

**PERSONNEL COMMITTEE
MINUTES OF THE REGULAR MEETING**

The Personnel Committee of the Virginia Resources Authority met on May 13, 2013, in the Magnolia Room of the Omni Hotel, Richmond, Virginia.

COMMITTEE MEMBERS PRESENT:

Thomas L. Hasty, III, Chair
Dena Frith Moore
David Branscome
John H. Rust, Jr.
Richard Weeks on behalf of David Paylor
William G. O'Brien, Ex Officio
Evelyn Whitley for Manju Ganeriwala

COMMITTEE MEMBERS ABSENT:

None.

STAFF:

Suzanne S. Long, Executive Director, Secretary to the Board
Jean Bass, Director of Policy & Intergovernmental Relations
Michael Cooper, Director of Administration
Shawn Crumlish, Director of Debt Management
Peter D'Alema, Director of Program Management
Jon McCubbin, Controller
Stephanie Jones, Fiscal Analyst/Compliance Officer
Rachael Logan, Administrative Manager

OTHERS:

Preston Bryant, McGuireWoods Consulting

Mr. Thomas L. Hasty, III, Chair of the Personnel Committee, called the meeting to order at 12:15 p.m.

Call to Order

There were no additions or deletions to the agenda.

Approval of Agenda

Ms. Moore moved, and Mr. O'Brien seconded, approval of the agenda.

The motion was approved unanimously.

There was no old business.

Old Business

FY2014 Budget Update – Personnel

Mr. Michael Cooper, Director of Administration, stated that staff is in the

New Business

process of preparing the FY2014 budget that includes a personnel and compensation component. He explained that presently VRA has 14 full time employees and two (2) interns that will be with VRA until the end of the summer. Staff is recommending that the proposed FY2014 budget continue to include the legally authorized 16 full time positions. Mr. Cooper explained further that future budgets may require an increase in staff to 18 full time positions due to the volume of work VRA is encountering. At such time the budgeted funding for personnel will slightly increase.

Mr. Cooper reminded the Committee of the proposal to include a short-term disability policy for employees. The policy was implemented April 1, 2013. Mr. Cooper continued that health insurance rates have been reduced slightly for the upcoming year. He explained that VRA is required as an employer to pay at least 80% of premium costs and the employee pays no more than 20%. He stated that VRA has historically paid above the 80%. The Authority has absorbed rate increases over time. This year staff is recommending that the employee rates remain the same and that VRA realize the benefit of the slight reduction in overall premiums from last year. He noted that VRA offers single, dual and family health insurance plans for its employees.

Ms. Evelyn Whitley left the meeting at 12:21 p.m.

Following the motion there was discussion relative to staff's continuing ability to perform efficiently in light of the increasing demand for VRA services.

Mr. Branscome moved, and Mr. Rust seconded, that the Personnel Committee recommend to the Full Board adoption of the current employee health insurance rates for FY2014.

The motion was approved unanimously.

Senior Program Manager

The Executive Director stated that Mr. Bradley Jones, Senior Program Manager, has been with VRA for seven years and was instrumental in developing the credit analysis format. Ms. Long stated that Mr. Jones has accepted a position with the Department of Treasury with the State Treasurer, Ms. Manju Ganeriwala, and Ms. Evelyn Whitley, Director of Debt Management, which is a testament to the working relationship with Treasury. She continued that while it is difficult to see Mr. Jones leave VRA, she is excited that he has taken advantage of this opportunity at this point in his career. Ms. Long added that Mr. Jones' last day will be Friday, May 17, 2013, and he will surely leave a void. However, Mr.

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Jason Saunders, Intern, will assist staff in any way he can. In addition, Mr. Richard Rhodemyre, Intern, has agreed to fill in for Ms. Elizabeth Sacre, Fiscal and Administrative Specialist, while she is on maternity leave for the summer. She concluded that the internship program has been very successful.

Mr. O'Brien moved, and Ms. Moore seconded, that a resolution in recognition of Mr. Bradley Jones for his services to VRA be prepared for consideration at the June 11, 2013 Board meeting.

The motion was approved unanimously.

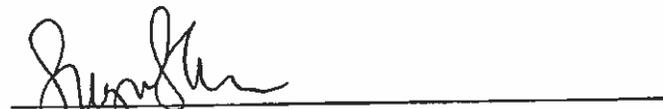
There was no public comment.

**Public Comment
Period**

There being no further business to come before the Committee, the meeting was ordered adjourned at 12:29 p.m. **Adjournment**

The next meeting of the Committee to be determined.


Thomas L. Hasty, III, Chair


Suzanne S. Long, Executive Director/Secretary

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

The Portfolio Risk Management Committee of the Virginia Resources Authority met on Monday, May 13, 2013, in the Magnolia Room at the Omni Hotel, Richmond, Virginia.

COMMITTEE MEMBERS PRESENT:

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

COMMITTEE MEMBERS ABSENT:

None.

STAFF:

Suzanne S. Long, Executive Director, Secretary to the Board
Jean Bass, Director of Policy & Intergovernmental Relations
Michael Cooper, Director of Administration
Shawn Crumlish, Director of Debt Management
Peter D'Alema, Director of Program Management
Jon McCubbin, Controller
Stephanie Jones, Fiscal Analyst/Compliance Officer

OTHERS:

Arthur Anderson, McGuireWoods LLP, Bond Counsel
Preston Bryant, McGuireWoods Consulting

Ms. Dena Frith Moore, Chair, called the meeting of the Portfolio Risk Management Committee to order at 11:09 a.m. **Call to Order**

There were no additions or deletions to the agenda.

Mr. O'Brien moved, and Mr. Hasty seconded, approval of the agenda.

The motion was approved unanimously.

2013A Virginia Pooled Financing Program (VPFP)

Mr. Peter D'Alema, Director of Program Management, stated that VRA sold approximately \$135 million in VPFP bonds on behalf of 13 local

**Portfolio Risk
Management Staff**

governments on May 8, 2013. The sale included tax-exempt Infrastructure Revenue Bonds and State Moral Obligation Revenue Bonds and covered seven of VRA's 18 authorized project areas. He explained that the True Interest Cost (TIC) was 2.99% and the All-In TIC was 3.22%. Mr. D'Alema noted the five underwriters that participated in the sale.

There was discussion relative to the details pertaining to the sale of the bonds, the TIC and All-In TIC.

Mr. D'Alema continued that there were eight new borrowers to the VPFPP and he shared a borrower summary table that showed the par amount, VRA project area, project description and security for each of the loans. He stated that eight borrowers refunded prior debt obligations for total net present value savings in excess of \$13.4 million.

Mr. D'Alema concluded by sharing the VPFPP Portfolio summary, including the issuance of the 2013A issue. He noted the loans outstanding, the ten top borrowers, and the largest borrower of the overall portfolio.

2013B VPFPP Summer Pool

Mr. D'Alema stated currently seven to ten local governments are anticipated to participate in the summer 2013 VPFPP issuance. Staff is contacting potential VRA refunding borrowers showing Net Present Value savings of at least 3%. Interest in the summer pool has been generated and it is expected that approximately three to five VRA refunding borrowers will consider the summer pool along with three local governments that previously applied for spring pool funding. In addition, he stated VRA received three new loan applications, one being for a new money project and the other two for refunding of prior debt obligations.

He continued that due diligence calls are being conducted with all applicants and all borrowers will adopt their local authorizing resolutions by late June. He shared the financing schedule, stating that the bond sale is currently scheduled to price on July 31, 2013, with pre-closing on August 13, 2013 and closing on August 14, 2013. He shared the bond underwriters that have been selected for the negotiated portion of the bond issue.

Mr. D'Alema concluded stating that the summer pool will slightly overlap the fall pool as applications for the fall pool will be accepted on August 9, 2013.

There was discussion relative to the proposed VRA refunding borrowers as it relates to arbitrage status and the effect on the summer pool.

Clean Water Revolving Loan Fund (CWRLF) Series 2013 Refunding

Mr. Shawn Crumlish, Director of Debt Management, stated in conjunction with bond counsel and financial advisors, VRA is preparing to advance refund the callable portion of the 2007 CWRLF bonds for an estimated present value savings of \$7.9 million. The 2007 bonds were the largest at the time of the sale. He noted that a AAA rating is expected from the three rating agencies and he referenced the bond underwriters. The annual savings are expected to be passed along to the nine localities with loans funded from the 2007 CWRLF bond proceeds by lowering the interest rates. This action is predicated, however, on the concurrence and authorization of the Department of Environmental Quality.

In response to a question from the Committee, Mr. Crumlish stated that the refunding was authorized under the FY2013 Shelf Resolution. There was further discussion relative to the purpose and parameters for the FY2014 Shelf Resolutions.

FY2014 Shelf Resolutions

During further discussion on the Shelf Resolutions, it was explained that VRA's enabling legislation authorizes the use of Capital Reserve Funds backed by the Commonwealth's Moral Obligation (MO) pledges as additional security enhancement to lower borrowing costs for VRA's loan programs and local government borrowers.

Mr. D'Alema shared a chart explaining the VPPF par issuance by fiscal year, and a graph showing the MO debt capacity scenarios from FY2013-FY2023. He stated that VRA has ample loan capacity before reaching the \$1.5 billion MO debt capacity cap.

There was extensive discussion pertaining to the proposed Shelf Resolutions pertaining to the FY2014 Virginia Pooled Financing Program, Virginia Airport Revolving Fund, and the CWRLF. Afterwards, Mr. D'Alema stated that staff is requesting that PRMC recommend to the Board approval of the resolutions.

Ms. Moore explained that the FY2014 Shelf Resolutions are essentially identical in purpose as the FY2013 Shelf Resolutions.

Mr. O'Brien moved, and Mr. Hasty seconded, that PRMC recommend to the Board approval of the following resolutions at its June 11, 2013 meeting:

VRA Resolution Authorizing the Issuance of Up to \$650,000,000 in Infrastructure Revenue Bonds (VPFP) for the Fiscal Year ending June 30, 2014.

VRA Resolution Authorizing the Issuance and Sale of Up to \$10,000,000 in Airports Revolving Fund Bonds for the Fiscal Year Ending June 30, 2014, 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.

VRA Resolution Authorizing the Issuance of Up to \$6,000,000 in Clean Water State Match Revenue Bonds for the Fiscal Year Ending June 30, 2014.

VRA Resolution Authorizing the Issuance and Sale of Bonds to Refund Outstanding Bonds.

The motion was approved unanimously.

The resolutions are attached hereto and made a part herein.

There was no old business.

Old Business

There was no new business.

New Business

There was no public comment.

Public Comment

There being no further business, the meeting adjourned at 12:00 p.m.

Adjournment

The next meeting of the PRMC is to be determined.



Dena Frith Moore, Chair



Suzanne S. Long, Executive Director/Secretary

VIRGINIA RESOURCES AUTHORITY

- RESOLUTION -

AUTHORIZING THE ISSUANCE OF UP TO \$650,000,000 IN INFRASTRUCTURE REVENUE BONDS (VIRGINIA POOLED FINANCING PROGRAM) FOR THE FISCAL YEAR ENDING JUNE 30, 2014

June 11, 2013

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 \$650,000,000 (the "Bonds") at one time or from time to time during VRA's fiscal year ending June 30, 2014; 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 have been previously presented to this Board or presented to this meeting: (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:

I. 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 model 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 \$650,000,000; (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, 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, 2044. 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 form as the model Supplemental Series Indenture presented to this meeting, which is hereby approved. 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 model Supplemental Series Indenture submitted to this meeting, 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 attached to the model Supplemental Series Indenture submitted to this meeting, 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. Each Series of Bonds may be sold 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 or, if the Executive Director so elects, 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 with the Underwriter, 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. 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 any such completions, omissions, insertions and changes have been approved and 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. Upon the sale of each 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 model Local Obligation Documents 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 \$650,000,000 (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, 2013. The authority to issue Bonds pursuant to this Resolution shall terminate on June 30, 2014.

VIRGINIA RESOURCES AUTHORITY

-RESOLUTION-

**AUTHORIZING THE ISSUANCE AND SALE OF UP TO \$10,000,000
IN AIRPORTS REVOLVING FUND BONDS FOR THE FISCAL YEAR ENDING
JUNE 30, 2014, 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 11, 2013

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 \$10,000,000 (the "Bonds") at one time or from time to time during VRA's fiscal year ending June 30, 2014, 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, forms of which have been previously presented to this Board or presented to this meeting: (i) the Master Indenture; (ii) a model Supplemental Series Indenture; and (iii) a model 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 \$10,000,000; (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, 2040. 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 the model Supplemental Series Indenture presented to this meeting, which is hereby approved. 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 model Supplemental Series Indenture submitted to this meeting, 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 attached to the model Supplemental Series Indenture submitted to this meeting, 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. Each Series of Bonds may be sold 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 or, if the Executive Director so elects, 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 with the Underwriter, 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. 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 any such completions, omissions, insertions and changes have been approved and 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. Upon the sale of each 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 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) 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 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 \$10,000,000 (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, 2013. The authority to issue Bonds, Notes and make Direct Loans pursuant to this Resolution shall terminate on June 30, 2014.

VIRGINIA RESOURCES AUTHORITY

-RESOLUTION-

**AUTHORIZING THE ISSUANCE AND SALE OF UP TO \$6,000,000
IN CLEAN WATER STATE MATCH REVENUE BONDS
FOR THE FISCAL YEAR ENDING JUNE 30, 2014**

June 11, 2013

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 governed by a Board of Directors (the "Board") constituted as provided in Section 62.1-201 of 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 things, sewage and wastewater (including surface and ground water) collection, treatment and disposal facilities, drainage facilities and projects, and certain other related facilities and assets ("Sewer 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 and grants to Obligors to finance or refinance the cost of any Sewer Project from the proceeds of such bonds, and to pay all costs and expenses incurred in connection with the issuance of such bonds; and

WHEREAS, the Federal Water Quality Act of 1987 established a State Revolving Fund Capitalization Grant Program (the "Program") under which federal capitalization grants are awarded to states for deposit in revolving loan funds, which provide the states and their local governments a continuing source of financing for solving water pollution control problems; and

WHEREAS, the federal capitalization grants made under the Program require a 20 percent match from each recipient state (the "State Match"); and

WHEREAS, for FFY 2013 the federal capitalization grant will be approximately \$29,000,000; and

WHEREAS, the Commonwealth has not appropriated sufficient funds to cover the State Match required in FFY 2013; and

WHEREAS, given the state budget challenges, VRA and the Virginia Department of Environmental Quality ("DEQ") have been planning for the issuance of bonds to fund the State Match for FFY 2013; and

WHEREAS, the 1986 Virginia General Assembly created the Virginia Water Facilities Revolving Fund (the "RLF") pursuant to Chapter 22, Title 62.1, Code of Virginia of 1950, as amended (the "VWFRF Act"), to facilitate self-sufficiency for wastewater financing at the state and local levels and to provide a long-term renewing source of funding for wastewater treatment improvements in the Commonwealth; and

WHEREAS, Section 62.1-225 of the VWFRF Act provides that the RLF is a separate, permanent, and perpetual fund, which is dedicated with limited exceptions to the making of loans to local governments at rates at or below current market rates to finance wastewater treatment improvements at publicly-owned facilities; and

WHEREAS, pursuant to Section 62.1-231 of the VWFRF Act, VRA may, among other things, at any time or from time to time transfer from the RLF to banks or trust companies designated by VRA any or all of the assets of the RLF 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 entered into an Amended and Restated Master Indenture of Trust dated as of April 1, 2010 (the "Master Indenture"), as supplemented between VRA and U.S. Bank National Association, as trustee (the "Trustee"), under which VRA has provided for the issuance from time to time of bonds of VRA for the purpose of funding the State Match, and for such other purposes as may be authorized under and pursuant to the VRA Act; and

WHEREAS, to further the purposes of the VRA Act, VRA has determined to issue one or more Series of Bonds as "State Match Bonds" under the Master Indenture in an aggregate principal amount of up to \$6,000,000 (the "Bonds") at one time or from time to time during the Authority's fiscal year ending June 30, 2014, and to use the proceeds of such Bonds to provide for the funding of the Commonwealth's State Match for FFY 2013 and to pay the cost of issuance of 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; and

WHEREAS, the Master Indenture provides for the funding of the State Match Reserve Fund as described therein; and

WHEREAS, the funding for the State Match Reserve Fund may be derived in whole or in part from amounts transferred from the RLF; and

WHEREAS, debt service payments on the Bonds are expected to be made from revenues derived from certain pledged Direct Loans (as defined in the Master Indenture) and the investment earnings on the State Match Reserve Fund 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, forms of which have been previously presented to and approved by this Board or presented to this meeting: (i) the Master Indenture; and (ii) a model Supplemental Series Indenture; and

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

After careful consideration and to further the public purposes for which VRA was created, NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF VRA AS FOLLOWS:

1. Authorization of Bonds. The Board determines that it is in the best interest of VRA to authorize the issuance of at one time or from time to time one or more series of Bonds under the Master Indenture to provide for the funding of the Commonwealth's State Match for FFY 2013 and to pay the cost of issuance of the 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 \$6,000,000; (ii) no Series of the Bonds shall have a true interest cost in excess of 2.5%; and (iii) the final maturity any of the Bonds of any Series shall be no later than October 31, 2014. 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 and whether the Bonds are sold as senior or subordinate bonds or a combination thereof. 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 the Supplemental Series Indentures presented to this meeting, the forms of which are hereby approved. 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 model Supplemental Series Indenture submitted to this meeting, with such changes, insertions or omissions, including the establishment of additional reserve funds for all or any portion of the Bonds, 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 attached to the Supplemental Series Indentures submitted to this meeting, 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 purchaser or purchasers thereof upon payment of the purchase price thereof as provided in the related Supplemental Series Indenture.

5. Sale of Bonds. The Executive Director is authorized and directed to request proposals for the purchase of the Bonds from banks or other financial institutions qualified to purchase the Bonds and to accept the proposal that, in the judgment of the Executive Director, is in the best interest of VRA; provided, however, that the terms of each Series of the Bonds fall within the parameters set forth in paragraph 1 hereof. The approval of the final terms and conditions of the Bonds of each Series subject to the foregoing parameters shall be evidenced conclusively by the execution and delivery of the respective Series of 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 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.

7. 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. Such authorization includes any election required to issue Bonds of any Series as "qualified tax credit bonds" under Section 54A et seq. of the Tax Code. The calculation of "true interest cost" of any Bonds for purposes of paragraph 1 hereof may take into account the net benefit expected to be received by VRA from the issuance of Bonds as qualified tax credit bonds as determined by the Executive Director.

8. 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.

9. 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 the Authority is in all respects approved, ratified and confirmed.

10. Effective Date; Termination. This Resolution shall be effective immediately. The authority to issue Bonds pursuant to this Resolution shall terminate on June 30, 2014.

VIRGINIA RESOURCES AUTHORITY

- RESOLUTION -

AUTHORIZING THE ISSUANCE AND SALE OF BONDS TO REFUND OUTSTANDING BONDS

June 11, 2013

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 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 any such completions, omissions, insertions and changes have been approved and 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 the Executive Director 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 the Executive Director 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 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 maturity of such Local Obligations beyond their original terms 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, 2013. The authority to issue Bonds pursuant to this Resolution shall terminate on June 30, 2014.