

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF JAMES CITY,
VIRGINIA, REQUESTING THE ECONOMIC DEVELOPMENT AUTHORITY OF THE COUNTY
OF JAMES CITY, VIRGINIA, TO ISSUE ITS PUBLIC FACILITY LEASE REVENUE BONDS TO
FINANCE AND REFINANCE THE COSTS OF CERTAIN PUBLIC FACILITIES

- WHEREAS, the County of James City, Virginia (the "County") has determined that it is necessary and advisable to (i) finance the construction, renovation, installation, and equipping of certain public facilities, including, but not limited to, certain improvements at James River Elementary School, Toano Middle School, and Lafayette High School, and a replacement fire station (the "New Money Projects") and (ii) refinance its obligations under the Lease Purchase Agreement dated as of November 7, 2003 (the "2003 Lease"), between SunTrust Bank (the "2003 Lessor") and the County, originally entered into to finance certain emergency 911 communications equipment and facilities, including a control center for the County (together with the New Money Projects, the "Projects"); and
- WHEREAS, the Board of Supervisors of the County (the "Board") proposes to finance the New Money Projects and refinance the 2003 Lease through the issuance of public facility lease revenue bonds (the "Bonds") by the Economic Development Authority of the County of James City, Virginia (the "Authority"); and
- WHEREAS, the Bonds will be secured in part by a leasehold interest in all or a portion of (i) certain of the Projects, including [Lafayette High School], and (ii) such other facilities as the County Administrator or the Director of Financial and Management Services (the "Authorized Representatives"), either of whom may act, may designate (the "Leased Projects"); and
- WHEREAS, the School Board of the Williamsburg-James City County Public Schools (the "School Board") and the County, as applicable, will lease the Leased Projects to the Authority pursuant to one or more leases (the "Lease") and will lease the Leased Projects back from the Authority pursuant to a Financing Lease (hereinafter defined). The Bonds will be payable solely from the revenues derived from the Financing Lease between the Authority, the County and the School Board (the "Financing Lease") pursuant to which the County will agree to make rental payments, subject to annual appropriation, sufficient to pay the principal of and interest on the Bonds; and
- WHEREAS, The Bonds will be issued pursuant to the following documents: (i) an Indenture of Trust (the "Indenture") between the Authority and a corporate trustee to be selected by the County Administrator (the "Trustee"), with the form of the Bonds attached thereto; (ii) the Lease; (iii) the Financing Lease; (iv) a Leasehold Deed of Trust (the "Leasehold Deed of Trust") from the Authority to the individual trustees named therein; (v) an Assignment of Rents and Leases (the "Assignment of Rents and Leases") between the Authority and the Trustee; and (vi) a Preliminary Official Statement ("Preliminary Official Statement") and an Official Statement ("Official Statement"); and

WHEREAS, all the documents listed above are referred to in this resolution as the "Basic Documents."

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

1. Issuance of Bonds. The Board requests the Authority to issue its Bonds in the maximum principal amount of \$30,000,000 in one or more series at one time or from time to time as may be requested by the Authorized Representatives, either of whom may act. The Bonds will be paid from revenues derived from payments made by the County pursuant to the Financing Lease and any amendments to the Financing Lease.
2. Authorization of Basic Documents. The Bonds and the Basic Documents are approved in substantially the forms on file with the County Administrator, with such changes, insertions or omissions (including, without limitation, changes of the dates thereof) as may be approved by the Authorized Representatives, either 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 of and performance by the County of its obligations under the Bonds and the Basic Documents to which it is a party are authorized.
3. Execution of Documents. The Authorized Representatives are each authorized to execute on behalf of the County the Basic Documents to which the County is a party, and, if required, the Clerk of the Board of Supervisors or any Deputy Clerk is authorized and directed to affix or to cause to be affixed the seal of the County to the Basic Documents and to attest such seal. Such officers or their designees are authorized to execute and deliver on behalf of the County such instruments, documents or certificates, and to do and perform such things and acts and to take such further action, as they shall deem necessary or appropriate to carry out the transactions authorized by this resolution or contemplated by the Basic Documents; and all of the foregoing, previously done or performed by such officers or agents of the County, are in all respects approved, ratified, and confirmed.
4. Sale of Bonds. The Bonds shall be offered for sale in such manner as the Authorized Representatives, either of whom may act, may determine to be in the best interests of the County. The Authorized Representatives, either of whom may act, are authorized and directed to accept a bid or proposal for the purchase of the Bonds which results in the lowest true interest cost to the County, provided that the true interest cost of the Bonds does not exceed the maximum true interest cost set forth in this Section 4. If the Authorized Representatives, either of whom may act, determine that it is in the best interest of the County to sell the Bonds in a negotiated sale, then the Authorized Representatives, either of whom may act, are authorized and directed to execute and deliver a bond purchase agreement with an underwriter or group of underwriters selected by the Authorized Representatives providing for the sale and delivery of the Bonds. The Authorized Representatives, either of whom may act, are authorized and directed to determine and approve the final details of the Bonds, including, without limitation, the aggregate principal amount of the Bonds or each series of Bonds, the optional and mandatory redemption provisions and the sale price of the Bonds, provided that (i) the true interest cost of the Bonds shall not exceed 5.0 percent, (ii) the aggregate principal amount of the Bonds shall not exceed the amount set forth in paragraph 1, (iii) the sale price of the Bonds shall not be less than [98 percent] of the aggregate principal amount thereof (not taking into account any original issue discount), (iv) the final maturity of the Bonds shall not be later than 30 years from their issue date and (v) the refinancing of the 2003 Lease achieves an aggregate net present value debt service savings of not less than [3 percent] of the refinanced principal

amount. The approval of the Authorized Representatives shall be evidenced conclusively by the execution and delivery of such documentation evidencing the sale of the Bonds.

5. Refinancing and Escrow Agreement.

(a) The Authorized Representatives are each authorized to cause the refinancing of the 2003 Lease. The refinancing proceedings, including the giving of notice to the 2003 Lessor under the 2003 Lease, shall be done pursuant to the terms of the 2003 Lease.

(b) The Authorized Representatives are each authorized to cause to be prepared and directed to execute and deliver an Escrow Agreement, between the County and an escrow agent to be selected by the Authorized Representatives, either of whom may act, if necessary, to provide for the refinancing of the 2003 Lease.

6. Disclosure Documents. The Authorized Representatives, either of whom may act, and such officials and agents of the County as either of them may designate are hereby authorized and directed to prepare, execute, if required, and deliver an appropriate Notice of Sale, Preliminary Official Statement and Official Statement or such other offering or disclosure documents as may be necessary to expedite the sale of the Bonds. The Notice of Sale, Preliminary Official Statement, Official Statement or other documents shall be published in such publications and distributed in such manner, including by electronic distribution, and at such times as the Authorized Representatives, either of whom may act, or such officers and agents of the County as such officials may designate, shall determine. The Authorized Representatives, either of whom may act, or such other officer or agent of the County as such officials may designate, are authorized to deem the Preliminary Official Statement "final" for purposes of Securities Exchange Commission Rule 15c2-12.


7. Costs and Expenses. All costs and expenses in connection with the undertaking of the New Money Projects, the refinancing of the 2003 Lease and the issuance of the Bonds, including the Authority's fees and expenses and the fees and expenses of bond counsel and counsel for the Authority, shall be paid from the proceeds of the Bonds, or other legally available funds of the County. If for any reason the Bonds are not issued, it is understood that all such expenses shall be paid by the County from its legally available funds and that the Authority shall have no responsibility therefore.

8. Nature of Obligations. Nothing in this resolution, the Bonds, or the Basic Documents shall constitute a debt of the County and the Authority shall not be obligated to make any payments under the Bonds or the Basic Documents except from payments made by or on behalf of the County under the Financing Lease. The County Administrator is directed to submit for each fiscal year a request to the Board of Supervisors for an appropriation to the Authority for an amount equal to the rental payments coming due under the Financing Lease for the next fiscal year. The County's obligations to make payments to the Authority pursuant to this resolution shall be subject to and dependent upon annual appropriations being made from time to time by the Board of Supervisors of the County for such purpose. Nothing in this resolution, the Bonds, or the Financing Lease shall constitute a pledge of the full faith and credit of the County.

9. SNAP Investment Authorization. The County has heretofore 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 County has determined to authorize the Authorized Representatives to utilize SNAP in connection with the investment of the proceeds of the Bonds, if the Authorized Representatives determine that the utilization of SNAP is in the best interest of the County. The County

acknowledges 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.

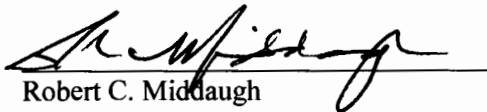
- 10. Official Intent. The Board of Supervisors of the County adopts this resolution as a declaration of official intent for purposes of Treasury Regulations Section 1.150-2. The Board reasonably expects to reimburse any advances made or to be made by the County to pay the costs of the New Money Projects from the proceeds of its debt and financing. The maximum amount of debt or other financing expected to be issued for the New Money Projects is set forth in paragraph one.
- 11. Effective Date. This resolution shall take effect immediately.



Mary K. Jones
Chairman, Board of Supervisors

<u>SUPERVISOR</u>	<u>VOTE</u>
MCGLENNON	AYE
ICENHOUR	AYE
KALE	AYE
KENNEDY	AYE
JONES	AYE

ATTEST:



Robert C. Midgough
Clerk to the Board

Adopted by the Board of Supervisors of James City County, Virginia, this 24th day of July, 2012.

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CERTIFICATION

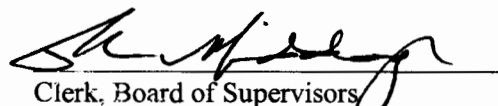
The undersigned Clerk of the Board of Supervisors of the County of James City, Virginia certifies that the foregoing constitutes a true, complete and correct copy of the resolution adopted at a special meeting of the Board of Supervisors of the County of James City, Virginia held on July 24, 2012.

<u>Board Member</u>	<u>Present/Absent</u>
Mary K. Jones, Chair	Present
John J. McGlennon, Vice Chair	Present
James G. Kennedy	Present
James O. Icenhour, Jr.	Present
W. Wilford Kale, Jr.	Present

On motion of John J. McGlennon, seconded by _____, the following resolution was adopted by a majority of the members of the Board of Supervisors present by a roll call vote, the votes being recorded as follows:

<u>Board Member</u>	<u>Vote</u>
Mary K. Jones, Chair	Aye
John J. McGlennon, Vice Chair	Aye
James G. Kennedy	Aye
James O. Icenhour, Jr.	Aye
W. Wilford Kale, Jr.	Aye

WITNESS my signature as Clerk of the Board of Supervisors of James City County, Virginia, this 24th day of July, 2012.


 Clerk, Board of Supervisors
 James City County, Virginia