

**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF  
GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 1995,  
IN THE MAXIMUM PRINCIPAL AMOUNT OF \$35,000,000 OF  
JAMES CITY COUNTY, VIRGINIA, AND PROVIDING FOR  
THE FORM, DETAILS AND PAYMENT THEREOF**

WHEREAS, the issuance of general obligation bonds by James City County, Virginia (the "County"), in the maximum principal amount of \$38,600,000 was approved by the qualified voters of the County at an election held on March 1, 1994, to finance in whole or in part the costs of a school construction program, including the acquisition of land and equipment and the design and construction of new school facilities and renovation and expansion of existing facilities (the "School Improvements") and \$7,500,000 of such bonds were issued in 1994;

WHEREAS, the issuance of general obligation bonds by the County in the maximum principal amount of \$5,500,000 was approved by the qualified voters of the County at an election held on March 1, 1994, to finance in whole or in part the costs of construction of library facilities, including the acquisition of land and equipment and the design and construction of a new library building (the "Library Improvements"), and \$500,000 of such bonds were issued in 1994;

WHEREAS, the issuance of general obligation bonds by the County in the maximum amount of \$8,000,000 was approved by the qualified voters of the County at an election held on March 1, 1994, to finance in whole or in part the costs of parks and recreation facilities, including the acquisition and development of land and equipment and the design and construction of new park and recreation facilities and renovation and expansion of existing recreation facilities (the "Parks and Recreation Improvements" and, together with the School Improvements and the Library Improvements, the "Project"), and \$1,500,000 of such bonds were issued in 1994; and

WHEREAS, the County's Board of Supervisors (the "Board") determines that it is now in the best interests of the County to issue and sell up to \$23,500,000 of additional general obligation bonds for School Improvements, up to \$5,000,000 of additional general obligation bonds for Library Improvements, and up to \$6,500,000 of additional general obligation bonds for Parks and Recreation Improvements, and to sell such additional general obligation bonds as a single issue;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF  
SUPERVISORS OF JAMES CITY COUNTY, VIRGINIA:**

**Section 1. Authorization, Issuance and Sale.** There is hereby authorized to be issued and sold, pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991 (the "Act"), general obligation public improvement bonds of the County in the maximum

principal amount of \$35,000,000 to pay costs of financing the Project and to pay costs incurred in connection with issuing such bonds.

**Section 2. Bond Details.** Such bonds shall be designated "General Obligation Public Improvement Bonds, Series 1995" (the "Bonds"), shall be dated November 15, 1995, shall be in registered form, in denominations of \$5,000 and multiples thereof, and shall be numbered R-1 upward. Subject to Section 4, the Bonds shall mature in installments or have mandatory sinking fund installments on each December 15 beginning no later than the year 1996 and ending no later than the year 2015. Interest on the Bonds shall be payable on June 15, 1996, and semiannually thereafter on each December 15 and June 15. The Board authorizes the issuance and sale of the Bonds on terms as shall be satisfactory to the County Administrator, the Assistant County Administrator or the Manager of Financial and Management Services; *provided*, that the Bonds (a) shall have a true or "Canadian" interest cost not to exceed 6.20% per year, taking into account any original issue discount or premium, (b) shall be sold at a price not less than 99.50% nor more than 101% of the original aggregate principal amount thereof, and (c) shall have a weighted average maturity of no more than fourteen (14) years.

Principal and premium, if any, shall be payable to the registered owners upon surrender of the Bonds as they become due at the office of the Registrar, as defined below. Interest shall be payable by check or draft mailed to the registered owners at their addresses as they appear on the registration books kept by the Registrar on the first day of the month of each interest payment date. In case the date of maturity or redemption of the principal of any Bond or an interest payment date shall be a date on which banking institutions are authorized or obligated by law to close at the place where the principal office of the Registrar is located, then payment of principal and interest need not be made on such date, but may be made on the next succeeding date which is not such a date at the place where the principal office of the Registrar is located, and if made on such next succeeding date no additional interest shall accrue for the period after such date of maturity or redemption or interest payment date. Principal, premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America.

Interest on the Bonds shall be calculated on the basis of a 360-day year with twelve 30-day months. Each Bond shall bear interest from the interest payment date next preceding the date on which it is authenticated, unless such Bond is (i) authenticated before June 15, 1996, in which case it will bear interest from November 15, 1995, or (b) authenticated upon an interest payment date or after the record date with respect thereto, in which case it will bear interest from such interest payment date (unless payment of interest thereon is in default, in which case interest on such Bond shall be payable from the date to which interest has been paid).

**Section 3. Book-Entry System.** Initially, one Bond certificate for each maturity of the Bonds shall be issued to and registered in the name of The Depository Trust Company, New York, New York ("DTC"), or its nominee. The County shall enter into a Letter of Representations relating to a book-entry system to be maintained by DTC with respect to the Bonds. As used herein, the term "Securities Depository" shall mean DTC or any other securities depository for the Bonds appointed pursuant to this Section 3.

In the event that (a) the Securities Depository determines not to continue to act as the securities depository for the Bonds by giving notice to the Registrar and the County, or (b) the County in its sole discretion determines (i) to select a new Securities Depository or (ii) that beneficial owners of Bonds shall be able to obtain certificated Bonds, then its chief financial officer shall, at the direction of the County, attempt to locate another qualified securities depository to serve as Securities Depository or arrange for the authentication and delivery of certificated Bonds to the beneficial owners or to the Securities Depository's participants on behalf of beneficial owners, substantially in the form provided for in Exhibit A. In delivering certificated Bonds, the chief financial officer shall be entitled to rely on the records of the Securities Depository as to the beneficial owners or the records of the Securities Depository's participants acting on behalf of beneficial owners. Such certificated Bonds will then be registrable, transferable and exchangeable as set forth in Section 8.

So long as there is a Securities Depository for the Bonds (1) it or its nominee shall be the registered owner of the Bonds, (2) notwithstanding anything to the contrary in this Resolution, determinations of persons entitled to payment of principal, premium, if any, and interest, transfers of ownership and exchanges and receipt of notices shall be the responsibility of the Securities Depository and shall be effected pursuant to rules and procedures established by such Securities Depository, (3) the Registrar and the County shall not be responsible or liable for maintaining, supervising or reviewing the records maintained by the Securities Depository, its participants or persons acting through such participants, (4) references in this Resolution to registered owners of the Bonds shall mean such Securities Depository or its nominee and shall not mean the beneficial owners of the Bonds, and (5) in the event of any inconsistency between the provisions of this Resolution and the provisions of the above-referenced Letter of Representations, such provisions of the Letter of Representations, except to the extent set forth in this paragraph and the next preceding paragraph, shall control.

**Section 4. Redemption Provisions.** (a) Optional Redemption. The Bonds maturing on or before December 15, 2005 are not subject to optional redemption prior to their respective stated dates of maturity. The Bonds maturing on or after December 15, 2006 shall be subject to redemption prior to their stated dates of maturity at the option of the County, on and after December 15, 2005, in whole or in part at any time, upon payment of the following redemption prices (expressed as a percentage of the principal amount of the Bonds to be redeemed) plus interest accrued and unpaid to the redemption date as set forth below:

<u>Redemption Period (Inclusive)</u>	<u>Redemption Price</u>
December 15, 2005 through December 14, 2006	102%
December 15, 2006 through December 14, 2007	101
December 15, 2007 and thereafter	100

(b) Mandatory Sinking Fund Redemption. Any term bonds may be subject to mandatory sinking fund redemption as determined by the County Administrator, the Assistant County Administrator or the Manager of Financial and Management Services. If there are any term bonds, on or before the 70th day next preceding any mandatory sinking fund redemption date, the County may apply as a credit against the County's mandatory sinking fund redemption obligation for any Bonds maturing on such date, Bonds that previously have been optionally redeemed or purchased and cancelled or surrendered for cancellation by the County and not previously applied as a credit against any mandatory sinking fund redemption obligation for such Bonds. Each such Bond so purchased, delivered or previously redeemed shall be credited at 100% of the principal amount thereof against the principal amount of the Bonds required to be redeemed on such mandatory sinking fund redemption date. Any principal amount of Bonds so purchased, delivered or previously redeemed in excess of the principal amount required to be redeemed on such mandatory sinking fund redemption date shall similarly reduce the principal amount of the Bonds to be redeemed on the next mandatory sinking fund redemption date.

(c) Bonds Selected for Redemption. If less than all of the Bonds are called for redemption, the maturities of the Bonds to be redeemed shall be selected by the chief financial officer of the County in such manner as he may determine to be in the best interest of the County. If less than all the Bonds of any maturity are called for redemption, the Bonds to be redeemed shall be selected by DTC or any successor Securities Depository pursuant to its rules and procedures or, if the book-entry system is discontinued, shall be selected by the Registrar by lot in such manner as the Registrar in its discretion may determine. In either case, (a) the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some integral multiple thereof and (b) in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds that is obtained by dividing the principal amount of such Bond by \$5,000.

If a portion of a Bond is called for redemption, a new Bond in principal amount equal to the unredeemed portion thereof will be issued to the registered owner upon the surrender thereof.

(d) Notice of Redemption. The County shall cause notice of the call for redemption identifying the Bonds or portions thereof to be redeemed to be sent by facsimile transmission, registered or certified mail or overnight express delivery, not less than thirty (30) nor more than sixty (60) days prior to the redemption date, to DTC or its nominee as the registered owner of the Bonds or, if the book-entry system is discontinued, by registered or certified mail to the registered owners of the Bonds to be redeemed.

**Section 5. Execution and Authentication.** The Bonds shall be signed by the manual or facsimile signature of the Chairman or Vice Chairman of the Board, the Board's seal shall be affixed thereto or a facsimile thereof printed thereon and attested to by the manual or facsimile signature of the Clerk or Deputy Clerk of the Board; *provided*, that no Bond shall be valid until it has been authenticated by the manual signature of an authorized representative of the Registrar and the date of authentication noted thereon.

**Section 6. Bond Form.** The Bonds shall be in substantially the form set forth in Exhibit A attached hereto.

**Section 7. Pledge of Full Faith and Credit.** The full faith and credit of the County are irrevocably pledged for the payment of principal of and premium, if any, and interest on the Bonds. Unless other funds are lawfully available and appropriated for timely payment of the Bonds, the County shall levy and collect an annual *ad valorem* tax, over and above all other taxes authorized or limited by law and without limitation as to rate or amount, on all locally taxable property in the County sufficient to pay the principal of and premium, if any, and interest on the Bonds, as the same become due.

**Section 8. Registration, Transfer and Owners of Bonds.** Crestar Bank, Richmond, Virginia, is appointed paying agent and registrar for the Bonds (the "Registrar"). The Registrar shall maintain registration books for the registration of Bonds. Upon surrender of any Bonds at the office of the Registrar, together with an assignment duly executed by the registered owner or his duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar, the County shall execute and the Registrar shall authenticate and deliver in exchange, a new Bond or Bonds having an equal aggregate principal amount, in authorized denominations, of the same form and maturity, bearing interest at the same rate, and registered in names as requested by the then registered owner or his duly authorized attorney or legal representative. Any such exchange shall be at the expense of the

County, except that the Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Registrar shall treat the registered owner as the person exclusively entitled to payment of principal, premium, if any, and interest and the exercise of all other rights and powers of the owner, except that interest payments shall be made to the person shown as owner on the registration books on the first day of the month of each interest payment date.

**Section 9. Sale of Bonds.** The Board approves the following terms of the sale of the Bonds. The Bonds will be sold by competitive bid. The County Administrator, the Assistant County Administrator or the Manager of Financial and Management Services, in collaboration with the County's financial advisor (the "Financial Advisor"), shall receive bids for the Bonds and award the Bonds to the bidder providing the lowest true or "Canadian" interest cost, all subject to the limitations set forth in Section 2. The Board further authorizes the County Administrator, the Assistant County Administrator or the Manager of Financial and Management Services, in collaboration with the Financial Advisor, to (a) determine the principal amount of the Bonds, subject to the limitations set forth in Section 1, (b) determine the maturity schedule of the Bonds, subject to the limitations set forth in Section 2, and (c) establish the redemption provisions, if any, for the Bonds, subject to the limitations set forth in Section 4. Prior to the sale of the Bonds, the County Administrator, the Assistant County Administrator or the Manager of Financial and Management Services, in collaboration with the Financial Advisor, may change the dated date of the Bonds to a date not later than December 31, 1995, to facilitate the sale and delivery of the Bonds. The actions of the County Administrator, the Assistant County Administrator or the Manager of Financial and Management Services in selling the Bonds shall be conclusive, and no further action with respect to the sale and issuance of the Bonds shall be necessary on the part of the Board.

**Section 10. Sale Documents.** Drafts of the Notice of Bond Sale (the "Notice of Sale"), the Summary Notice of Bond Sale (the "Summary Notice of Sale") and the Official Bid Form (the "Bid Form"), pursuant to which the Bonds have been and will be offered for sale, were presented to and approved by the Board by a resolution adopted at its meeting held on October 16, 1995 (the "Preliminary Resolution"). The final forms of the Notice of Sale, the Summary Notice of Sale and the Bid Form have been presented to the Board. The use and distribution of the Notice of Sale, the Summary Notice of Sale and the Bid Form, in the final forms presented to the Board, are hereby ratified and approved.

**Section 11. Official Statement.** A draft of the Preliminary Official Statement of the County (the "Preliminary Official Statement") describing the Bonds, was presented to and approved by the Board by the Preliminary Resolution. The final form of the Preliminary Official Statement dated November 6, 1995 has been presented to the Board. The use and distribution of the Preliminary Official Statement, in the final form presented to the Board, are hereby ratified and approved. The Preliminary Official Statement was "deemed final" by the County Administrator as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), except for the omission from the Preliminary Official Statement of such pricing and other information permitted to be omitted pursuant to the Rule. The Board hereby ratifies and approves of such action by the County Administrator.

The County Administrator shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this Resolution as are necessary or desirable to complete it as a final Official Statement (the "Official Statement"). The County Administrator shall arrange for the delivery to the underwriter of a reasonable number of copies of the Official Statement, within seven (7) business days after the Bonds have been sold, for delivery to each potential investor requesting a copy of the Official Statement and to each person to whom the underwriter initially sells Bonds.

The County Administrator, the Assistant County Administrator or the Manager of Financial and Management Services is authorized, on behalf of the County, to deem the Official Statement to be final as of its date within the meaning of the Rule. The County Administrator, the Assistant County Administrator or the Manager of Financial and Management Services is authorized and directed to execute the Official Statement, which such execution shall be conclusive evidence that the Official Statement has been deemed final.

**Section 12. Continuing Disclosure.** A draft of the Continuing Disclosure Certificate to be given by the County (the "Continuing Disclosure Certificate") evidencing conformity with certain provisions of the Rule, was presented to and approved by the Board by the Preliminary Resolution. The final form of the Continuing Disclosure Certificate has been presented to the Board. The execution, delivery, use and distribution of the Continuing Disclosure Certificate, in the final form presented to the Board, are hereby ratified and approved.

The County hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Resolution, failure of the County to comply with the Continuing Disclosure Certificate shall not be considered a default under this Resolution or the Bonds; *provided*, that any Holder of the Bonds (as defined in the Continuing Disclosure

Certificate, including owners of beneficial interests in the Bonds) may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the County to comply with its obligations under this Section 12 and the Continuing Disclosure Certificate.

**Section 13. Preparation and Delivery of Bonds.** After the Bonds have been awarded, the Chairman or Vice Chairman and the Clerk or Deputy Clerk of the Board are authorized and directed to take all proper steps to have the Bonds prepared, executed and authenticated in accordance with their terms and to deliver the Bonds to the underwriter thereof upon payment therefor.

**Section 14. Arbitrage Covenants.** (a) No Composite Issue. The County represents that there have not been issued, and covenants that there will not be issued, any obligations that will be treated as part of the same issue of obligations as the Bonds within the meaning of the Internal Revenue Code of 1986, as amended, including regulations issued pursuant thereto (the "Code").

(b) No Arbitrage Bonds. The County covenants that it shall not take or omit to take any action the taking or omission of which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, or otherwise cause interest on the Bonds to be includable in the gross income for federal income tax purposes of the registered owners thereof under existing law. Without limiting the generality of the foregoing, the County shall comply with any provision of law which may require the County at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds of the Bonds, unless the County receives an opinion of nationally recognized bond counsel that such compliance is not required to prevent interest on the Bonds from being includable in the gross income for federal income tax purposes of the registered owners thereof under existing law. The County shall pay any such required rebate from its legally available funds.

**Section 15. Non-Arbitrage Certificate and Elections.** Such officers of the County as may be requested are authorized and directed to execute an appropriate certificate setting forth the expected use and investment of the proceeds of the Bonds in order to show that such expected use and investment will not violate the provisions of Section 148 of the Code, and any elections such officers deem desirable regarding rebate of earnings to the United States, for purposes of complying with Section 148 of the Code. Such certificate and elections shall be in such form as may be requested by bond counsel for the County. The County shall comply with any covenants set forth in such certificate regarding the use and investment of the proceeds of the Bonds.



**Section 16. SNAP Investment Authorization.** The Board has received and reviewed the Information Statement (the "Information Statement"), describing the State Non-Arbitrage Program of the Commonwealth of Virginia ("SNAP") and the Contract Creating the State Non-Arbitrage Program Pool I (the "Contract"), and the Board has determined to authorize the County Treasurer to have the option to utilize SNAP in connection with the investment of the proceeds of the Bonds. The Board acknowledges that the Treasury Board of the Commonwealth of Virginia is not, and shall not be, in any way liable to the County in connection with SNAP, except as otherwise provided in the Contract.

**Section 17. Limitation on Private Use; No Federal Guaranty.** The County covenants that it shall not permit the proceeds of the Bonds to be used in any manner that would result in (a) five percent (5%) or more of such proceeds being used in a trade or business carried on by any person other than a governmental unit, as provided in Section 141(b) of the Code, (b) five percent (5%) or more of such proceeds being used with respect to any output facility (other than a facility for the furnishing of water), within the meaning of Section 141(b)(4) of the Code, or (c) five percent (5%) or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit, as provided in Section 141(c) of the Code; *provided*, that if the County receives an opinion of nationally recognized bond counsel that any such covenants need not be complied with to prevent the interest on the Bonds from being includable in the gross income for federal income tax purposes of the registered owners thereof under existing law, the County need not comply with such covenants.

The County represents and agrees that the Bonds are not and will not be "federally guaranteed," as such term is used in Section 149(b) of the Code. No portion of the payment of principal of or interest on the Bonds is guaranteed, directly or indirectly, in whole or in part by the United States or an agency or instrumentality thereof.

**Section 18. Discharge upon Payment of Bonds.** Any defeasance of the Bonds, as permitted by the Act, shall not release the County or the Registrar from its obligations hereunder to register and transfer Bonds or release the Registrar from its obligations to pay the principal of and interest on the Bonds as contemplated herein until the date all of the Bonds are paid. In addition, such defeasance shall not terminate the obligations of the County under Sections 14 and 17 until the date all of the Bonds are paid.

**Section 19. Other Actions.** All other actions of the Supervisors, officers and staff of the County in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bonds are approved and confirmed. The officers and staff of the County are authorized and directed to execute and deliver all certificates and instruments and to

take all such further action as may be considered necessary or desirable in connection with the issuance, sale and delivery of the Bonds.

**Section 20. Limitation of Liability of Officials of the City.** No covenant, condition, agreement or obligation contained herein shall be deemed to be a covenant, condition, agreement or obligation of a Supervisor, officer, employee or agent of the County in his or her individual capacity, and no officer of the County executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. No Supervisor, officer, employee or agent of the City shall incur any personal liability with respect to any other action taken by him or her pursuant to this Resolution, provided he or she acts in good faith.

**Section 21. Contract with Bondholders.** The provisions of this Resolution shall constitute a contract between the County and the Bondholders for so long as any of the Bonds are outstanding. Notwithstanding the foregoing, this Resolution may be amended by the County in any manner that does not, in the opinion of the County and the Registrar, materially adversely affect the Bondholders or the Registrar.

**Section 22. Repeal of Conflicting Resolutions.** All resolutions or parts of resolutions in conflict herewith are repealed.

**Section 23. Effective Date.** This Resolution shall take effect immediately upon its adoption. The Clerk and any Deputy Clerk of the Board is hereby authorized and directed to see to the immediate filing of a certified copy of this Resolution with the Circuit Court of James City County, Virginia.

REGISTERED  
No. R- \_\_\_\_\_REGISTERED  
\$ \_\_\_\_\_

UNITED STATES OF AMERICA

COMMONWEALTH OF VIRGINIA

JAMES CITY COUNTY

General Obligation Public Improvement Bond, Series 1995

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
_____ %	December 15, _____	November 15, 1995	_____

REGISTERED OWNER:

PRINCIPAL AMOUNT:

James City County, Virginia (the "County"), for value received, promises to pay, upon surrender hereof, to the Registered Owner stated above, or registered assigns or legal representative, the Principal Amount stated above on the Maturity Date stated above, subject to prior redemption as hereinafter provided, and to pay interest hereon at the Interest Rate per year stated above from the Dated Date stated above on June 15, 1996 and semiannually thereafter on each December 15 and June 15. Principal, premium, if any, and interest are payable in lawful money of the United States of America by **Crestar Bank**, Richmond, Virginia, who has been appointed Registrar (the "Registrar").

Interest shall be payable by check or draft mailed to the Registered Owner, determined as of the first day of the month of the interest payment date, at its address as it appears on the registration books kept for that purpose at the principal office of the Registrar. Principal shall be payable upon presentation and surrender of this bond to the Bond Registrar. If this bond is held by or for The Depository Trust Company or other entity acting as a securities depository (the "Securities Depository"), all payments of principal, redemption premium, if any, and interest shall be paid by wire transfer pursuant to the most recent wire instructions received by the Registrar from such Securities Depository and all redemptions or prepayments of principal may be made without presentation of this bond to the Registrar if such Securities Depository makes a notation on the schedule attached hereto.

This bond shall bear interest from the interest payment date next preceding the date on which it is authenticated, unless this bond is (a) authenticated before June 15, 1996, in which case it shall bear interest from the Dated Date stated above or (b) authenticated upon an interest payment date or after the record

date with respect thereto, in which case it shall bear interest from such interest payment date; *provided*, that if at the time of authentication of this bond interest is in default, this bond shall bear interest from the date to which interest has been paid. Interest shall be calculated on the basis of a 360-day year with twelve 30-day months.

In case the date of maturity or redemption of the principal of this bond or an interest payment date shall be a date on which banking institutions are authorized or obligated by law to close at the place where the principal office of the Registrar is located, then payment of principal and interest need not be made on such date, but may be made on the next succeeding date which is not such a date at the place where the principal office of the Registrar is located, and if made on such next succeeding date no additional interest shall accrue for the period after such date of maturity or redemption or interest payment date.

This bond is one of an issue of \$35,000,000 General Obligation Public Improvement Bonds, Series 1995 (the "Bonds"), of like date and tenor, except as to number, denomination, rate of interest, privilege of redemption and maturity, and is issued pursuant to the constitution and statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991. The Bonds were approved by the qualified voters of the County at an election on March 1, 1994, and authorized by resolutions adopted by the Board of Supervisors of the County (the "Board") on October 16, 1995 and November 6, 1995 (together, the "Resolution").

Bonds maturing on or before December 15, 2005, are not subject to optional redemption prior to maturity. Bonds maturing on or after December 15, 2006, are subject to redemption prior to maturity at the option of the County on or after December 15, 2005, in whole or in part (in integral multiples of \$5,000) at any time upon payment of the following redemption prices (expressed as a percentage of principal amount of Bonds to be redeemed) plus interest accrued and unpaid to the redemption date:

<u>Period During Which Redeemed</u> <u>Both Dates Inclusive</u>	<u>Redemption</u> <u>Price</u>
December 15, 2005, to December 14, 2006	102½
December 15, 2006, to December 14, 2007	101
December 15, 2007, and thereafter	100

If less than all of the Bonds are called for redemption, the maturities of the Bonds to be redeemed shall be selected by the chief financial officer of the County in such manner as he may determine to be in the best interest of the County. If less than all the Bonds of a particular maturity are called for redemption, the Bonds to be redeemed shall be selected by the Securities Depository pursuant to its rules and procedures or, if the book entry system is discontinued, shall be selected by the Registrar by lot in such manner as the Registrar in its discretion may

determine. In either case, (a) the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some integral multiple thereof and (b) in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds that is obtained by dividing the principal amount of such Bond by \$5,000. The County shall cause notice of the call for redemption identifying the Bonds or portions thereof to be redeemed to be sent by facsimile transmission, registered or certified mail or overnight express delivery, not less than thirty (30) nor more than sixty (60) days prior to the redemption date, to the Securities Depository or its nominee as the Registered Owner of the Bonds or, if the book-entry system is discontinued, by registered or certified mail to the Registered Owners of the Bonds to be redeemed.

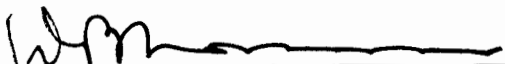
The full faith and credit of the County are irrevocably pledged for the payment of principal of and premium, if any, and interest on this bond.


All acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia to happen, exist or be performed precedent to and in the issuance of this bond have happened, exist and have been performed, and the issue of Bonds of which this bond is one, together with all other indebtedness of the County, is within every debt and other limit prescribed by the Constitution and statutes of the Commonwealth of Virginia.

**IN WITNESS WHEREOF**, the Board of Supervisors of James City County, Virginia, has caused this bond to be issued in the name of James City County, Virginia, to be signed by its Chairman, its seal to be affixed hereto and attested by the signature of its Clerk and this bond to be dated November 15, 1995.

(SEAL)

**ATTEST:**

  
\_\_\_\_\_  
Clerk, Board of Supervisors  
of James City County,  
Virginia

  
\_\_\_\_\_  
Chairman, Board of Supervisors  
of James City County,  
Virginia

AUTHENTICATION DATE: \_\_\_\_\_

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds described in the within mentioned Resolution.

**CRESTAR BANK**, as Registrar

By: \_\_\_\_\_  
Title: Authorized Representative

**ASSIGNMENT**

FOR VALUE RECEIVED the undersigned sell(s), assign(s) and transfer(s) unto \_\_\_\_\_ (Please print or type name and address, including postal zip code, of Transferee)

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF TRANSFEREE:

the within bond and all rights thereunder, hereby irrevocably constituting and appointing \_\_\_\_\_ Attorney, to transfer said bond on the books kept for the registration thereof, with full power of substitution in the premises.

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

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

\_\_\_\_\_  
(Signature of Registered Owner)

NOTICE: The signature above must correspond with the name of the Registered Owner as it appears on the front of this bond in every particular, without alteration or enlargement or any change whatsoever.

[FORM FOR ACKNOWLEDGMENT OF PREPAYMENTS OR REDEMPTIONS --  
MAY BE USED BY ANY SECURITIES DEPOSITORY]

Certificate of Prepayments or Redemptions

The Principal Amount of this bond shall be reduced by an amount equal to the aggregate of prepayments or redemptions noted hereunder. All prepayments or redemptions shall be certified hereunder by an authorized representative of the Securities Depository which is the nominal owner of this bond, and such certification shall constitute a cancellation of the Principal Amount due on this bond in the aggregate of the amounts certified below.

<u>Amount</u>	<u>Date</u>	<u>Authorized Signature</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
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_____	_____	_____



The undersigned Clerk of the Board of Supervisors of James City County, Virginia, certifies that:

1. A regular meeting of the Board of Supervisors of James City County, Virginia, was held on November 6, 1995, at the time and place established by the Board for such meetings, at which the following members were present and absent:

**PRESENT:** Perry M. DePue  
Jack D. Edwards  
Robert A. Magoon, Jr.  
David L. Sisk  
Stewart U. Taylor

**ABSENT:** NONE


2. A resolution entitled "Resolution Authorizing the Issuance and Sale of General Obligation Public Improvement Bonds, Series 1995, in the Maximum Principal Amount of \$35,000,000 of James City County, Virginia, and Providing for the Form, Details and Payment Thereof" was adopted by a majority of all members of the Board by a roll call vote, the ayes and nays being recorded in the minutes of the meeting as shown below:

<u>MEMBER</u>	<u>VOTE</u>
Perry M. DePue	AYE
Jack D. Edwards	AYE
Robert A. Magoon, Jr.	AYE
David L. Sisk	AYE
Stewart U. Taylor	AYE

3. Attached hereto is a true and correct copy of the foregoing resolution as recorded in full in the minutes of the meeting on November 6, 1995.

4. This resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on the date hereof.

WITNESS my signature and the seal of the Board of Supervisors of James City County, Virginia, this 6th day of November, 1995.

  
\_\_\_\_\_  
Clerk, Board of Supervisors  
of James City County, Virginia

(SEAL)