

RESOLUTION OF BOARD OF SUPERVISORS OF JAMES CITY COUNTY, VIRGINIA
AUTHORIZING AND APPROVING THE
ISSUANCE OF ITS \$2,250,000 APPROPRIATION NOTE

WHEREAS, the Board of Supervisors of James City County, Virginia (the "Board of Supervisors") has determined that it is necessary and desirable to purchase certain real estate and prepaid sewer connections (the "Project") in James City County, Virginia (the "County");

WHEREAS, there has been presented to the Board of Supervisors a plan for the financing of the Project which would not create debt of the County for purposes of the Virginia Constitution;

WHEREAS, the County has decided, pursuant to such financing plan, to issue its Appropriation Note, in the original principal amount of \$2,250,000 (the "Appropriation Note"), the payments under which are subject to appropriation, for the purpose of financing a portion of the cost of the Project; and

WHEREAS, the Appropriation Note will be provided by the County to TMB Service Corp. (the "Noteholder") pursuant to the terms of a Real Estate Installment Sales Agreement, dated as of June 11, 1996 (the "Real Estate Installment Sales Agreement"), between the County and the Noteholder;

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

1. Authorization of Appropriation Note and Use of Proceeds. The County determines that it is advisable to issue the Appropriation Note in the maximum principal amount of \$2,250,000, and to provide the Appropriation Note to the Noteholder, all pursuant to the terms of this Resolution and the Real Estate Installment Sales Agreement. The issuance and delivery of the Appropriation Note are authorized and approved. The Appropriation Note shall be used, together with other available funds, to finance the costs of the Project.

2. Details of Appropriation Note. The Appropriation Note shall be issued upon the terms and conditions set forth therein and in the Real Estate Installment Sales Agreement. The Appropriation Note shall be issued as a single note in fully registered form, shall be dated the date of its issuance and delivery and shall bear interest at the fixed rate of interest of (i) five percent (5%) per annum if the Note is determined to be a "qualified tax-exempt obligation" within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended (the "Code"), or (ii) six and thirty-six one-hundredths percent (6.36%) per annum if the Note is determined not to be a "qualified tax-exempt obligation" within the meaning of Section 265(b) of the Code. The maturity and the due date of the principal and interest payments shall be as set forth in the form of the Appropriation Note. The monthly combined principal and interest payments shall

be in the amount of (i) \$51,815.91 if the Note is determined to be a "qualified tax-exempt obligation" or (ii) \$53,213.48 if the Note is determined not to be a "qualified tax-exempt obligation." The Chairman and Vice Chairman of the Board of Supervisors are each authorized to approve the final interest rate on the Note and the final combined principal and interest payment on the Note so long as the same are established as set forth in this paragraph. Such approvals shall be conclusively evidenced by the execution and delivery of the Note by the Chairman or Vice Chairman.

3. Form of Appropriation Note. The Appropriation Note shall be in substantially the form submitted to this meeting, with such variations, insertions or deletions as may be approved by the Chairman or the Vice Chairman of the Board of Supervisors. There may be endorsed on the Appropriation Note such legend or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto. All payments under the Appropriation Note are subject to appropriation by the County, and the County is not, under any circumstances, obligated to make such appropriations.

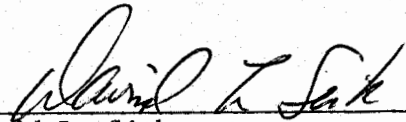
4. Execution and Delivery of Appropriation Note. The Chairman and the Vice Chairman of the Board of Supervisors is each authorized and directed to execute the Appropriation Note. The Clerk of the County is authorized and directed to affix the seal of the County to the executed Appropriation Note and to attest it and then to deliver the Appropriation Note to the Noteholder.

5. Approval of Real Estate Installment Sales Agreement. The Real Estate Installment Sales Agreement is approved in substantially the form presented to this meeting, with such changes, insertions or omissions as may be approved by the Chairman or the Vice Chairman of the Board of Supervisors, whose approval shall be evidenced conclusively by the execution and delivery of the Real Estate Installment Sales Agreement. The Chairman and the Vice Chairman is each authorized to execute and deliver the Real Estate Installment Sales Agreement and such other documents and certificates as such officer, the County Attorney and Bond Counsel may consider necessary in connection therewith.

6. Further Actions. The Chairman and the Vice Chairman of the Board of Supervisors and such officers and agents of the County, including the County Administrator, as may be designated by either of them are authorized and directed to take such further actions as they deem necessary regarding the issuance and sale of the Appropriation Note and the execution, delivery and performance of the Real Estate Installment Sales Agreement, including, without limitation, the execution and delivery of closing documents and certificates including a Form 8038-G and a Non-Arbitrage Certificate. All such actions previously taken by the Chairman and Vice Chairman and such officers and agents are hereby approved, ratified and confirmed.

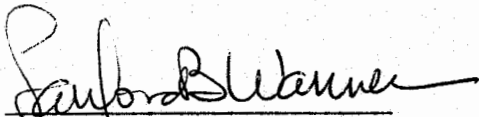
7. Submission of Appropriation Request. The County Administrator is hereby directed to submit for each fiscal year a request to the Board of Supervisors for an appropriation in an amount equal to the payments becoming due on the Appropriation Note in the next fiscal year. Nothing in this Resolution shall obligate the County to make such appropriation or shall constitute a pledge of the full faith and credit of the County. The Board of Supervisors, while recognizing that it is not empowered to make any binding commitment to make appropriations beyond the current fiscal year, hereby states its intent to make annual appropriations in future fiscal years in amounts sufficient to make all payments under the Appropriation Note and hereby recommends that future Boards of Supervisors do likewise during the term of the Appropriation Note.

8. Effective Date. This Resolution shall take effect immediately.



David L. Sisk
Chairman, Board of Supervisors

ATTEST:



Sanford B. Wanner
Clerk to the Board

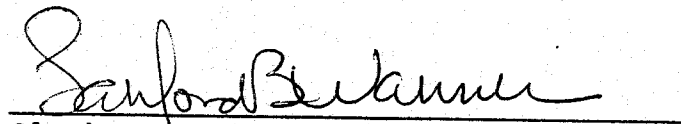
<u>SUPERVISOR</u>	<u>VOTE</u>
TAYLOR	NAY
MAGOON	AYE
DEPUE	AYE
EDWARDS	AYE
SISK	AYE

Adopted by the Board of Supervisors of James City County, Virginia, this 11th day of June, 1996.

CERTIFICATE

The undersigned Clerk of the Board of Supervisors of James City County, Virginia certifies that the foregoing is a true, correct and complete copy of a Resolution adopted by the affirmative vote of a majority of the members of the Board of Supervisors of the County present at a public meeting duly called and held on June 11, 1996, at which meeting a quorum was present and acting throughout.

Dated: June 11, 1996


Clerk, Board of Supervisors of
James City County

[SEAL]