

RESOLUTION OF THE BOARD OF SUPERVISORS

OF JAMES CITY COUNTY, VIRGINIA

WHEREAS, James City County, Virginia (the "County") proposes to finance (i) a new fire station (the "Fire Station Project"), (ii) renovations to a building in the County Government Center (the "Government Center Renovation Project"), and (iii) infrastructure improvements at a district park (the "Park Improvements Project" and, together with the Fire Station Project and the Government Center Renovation Project, the "Projects") through the issuance by the Economic Development Authority of James City County, Virginia (the "Authority") of its up to \$6,900,000 Lease Revenue Bond (County Government Projects), Series 2011 (the "Bond"). The County will lease the real estate upon which the Fire Station Project is located to the Authority pursuant to a Ground Lease, dated as of September 1, 2011 (the "Ground Lease"), between the County and the Authority. The Authority will lease such real estate and the Fire Station Project back to the County pursuant to a Lease Agreement, dated as of September 1, 2011 (the "Lease"), between the Authority and the County; and

WHEREAS, the Bond will be payable from revenues derived by the Authority from the "Basic Rent" to be paid by the County pursuant to the Lease, which has been calculated to be sufficient to pay the principal of and interest on the Bond, and from certain "Additional Rent" to be paid by the County pursuant to the Lease for any prepayment premium. The Bond will be issued and sold pursuant to the Bond Purchase Agreement, to be dated the date of the issuance of the Bond (the "Bond Purchase Agreement"), among the Authority, the County and RBC Bank, as the holder of the Bond (the "Bank"). The obligations of the Authority to the Bank will be secured by the Assignment of Rents and Leases, dated as of September 1, 2011 (the "Assignment"), between the Authority and the Bank, and by the Leasehold Deed of Trust, dated as of September 1, 2011 (the "Leasehold Deed of Trust"), from the Authority to the deed of trust trustees named therein for the benefit of the Bank. The obligation of the County to pay Basic Rent and Additional Rent will be subject to appropriation by the County's Board of Supervisors (the "Board"); and

WHEREAS, the Ground Lease, the Lease, the Bond Purchase Agreement, the Assignment and the Leasehold Deed of Trust are referred to in this Resolution as the "Basic Documents."

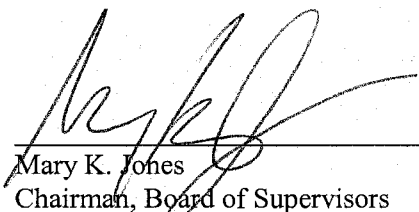
NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of James City County, Virginia:

1. **Request for and Approval of Financing.** The Board finds and determines that it is in the best interests of the County to proceed with the financing of the Projects. The Board hereby formally selects the commitment letter dated September 1, 2011 of the Bank (the "Commitment Letter") as the winning proposal with respect to the purchase of the Bond. The Chairman and Vice Chairman of the Board and the County Administrator, any of whom may act, are each authorized to execute the Commitment Letter. The Board hereby requests the Authority to assist in the financing of the Projects by issuing the Bond. The Board considers the Projects to be essential public projects. The Board approves the issuance of the Bond and sale thereof to the Bank in a principal amount not to exceed \$6,900,000, bearing interest at the rate of 2.18% per year (but subject to adjustment as provided in the Bond), and maturing on July 15, 2021. The sale price of the Bond to the Bank shall be equal to the principal amount

thereof, and the prepayment provisions and other terms of the Bond shall be as provided for in the form of the Bond.

2. **Authorization of Basic Documents.** The forms of the Bond and the Basic Documents were made available to the members of the Board prior to the adoption of this Resolution. The Bond and the Basic Documents are approved in substantially the forms made available, with such changes, insertions or omissions (including, without limitation, changes of the dates therein and thereof) as may be approved by the Chairman or Vice Chairman of the Board or the County Administrator, any of whom may act, whose approval shall be evidenced conclusively by the execution and delivery of the Basic Documents to which the County is a party. The execution and delivery by the County of, and the performance by the County of its obligations under, the Basic Documents to which it is a party are authorized.
3. **Execution of Documents.** The Chairman and Vice Chairman of the Board, the County Administrator and such other officers, employees and agents of the County as the Chairman and Vice Chairman of the Board and the County Administrator may designate, are authorized and directed to execute and deliver the Basic Documents to which the County is a party and, if required, the Clerk or any Deputy Clerk of the Board is authorized and directed to affix or to cause to be affixed the seal of the County to the Basic Documents to which the County is a party and to attest such seal. Further, the Chairman and Vice Chairman of the Board, the County Administrator and such other officers, employees and agents of the County as the Chairman or Vice Chairman of the Board or the County Administrator may designate, are authorized and directed (A) to execute and deliver and any and all other instruments, certificates and documents required to carry out the purposes of this Resolution, and (B) to do and perform such things and acts, as they shall deem necessary or appropriate to carry out the purposes of this Resolution or contemplated by the Basic Documents, and all of the foregoing, previously done or performed by such officers, employees or agents of the County are in all respects approved, ratified and confirmed.
4. **Nature of Obligations.** The Board hereby agrees, on behalf of the County, to pay to the Authority amounts sufficient to pay the Rental Payments, as defined in the Lease, and any other amounts owed by the County to the Authority pursuant to the Lease, subject to annual appropriation by the Board. The County Administrator is directed to submit for each fiscal year a request to the Board for an appropriation to the Authority separate from all other appropriations to the Authority for an amount equal to the Rental Payments and all other payments coming due under the Lease for the next fiscal year. The County's obligations to make payments to the Authority pursuant to the Lease shall be subject to and dependent upon annual appropriations being made from time to time by the Board for such purpose. Nothing in this Resolution, the Bond or the Lease shall constitute a pledge of the full faith and credit of the County beyond the constitutionally permitted annual appropriations. The Board, 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 Lease and hereby recommends that future Boards of Supervisors do likewise during the term of the Lease. If the County exercises its right not to appropriate money for Rental Payments under the Lease, the Bank may terminate the Lease or otherwise exclude the County from possession of the Fire Station Project.

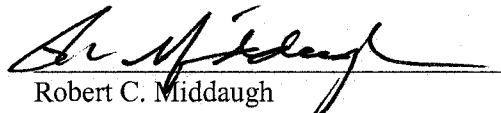
5. **Appointment of Bond Counsel.** The Board hereby selects and designates Troutman Sanders LLP as **Bond** Counsel with respect to the Bond, and the Authority is hereby requested to designate them as such.
6. **Qualified Tax-Exempt Obligation.** The Board requests the Authority's designation of the Bond as a "qualified tax-exempt obligation" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The Board does not reasonably anticipate that the County and any "subordinate entities," together with the Authority, will issue more than \$10,000,000 in qualified tax-exempt obligations during calendar year 2011, and the Board agrees that it will not designate more than \$10,000,000 (including the Bond as designated by the Authority) of qualified tax-exempt obligations in calendar year 2011.
7. **Tax Covenants.** The County covenants that it shall not take or omit to take any action the taking or omission of which will cause the Bond to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, including regulations issued pursuant thereto, or otherwise cause interest on the Bond to be includable in the gross income for federal income tax purposes of the Bank under existing law.
8. **Reimbursement Declaration.** The County hereby adopts this declaration of official intent under Treasury Regulations Section 1.150-2 and declares that the County intends to reimburse itself or the Authority, as appropriate, with the proceeds of the Bond or other indebtedness of the Authority or the County for expenditures made with respect to the Projects on, after or within sixty (60) days prior to the date of the adoption of this Resolution. Further, expenditures made more than sixty (60) days prior to the date of the adoption of this Resolution may be reimbursed as to certain *de minimis* or preliminary expenditures described in Treasury Regulations Section 1.150-2(f) and as to other expenditures permitted under applicable Treasury Regulations.
9. **Effective Date.** This Resolution shall take effect immediately upon its adoption.



 Mary K. Jones
 Chairman, Board of Supervisors

SUPERVISORS	VOTE
KENNEDY	AYE
GOODSON	AYE
MCGLENNON	AYE
ICENHOUR	AYE
JONES	AYE

ATTEST:



 Robert C. Middaugh
 Clerk to the Board

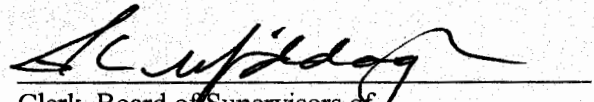
Adopted by the Board of Supervisors of James City County, Virginia, this 13th day of September, 2011.

CERTIFICATION

The undersigned Clerk of the Board of Supervisors of James City County, Virginia hereby certifies that the foregoing constitutes a true, correct and complete copy of a Resolution duly adopted by the Board of Supervisors of James City County, Virginia at a meeting duly called and held on the 13th day of September, 2011, and during which a quorum was present and acting throughout, by the vote set forth below, and that such Resolution has not been repealed, revoked, rescinded or amended:

<u>Board Member</u>	<u>Present/Absent</u>	<u>Vote</u>
Mary K. Jones	PRESENT	AYE
Bruce C. Goodson	PRESENT	AYE
James G. Kennedy	PRESENT	AYE
James O. Icenhour, Jr.	PRESENT	AYE
John J. McGlennon	PRESENT	AYE

WITNESS, my hand and the seal of the Board of Supervisors of James City County, Virginia, this 13 day of September, 2011.



Clerk, Board of Supervisors of
James City County, Virginia

(SEAL)

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