms the Master Indenture. The form of the Eleventh Supplemental Indenture, including the form of the 2006A Bonds and the form of the 2006A Loan Agreements, including the form of the 2006A Assignments, are approved by the Authority with such changes, insertions, additions and deletions as the State Treasurer shall approve. The approval of any such changes, insertions, additions and deletions shall be evidenced conclusively by the execution and delivery of the 2006A Bonds by the officers of the Authority. The Authority hereby authorizes and directs its officers to execute and deliver the Eleventh Supplemental Indenture, the 2006A Bonds, the 2006A Loan Agreements and the 2006A Assignments.

5. Delegation to State Treasurer; Award of Series 2006A Bonds. The Authority hereby delegates to the State Treasurer the power with respect to the 2006A Bonds, subject to the limitations set forth in paragraph 3: (a) to determine the final list of the 2006A Institutions and the 2006A Projects; (b) to determine the details of the 2006A Bonds and the 2006A Notes, including, without limitation, the maturity schedule, the interest rates and the redemption provisions; (c) to deem the Preliminary Official Statement final as of its date as contemplated in paragraph 1 and to complete the Preliminary Official Statement in final form as contemplated in paragraph 6; (d) to postpone or cancel the sale of the 2006A Bonds in his sole discretion; (e) to award the 2006A Bonds to the responsive bidder whose bid offers to purchase the 2006A Bonds at the lowest true interest cost to the Authority as determined by Public Financial Management, Inc., the Authority's financial advisor (the "Winning Bidder" and the "Winning Bid"), all in accordance with the terms of the Notice of Sale; and (f) to take all such further action as may be necessary or desirable for the issuance and sale of the 2006A Bonds.

6. Official Statement. The Authority authorizes and directs the State Treasurer and his staff to complete the Preliminary Official Statement as an official statement in final form (the "Official Statement"). The Chairman or Vice-Chairman of the Authority, either of whom may act, is authorized and directed to execute the Official Statement, which execution shall constitute conclusive evidence of his approval of the Official Statement and that the Authority has deemed it final within the meaning of the Rule. The Authority authorizes and directs its staff to arrange for the delivery to the Winning Bidder of a reasonable number of copies of the Official Statement, within seven business days after the sale date of the 2006A Bonds, for distribution by the Winning Bidder to each potential investor requesting a copy thereof and to each person to whom the Winning Bidder initially sells 2006A Bonds.

The Authority authorizes and approves the distribution of the Official Statement by the Winning Bidder.

7. Continuing Disclosure. The Authority covenants to undertake ongoing disclosure and to provide “annual financial information” and “material event notices” in accordance with the Continuing Disclosure Agreement, for the benefit of holders of the 2006A Bonds to assist the Winning Bidder in complying with the Rule. The Authority authorizes and directs its Chairman, Vice Chairman, Treasurer or any of its officers to execute the Continuing Disclosure Agreement in substantially the form presented at this meeting, which is approved with such completions, omissions, insertions and changes as the Chairman, Vice Chairman, Treasurer or any of the Authority’s officers may approve. The execution by the Chairman, Vice Chairman, Treasurer or any of the Authority’s officers of the Continuing Disclosure Agreement shall constitute conclusive evidence of approval of any such completions, omissions, insertions and changes.

8. Other Documents. The Authority authorizes and directs its officers and staff to execute and deliver all certificates, instruments and documents and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the 2006A Bonds. Such certificates may include a certificate (a) setting forth the expected use and investment of proceeds of the 2006A Bonds to show that such expected use and investment will not violate the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations thereunder, (b) making any elections that such officers deem desirable regarding any provisions requiring rebate to the United States of arbitrage profits earned on investments of proceeds of the 2006A Bonds, and (c) providing for payment of any such rebate amount.

9. Other Actions. The Authority approves and confirms all other actions of its officers and staff which are in conformity with the purpose or intent of this Resolution and in furtherance of (a) the issuance and sale of the 2006A Bonds and the use of the proceeds thereof and (b) the implementation of the Program.

10. Administrative Fee. The General Assembly of Virginia has authorized the Authority to charge Institutions participating in the Program an administrative fee of up to 10 basis points of the amount financed for each Project. The Authority hereby provides that it will charge each 2006A Institution an administrative fee of up to 10 basis points of the face amount of the applicable 2006A Note. Such fee shall be due upon the issuance of the 2006A Bonds.

11. Effective Date. This Resolution shall take effect immediately upon its adoption.

Adopted: October 13, 2006

The undersigned Assistant Secretary of the Virginia College Building Authority certifies that the foregoing is a true and correct copy of a Resolution adopted by the Board of Commissioners of the Authority, upon the vote as noted below, at a duly called meeting of the Board of Commissioners held on October 13, 2006

<u>Commissioner</u>	<u>Present/Absent</u>	<u>Vote</u>
J. Braxton Powell	Present	Aye
David A. Von Moll	Present	Aye
Richard D. Brown	Present	Aye
Daniel J. LaVista	Absent	
William L. Nusbaum	Present	Aye
John F. "Jack" Carter II	Present	Aye
Heidi W. Abbott	Present	Aye
Vinod B. Agarwal	Present	Aye
Joseph S. Testa	Present	Aye
Molly J. Ward	Present	Aye
Elaine R. Wilde	Absent	

/s/ Janet A. Aylor
 Assistant Secretary,
 Virginia College Building Authority

Date: October 13, 2006

**VIRGINIA COLLEGE BUILDING AUTHORITY
RESOLUTION AUTHORIZING CERTAIN AMENDMENTS
IN CONNECTION WITH ITS EDUCATIONAL FACILITIES
REVENUE BONDS (PUBLIC HIGHER EDUCATION
FINANCING PROGRAM) SERIES 2004A**

WHEREAS, in furtherance of the purposes of the Virginia College Building Authority Act of 1966, Chapter 3.2, Title 23, Code of Virginia of 1950, as amended (the “Act”) and its “Public Higher Education Financing Program” (the “Program”), the Virginia College Building Authority (the “Authority”) previously issued its \$112,935,000 Educational Facilities Revenue Bonds (Public Higher Education Financing Program) Series 2004A (the “Bonds”) to purchase debt obligations issued by certain participating institutions, including Virginia Commonwealth University (“VCU”), to finance or refinance the construction of a certain capital improvement project (the “VCU Initial Project”);

WHEREAS, VCU has notified the Authority that the VCU Initial Project has been completed and that a portion of the proceeds (the “Excess Proceeds”) of the Bonds attributable to the VCU Initial Project remains unspent due to completion of the VCU Initial Project at a cost under the originally budgeted amount;

WHEREAS, VCU has requested that the Authority permit VCU’s use of the Excess Proceeds on other Projects (the “Project Transfer”) of VCU eligible for Program financing and approved by the Authority as Projects (the “VCU Current Projects”) to be financed through the Authority’s Educational Facilities Revenue Bonds (Public Higher Education Financing Program) Series 2006A in accordance with a resolution of the Authority adopted on the date hereof prior to its consideration of this Resolution;

WHEREAS, the Authority desires to permit the Project Transfer, and to effect the Project Transfer, in accordance with certain provisions of the Master Indenture of Trust dated as of September 1, 1997 (the “Master Indenture”) and the Ninth Supplemental Indenture of Trust dated as of October 1, 2004 (the “Ninth Supplemental Indenture”, and together with the Master Indenture, the “Indenture”), each between the Authority and The Bank of New York, as trustee (the “Trustee”);

WHEREAS, (i) Section 504 of the Master Indenture provides that VCU submit a completion certificate for the VCU Initial Project, and upon such submission, the Authority may maintain the Excess Proceeds in the Construction Account created under the Indenture for the VCU Initial Project to the extent needed to pay the Costs of the VCU Current Projects; *provided* that (a) there has been reserved in such Construction Account an amount for remaining Costs of the VCU Initial Project and any Rebate Amount owing by VCU in connection with the Bonds and (b) VCU has caused to be delivered to the Trustee an Opinion of Counsel to the Authority to the effect that the Project Transfer is authorized or permitted under the Act, the Program and other applicable provisions of law; and (ii) Section 402 of the Ninth Supplemental Indenture (the “Supplemental Indenture”) permits Exhibit C (listing certain amounts and deposits relating to the VCU Initial Project) of the Supplemental Indenture to be amended or supplemented by the Authority and the Trustee from time to time without the consent of the Holders; and

WHEREAS, VCU has represented to the Authority that (i) an adequate amount has been reserved to pay for remaining Costs of the VCU Initial Project, (ii) an adequate amount has been reserved for any Rebate Amount VCU owes with respect to the Bonds and (iii) VCU shall cause to be delivered to the Trustee an Opinion of Counsel to the Authority to the effect that the Project Transfer is authorized or permitted under the Act, the Program and other applicable provisions of law;

NOW, THEREFORE, BE IT RESOLVED BY THE VIRGINIA COLLEGE BUILDING AUTHORITY THAT:

1. For purposes of effecting the Project Transfer under Section 504 of the Master Indenture and Section 402 of the Supplemental Indenture, the Authority authorizes and directs its officers and staff (i) to prepare all documentation, certificates and instruments, including but not limited to an amendment to Exhibit C to the Supplemental Indenture relating to the Project Transfer (the “Amendment”), and take all action necessary or desirable to permit the Project Transfer and (ii) to request from VCU any documentation, certificates, instruments or opinions necessary or desirable to evidence VCU’s compliance with the terms of Section 504 of the Master Indenture and other applicable terms of the Indenture. Execution of the Amendment by the officers of the Authority shall constitute conclusive evidence of the Authority’s approval of the Project Transfer. Such Amendment shall not be effective until executed by the Trustee.

2. Any capitalized term used but not defined herein shall have the meaning given such term in the Indenture.

3. The Authority approves, confirms and authorizes all other actions of its officers and staff which are in conformity with the purpose or intent of this Resolution and in furtherance of the Project Transfer.

4. This Resolution shall take effect immediately upon its adoption.

The undersigned Assistant Secretary of the Virginia College Building Authority certifies that the foregoing is a true and correct copy of a Resolution adopted by the Board of Commissioners of the Authority at a duly called meeting of the Board of Commissioners held on October 13, 2006.

/s/ Janet A. Aylor
Assistant Secretary, Virginia College Building Authority

Date: October 13, 2006

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