



FOR IMMEDIATE RELEASE

November 2, 2009

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Government Capital Announces Funding of 1.50% QSCB for Valley View ISD

Stimulus program allows school districts to benefit from below-market interest rates

Southlake, Texas. (November 2, 2009) Government Capital Corporation, a leading provider of financing for Texas school districts and the administrator of the Texas Education and Facilities Fund, announced today the successful funding of one of the first Qualified School Construction Bonds in Texas for the Valley View Independent School District. Qualified School Construction Bonds (QSCBs) are tax credit financings which were authorized under Title I of Division B of the American Recovery and Reinvestment Act of 2009 (ARRA) and authorize the issuance of QSCBs by public school districts to be used for the construction, rehabilitation, or repair of a public school facility.

Valley View ISD will be implementing various facility improvements including energy efficiency measures across district campuses which will lower energy costs and reduce the District's exposure to volatile energy prices. "The facility renovations will improve the learning environment for our students and teachers while helping us to achieve our energy management goals," stated William Stokes, Superintendent of Valley View ISD. "We really benefited from Government Capital's expertise and knowledge of QSCBs and their recommendations saved us thousands of dollars compared to other QSCB options we had seen."

Brackett & Ellis, P.C., a law firm in Fort Worth, Texas, is general counsel for Valley View ISD and represented the District in the transaction.

Government Capital Corporation provides assistance to school districts across Texas in the QSCB application process and recommends financing structures designed to eliminate unnecessary fees and high supplemental interest rates. Valley View ISD saved \$262,000 in interest costs over the term of the financing by proceeding with Government Capital's recommended structure compared to other terms being offered.

"School districts in Texas are receiving conflicting information about the effectiveness of QSCBs, but when districts partner with the right firm and are able to borrow money for 15 years fixed at 1.50%, the results speak for themselves," stated Kevin D. Lerner, Government Capital Vice President and co-manager of the Texas Education and Facilities Fund. "I want to congratulate Mr. Stokes, his staff and the school board for placing their confidence in our team for this project and for putting the interests of the school district first. Our QSCB program represents a rare opportunity for school districts in Texas to maximize local taxpayers' dollars while implementing campus improvements which will make the students, faculty, administration, and community proud of their schools."

About Government Capital Corporation

Government Capital Corporation is a leading Public Finance firm providing professional financing services to school districts and local governmental entities. Since its founding in 1992, the company has successfully completed thousands of project financings in Texas and across the country. For more information, visit <http://www.govcap.com/IM/index.html>.

About Valley View ISD

Valley View Independent School District serves approximately 675 students and is a strong, vibrant school located in north central Texas approximately one hour north of the Dallas/Fort Worth metroplex. The district includes 89 square miles which straddles Interstate 35 and includes the Town of Valley View, population 875, in southern Cooke County. For more information, please visit www.vvisd.net