

RESOLUTION

RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED

\$19,220,000 GENERAL OBLIGATION SCHOOL BONDS, SERIES 1999A

OF JAMES CITY COUNTY, VIRGINIA

TO BE SOLD TO THE VIRGINIA PUBLIC SCHOOL AUTHORITY

AND PROVIDING FOR THE FORM AND DETAILS THEREOF

WHEREAS, the Board of Supervisors (the "Board") of James City County, Virginia (the "County"), has determined that it is necessary and expedient to borrow not to exceed \$19,220,000 and to issue its general obligation school bonds for the purpose of financing certain capital projects for school purposes; and

WHEREAS, the County held a public hearing, duly noticed, on March 23, 1999, on the issuance of the Bonds (as defined below) in accordance with the requirements of Section 15.2-2606, Code of Virginia 1950, as amended (the "Virginia Code"); and

WHEREAS, the School Board of the County has, by resolution, requested the Board to authorize the issuance of the Bonds (as hereinafter defined) and consented to the issuance of the Bonds.

NOW, THEREFORE, BE IT RESOLVED By the Board of Supervisors of James City County, Virginia:

1. **Authorization of Bonds and Use of Proceeds.** The Board hereby determines that it is advisable to contract a debt and issue and sell its general obligation school bonds (the "Bonds") for the purpose of financing certain capital projects for school purposes. The Bonds shall be in an aggregate principal amount not to exceed \$19,220,000 plus up to an additional two percent (2 percent) of such amount if the Bonds are sold at less than par as set forth in the following paragraph. The Board hereby authorizes the issuance and sale of the Bonds in the form and upon the terms established pursuant to this Resolution.
2. **Sale of the Bonds.** It is determined to be in the best interest of the County to accept the offer of the Virginia Public School Authority (the "VPSA") to purchase from the County, and to sell to the VPSA, the Bonds at a price determined by the VPSA to be fair and accepted by the Chairman and Vice Chairman of the Board and the County Administrator, any of whom may act, that is not less than 98 percent of par and not more than 103 percent of par upon the terms established pursuant to this Resolution. The Chairman and Vice Chairman of the Board, the County Administrator, the Manager of Financial Management Services and such officer or officers of the County as any of them may designate, any of whom may act, are each hereby authorized and

directed to enter into a Bond Sale Agreement dated as of April 5, 1999, with the VPSA providing for the sale of the Bonds to the VPSA in substantially the form submitted to the Board at this meeting, which form is hereby approved (the "Bond Sale Agreement").

3. **Details of the Bonds.** The Bonds shall be issuable in fully registered form; shall be dated the date of issuance and delivery of the Bonds; shall be designated "General Obligation School Bonds, Series 1999A"; shall bear interest from the date of delivery thereof payable semi-annually on each January 15 and July 15 beginning July 15, 1999, (each an "Interest Payment Date"), at the rates established in accordance with Section 4 of this Resolution; and shall mature on July 15 in the years (each a "Principal Payment Date") and in the amounts set forth on Schedule I attached hereto (the "Principal Installments"), subject to the provisions of Section 4 of this Resolution.
4. **Interest Rates and Principal Installments.** The Chairman and Vice Chairman of the Board, the County Administrator and the Manager of Financial Management Services, any of whom may act, are each hereby authorized and directed to accept the interest rates on the Bonds established by the VPSA, provided that each interest rate shall be ten one-hundredths of one percent (0.10 percent) over the interest rate to be paid by the VPSA for the corresponding principal payment date of the bonds to be issued by the VPSA (the "VPSA Bonds"), a portion of the proceeds of which will be used to purchase the Bonds, and provided further that the true interest cost of the Bonds does not exceed six and one-half percent (6½ percent) per annum. The Interest Payment Dates and the Principal Installments are subject to change at the request of the VPSA. The Chairman and Vice Chairman of the Board, the County Administrator and the Manager of Financial Management Services, any of whom may act, are each hereby authorized and directed to accept changes in the Interest Payment Dates and the Principal Installments at the request of the VPSA, provided that the aggregate principal amount of the Bonds shall not exceed the amount authorized by this Resolution. The execution and delivery of the Bonds as described in Section 8 hereof shall conclusively evidence such interest rates established by the VPSA and Interest Payment Dates and the Principal Installments requested by the VPSA as having been so accepted as authorized by this Resolution.
5. **Form of the Bonds.** The Bonds shall be initially in the form of a single, temporary typewritten bond substantially in the form attached hereto as Exhibit A.
6. **Payment; Paying Agent and Bond Registrar.** The following provisions shall apply to the Bonds:
 - (a) For as long as the VPSA is the registered owner of the Bonds, all payments of principal, premium, if any, and interest on the Bonds shall be made in immediately available funds to the VPSA at, or before 11:00 a.m. on the applicable Interest Payment Date, Principal Payment Date or date fixed for prepayment or redemption, or if such date is not a business day for Virginia banks or for the Commonwealth of Virginia, then at or before 11:00 a.m. on the business day next preceding such Interest Payment Date, Principal Payment Date or date fixed for prepayment or redemption.

(b) All overdue payments of principal and, to the extent permitted by law, interest shall bear interest at the applicable interest rate or rates on the Bonds.

(c) Crestar Bank, Richmond, Virginia, is designated as Bond Registrar and Paying Agent for the Bonds.

7. **Prepayment or Redemption.** The Principal Installments of the Bonds held by the VPSA coming due on or before July 15, 2010, and the definitive Bonds for which the Bonds held by the VPSA may be exchanged that mature on or before July 15, 2010, are not subject to prepayment or redemption prior to their stated maturities. The Principal Installments of the Bonds held by the VPSA coming due after July 15, 2010, and the definitive bonds for which the Bonds held by the VPSA may be exchanged that mature after July 15, 2010, are subject to prepayment or redemption at the option of the County prior to their stated maturities in whole or in part, on any date on or after July 15, 2010, upon payment of the prepayment or redemption prices (expressed as percentages of Principal Installments to be prepaid or the principal amount of the Bonds to be redeemed) set forth below plus accrued interest to the date set for prepayment or redemption:

<u>Dates</u>	<u>Prices</u>
July 15, 2010 through July 14, 2011	102 percent
July 15, 2011 through July 14, 2012	101 percent
July 15, 2012 and thereafter	100 percent

Provided, however, that the Bonds shall not be subject to prepayment or redemption prior to their stated maturities as described above without first obtaining the written consent of the registered owner of the Bonds. Notice of any such prepayment or redemption shall be given by the Bond Registrar to the registered owner by registered mail not more than ninety (90) and not less than sixty (60) days before the date fixed for prepayment or redemption.

8. **Execution of the Bonds.** The Chairman or Vice Chairman and the Clerk or any Deputy Clerk of the Board are each authorized and directed to execute and deliver the Bonds and to affix the seal of the County thereto.

9. **Pledge of Full Faith and Credit.** For the prompt payment of the principal of and premium, if any, and the interest on the Bonds as the same shall become due, the full faith and credit of the County are hereby irrevocably pledged, and in each year while any of the Bonds shall be outstanding there shall be levied and collected in accordance with law an annual ad valorem tax upon all taxable property in the County subject to local taxation sufficient in amount to provide for the payment of the principal of and premium, if any, and the interest on the Bonds as such principal, premium, if any, and interest shall become due, which tax shall be without limitation as to rate or amount and in addition to all other taxes authorized to be levied in the County to the extent other funds of the County are not lawfully available and appropriated for such purpose.

10. **Use of Proceeds Certificate and Non-Arbitrage Certificate.** The Chairman and Vice Chairman of the Board, the County Administrator, the Manager of Financial Management Services and such officer or officers of the County as any of them may designate, any of whom may act, are each hereby authorized and directed to execute a Non-arbitrage Certificate and a Use of Proceeds Certificate each setting forth the expected use and investment of the proceeds of the Bonds and containing such covenants as may be necessary in order to show compliance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable regulations relating to the exclusion from gross income of interest on the Bonds and on the VPSA Bonds. The Board covenants on behalf of the County that (i) the proceeds from the issuance and sale of the Bonds will be invested and expended as set forth in such Non-arbitrage Certificate and such Use of Proceeds Certificate and that the County shall comply with the other covenants and representations contained therein and (ii) the County shall comply with the provisions of the Code so that interest on the Bonds and on the VPSA Bonds will remain excludable from gross income for Federal income tax purposes.
11. **State Non-Arbitrage Program; Proceeds Agreement.** The Board hereby determines that it is in the best interests of the County to authorize and direct the County Administrator, Treasurer and Manager of Financial Management Services to participate in the State Non-Arbitrage Program in connection with the Bonds. The Chairman and Vice Chairman of the Board, the County Administrator, the Manager of Financial Management Services, and such officer or officers of the County as any of them may designate, any of whom may act, are each hereby authorized and directed to execute and deliver a Proceeds Agreement with respect to the deposit and investment of proceeds of the Bonds by and among the County, the other participants in the sale of the VPSA Bonds, the VPSA, the investment manager and the depository, substantially in the form submitted to the Board at this meeting, which form is hereby approved.
12. **Continuing Disclosure Agreement.** The Chairman and Vice Chairman of the Board, the County Administrator, the Manager of Financial Management Services and such officer or officers of the County as any of them may designate, any of whom may act, are each hereby authorized and directed to execute a Continuing Disclosure Agreement, as set forth in Appendix F to the Bond Sale Agreement, setting forth the reports and notices to be filed by the County and containing such covenants as may be necessary in order to show compliance with the provisions of the Securities and Exchange Commission Rule 15c2-12 and directed to make all filings required by Section 3 of the Bond Sale Agreement should the County be determined by the VPSA to be a MOP (as defined in the Continuing Disclosure Agreement).
13. **Filing of Resolution.** The appropriate officers or agents of the County are hereby authorized and directed to cause a certified copy of this Resolution to be filed with the Circuit Court of the City of Williamsburg and the County of James City, Virginia.
14. **Further Actions.** The members of the Board and all officers, employees, and agents of the County are hereby authorized to take such action as they or any one of them

may consider necessary or desirable in connection with the issuance and sale of the Bonds and any such action previously taken is hereby ratified and confirmed.

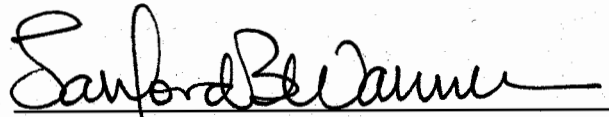
15. **Effective Date.** This Resolution shall take effect immediately.

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The undersigned Clerk of the Board of Supervisors of James City County, Virginia, hereby certifies that the foregoing constitutes a true and correct extract from the minutes of a meeting of the Board of Supervisors held on March 23, 1999, and of the whole thereof so far as applicable to the matters referred to in such extract. I hereby further certify that such meeting was a regularly scheduled meeting and that, during the consideration of the foregoing resolution, a quorum was present. The vote of the Members of the Board of Supervisors upon the foregoing Resolution was as follows:

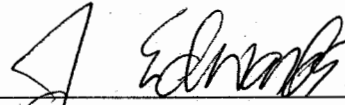
<u>Board Member</u>	<u>Present/Absent</u>	<u>Vote</u>
NERVITT	PRESENT	AYE
SISK	PRESENT	AYE
MCGLENNON	PRESENT	AYE
BRADSHAW	PRESENT	AYE
EDWARDS	PRESENT	AYE

WITNESS MY HAND and the seal of the Board of Supervisors of James City County, Virginia, this ___ day of March, 1999.



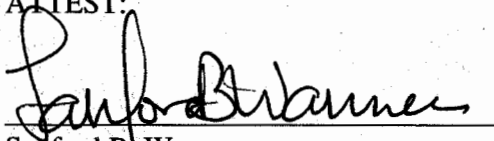
Clerk, Board of Supervisors of
James City County, Virginia

[SEAL]



Jack D. Edwards
Chairman, Board of Supervisors

ATTEST:



Sanford B. Wanner
Clerk to the Board

<u>SUPERVISOR</u>	<u>VOTE</u>
NERVITT	AYE
SISK	AYE
MCGLENNON	AYE
BRADSHAW	AYE
EDWARDS	AYE

Adopted by the Board of Supervisors of James City County, Virginia, this 23rd day of March, 1999.

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