

RESOLUTION

BUDGET AMENDMENT – VIRGINIA PUBLIC SCHOOL AUTHORITY BOND ISSUE

WHEREAS, the Board of Supervisors plans on issuing bonds through the Virginia Public School Authority to finance the majority of the cost of the Berkeley School renovation and expansion and the construction of a seventh elementary school; and

WHEREAS, the bond issue related to the seventh elementary school was planned in the FY 1999-2000 Capital Projects Fund Budget; and

WHEREAS, the Board of Supervisors plans to combine the bond issues planned for FY 1998-1999 and FY 1999-2000 into one issue to be sold in 1999; and

WHEREAS, the Board of Supervisors held a public hearing pursuant to Virginia Code Section 15.2-2507 to reflect \$9,389,100 in revenue from bond proceeds and \$9,389,100 in project costs for the seventh elementary school.

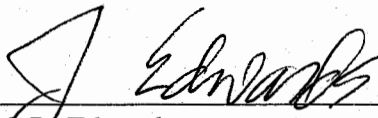
NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of James City County, Virginia, hereby authorizes the following appropriation within the FY 1998-1999 Capital Projects Fund Budget:

Revenue:

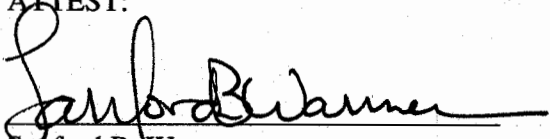
Proceeds from Virginia Public School Authority Bond Issue \$9,389,100

Expenditures:

Seventh Elementary School \$9,389,100



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.

EXHIBIT A

(FORM OF TEMPORARY BOND)

NO. TR-1

\$19,220,000

UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA

JAMES CITY COUNTY

General Obligation School Bond

Series 1999A

JAMES CITY COUNTY, VIRGINIA (the "County"), for value received, hereby acknowledges itself indebted and promises to pay to the VIRGINIA PUBLIC SCHOOL AUTHORITY the principal amount of NINETEEN MILLION TWO HUNDRED TWENTY THOUSAND DOLLARS (\$19,220,000), in annual installments in the amounts set forth on Schedule I attached hereto payable on July 15, 2000, and annually on July 15 thereafter to and including July 15, 2019, (each a "Principal Payment Date"), together with interest from the date of this Bond on the unpaid installments, payable semiannually on January 15 and July 15 of each year, commencing on July 15, 1999, (each an "Interest Payment Date"; together with any Principal Payment Date, a "Payment Date"), at the rates per annum set forth on Schedule I attached hereto, subject to prepayment or redemption as hereinafter provided. Both principal of and interest on this Bond are payable in lawful money of the United States of America.

For as long as the Virginia Public School Authority is the registered owner of this Bond, Crestar Bank, Richmond, Virginia, as bond registrar (the "Bond Registrar"), shall make all payments of principal, premium, if any, and interest on this Bond, without the presentation or surrender hereof, to the Virginia Public School Authority, in immediately available funds at or before 11:00 a.m. on the applicable Payment

Date or date fixed for prepayment or redemption. If a Payment Date or date fixed for prepayment or redemption is not a business day for banks in the Commonwealth of Virginia, or for the Commonwealth of Virginia, then the payment of principal, premium, if any, or interest on this Bond shall be made in immediately available funds at or before 11:00 a.m. on the business day next preceding the scheduled Payment Date or date fixed for prepayment or redemption. Upon receipt by the registered owner of this Bond of said payments of principal, premium, if any, and interest, written acknowledgment of the receipt thereof shall be given promptly to the Bond Registrar, and the County shall be fully discharged of its obligation on this Bond to the extent of the payment so made. Upon final payment, this Bond shall be surrendered to the Bond Registrar for cancellation.

The full faith and credit of the County are irrevocably pledged for the payment of the principal of and the premium, if any, and interest on this Bond. The resolution adopted by the Board of Supervisors authorizing the issuance of the Bonds provides, and Section 15.2-2624, Code of Virginia 1950, as amended, requires, that there shall be levied and collected an annual tax upon all taxable property in the County subject to local taxation sufficient to provide for the payment of the principal, premium, if any, and interest on this Bond as the same shall become due which tax shall be without limitation as to rate or amount and shall be 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.

This Bond is duly authorized and issued in compliance with and pursuant to the Constitution and laws of the Commonwealth of Virginia, including the Public Finance Act of 1991, Chapter 26, Title 15.2, Code of Virginia 1950, as amended, and resolutions duly adopted by the Board of County Supervisors of the County and the School Board of the County to provide funds for capital projects for school purposes.

This Bond may be exchanged without cost, on twenty (20) days written notice from the Virginia Public School Authority, at the office of the Bond Registrar on one or more occasions for one or more temporary bonds or definitive bonds in marketable form and, in any case, in fully registered form, in

denominations of \$5,000 and whole multiples thereof, and having an equal aggregate principal amount, having principal installments or maturities and bearing interest at rates corresponding to the maturities of and the interest rates on the installments of principal of this Bond then unpaid. This Bond is registered in the name of the Virginia Public School Authority on the books of the County kept by the Bond Registrar, and the transfer of this Bond may be effected by the registered owner of this Bond only upon due execution of an assignment by such registered owner. Upon receipt of such assignment and the surrender of this Bond, the Bond Registrar shall exchange this Bond for definitive Bonds as hereinabove provided, such definitive Bonds to be registered on such registration books in the name of the assignee or assignees named in such assignment.

The principal installments of this Bond coming due on or before July 15, 2010, and the definitive Bonds for which this Bond 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 this Bond coming due after July 15, 2010, and the definitive Bonds for which this Bond 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 the prior 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.

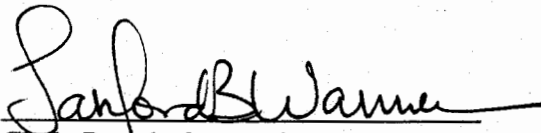
All acts, conditions and things required by the Constitution and laws of the Commonwealth of Virginia to happen, exist or be performed precedent to and in the issuance of this Bond have happened, exist and have been performed in due time, form and manner as so required, and this Bond, together with all other indebtedness of the County, is within every debt and other limit prescribed by the Constitution and laws of the Commonwealth of Virginia.

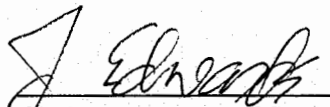
IN WITNESS WHEREOF, the Board of Supervisors of the James City County, Virginia has caused this Bond to be issued in the name of James City County, Virginia, to be signed by its Chairman or Vice Chairman, its seal to be affixed hereto and attested by the signature of its Clerk or any of its Deputy Clerks, and this Bond to be dated May _____, 1999.

JAMES CITY COUNTY, VIRGINIA

(SEAL)

ATTEST:


Clerk, Board of supervisors of
James City County, Virginia


Chairman, Board of Supervisors of
James City County, Virginia

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE: _____

the within Bond and irrevocably constitutes and appoints

_____ attorney, to exchange said Bond for definitive bonds in lieu of which this Bond is issued and to register the transfer of such definitive bonds on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

Signured Guaranteed:

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 change.)

(NOTICE: Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Bond Registrar which requirements will include membership or participation in STAMP or such other "signature guarantee program" as may be determined by the Bond Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.