

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 LEASE REVENUE
REFUNDING BONDS TO REFUND THE AUTHORITY'S
LEASE REVENUE BONDS (COUNTY GOVERNMENT PROJECTS), SERIES 2005

WHEREAS, on August 24, 2005, the Economic Development Authority of James City County, Virginia (the "Authority") issued its \$22,570,000 Lease Revenue Bonds (County Government Projects), Series 2005 (the "Prior Bonds") under an Indenture of Trust dated as of August 1, 2005 (the "2005 Indenture") between the Authority and SunTrust Bank, as trustee, to assist the County of James City, Virginia (the "County") with financing of the costs of (i) the construction and development of roads, utilities, stormwater drainage and other infrastructure to serve the needs of the new Thomas Nelson Community College Campus and Warhill High School (the "Utility Project") and (ii) the construction and development of a new sports stadium (the "Stadium Project"); and

WHEREAS, pursuant to a Ground Lease dated as of August 1, 2005 (the "2005 Ground Lease") between the Board of Supervisors of the County (the "Board") and the Authority, the County leased to the Authority certain real estate specified in the Ground Lease and upon which the Stadium Project is located ("Real Estate") and pursuant to a Lease Agreement dated as of August 1, 2005 (the "2005 Financing Lease") between the Authority and the Board, the Authority leased back the Real Estate and the Stadium Project to the County. The principal of, premium, if any, and interest on the Prior Bonds are payable solely from the revenues derived from the 2005 Financing Lease, and pursuant to the 2005 Financing Lease, the County's rental payments thereunder are in an amount sufficient to pay the principal of, premium, if any and interest on the Prior Bonds; and

WHEREAS, the Board has determined that it is advisable to refinance all or a portion of its obligations under the 2005 Financing Lease and to refund the corresponding Prior Bonds through the issuance of lease revenue refunding bonds by the Authority (the "Bonds"); and

WHEREAS, the Bonds will be secured in part by a leasehold interest in all or a portion of (i) the Real Estate and the Stadium Project and (ii) such other facilities as the County Administrator or the Director of Financial and Management Services (the "Authorized Representatives"), may designate (collectively, the "Leased Projects"); and

WHEREAS, the County will lease the Leased Projects to the Authority pursuant to one or more leases or amendments to the 2005 Ground Lease (collectively, the "Prime Lease") and will lease the Leased Projects back from the Authority pursuant to a one or more financing leases between the Authority and the County or amendments to the 2005 Financing Lease (collectively, the "Financing Lease"). The principal of, premium, if any, and interest on the Bonds will be payable solely from the revenues derived from the Financing Lease, and pursuant to the Financing Lease the County will agree to make rental payments, subject to

annual appropriation, sufficient to pay the principal of, premium, if any, and interest on the Bonds; and

WHEREAS, the Bonds will be issued pursuant to the following documents: (i) one or more indentures of trust or amendments to the 2005 Indenture (collectively, 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 Prime Lease; (iii) the Financing Lease; (iv) one or more leasehold deeds of trust or amendments to the existing leasehold deed of trust encumbering the Real Estate (collectively, the "Leasehold Deed of Trust") from the Authority to the individual trustees named therein and (v) one or more assignments of rents and leases or amendments to the existing assignment of rents and leases encumbering the Real Estate (collectively, the "Assignment of Rents and Leases") between the Authority and the Trustee; and

WHEREAS, the Bonds will be offered for sale pursuant to an official statement in preliminary form (the "Preliminary Official Statement"); and

WHEREAS, all the documents listed in F above 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. Issuance of Bonds. The Authority is hereby requested to issue its Bonds in the maximum aggregate principal amount of \$16,000,000 in one or more series at one time or from time to time as may be requested by either Authorized Representative for the purpose of refunding all or a portion of the Prior Bonds and financing costs of issuing the Bonds. The principal of, premium, if any, and interest on the Bonds shall be paid from revenues derived from payments made by the County pursuant to the Financing Lease and any amendments, supplements or modifications to the Financing Lease. The Board hereby determines that it is advisable and will benefit the inhabitants of the County through the promotion of their safety, health, welfare and prosperity to request the Authority issue the Bonds as described herein.
2. Authorization of Basic Documents. The Bonds and the Basic Documents are hereby 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, 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 the performance by the County of its obligations under the Bonds and the Basic Documents to which it is a party are hereby authorized.
3. Execution of Basic Documents. The Authorized Representatives are hereby authorized and directed to execute on behalf of the County the Basic Documents to which the County is a party. The Clerk of the Board of Supervisors is hereby 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. The Authorized Representatives and such other officers and agents either Authorized Representative may designate are hereby authorized and directed 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 Bonds or the Basic Documents, or both.

4. Sale of Bonds. (a) The Authorized Representatives are hereby authorized and directed to determine the manner of sale of each series of Bonds, and each such series of Bonds shall be offered for sale in such manner as the Authorized Representatives determine to be in the best interest of the County. If the manner of sale is competitive, the Board hereby authorizes and directs the Authorized Representatives to accept a bid or proposal for the purchase of the Bonds provided such bid results in the lowest true interest cost to the County. The Authorized Representatives are hereby authorized to reject any or all of the bids. If manner of sale is negotiated, the Board hereby authorizes and directs the Authorized Representatives 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.
 - (b) The Authorized Representatives are hereby authorized and directed to determine and approve the final details of each series of Bonds, including, without limitation, the aggregate principal amount of the Bonds, the optional and mandatory redemption provisions and the sale price of the Bonds, provided that (i) the aggregate principal amount of the Bonds shall not exceed the amount set forth in paragraph 1, (ii) the sale price of the Bonds shall not be less than 98% of the aggregate principal amount thereof (not taking into account any original issue discount), (iii) the refunding achieves an aggregate net present value debt service savings of not less than 3% of the refunded principal amount and (iv) the final maturity of the Bonds shall not be later than the final fiscal year in which the Refunded Bonds, as hereinafter defined, mature. The approval of the Authorized Representatives shall be evidenced conclusively by the execution and delivery of such documentation evidencing the sale of the Bonds.
 - (c) The Bonds may be subject to optional redemption, make-whole, or noncallable on such terms as the Authorized Representatives may approve. The Bonds may also be subject to mandatory sinking fund redemption on such terms as the Authorized Representatives may approve.
5. Refunding and Escrow Agreement. (a) The Authorized Representatives are hereby authorized and directed to select the Prior Bonds to be refunded (the "Refunded Bonds") and to cause the refunding of the Refunded Bonds pursuant to the terms of the Prior Bonds and the documents securing them, including the 2005 Indenture.
 - (b) The Authorized Representatives are hereby authorized to cause to be prepared and directed to execute and deliver one or more escrow agreements, between the County, the Authority (if necessary) and an escrow agent to be selected by the Authorized Representatives, providing for the deposit and investment of a portion of the proceeds of the Refunding Bonds to be applied to the redemption or payment of the Refunded Bonds on the earliest practicable date.

6. Disclosure Documents. (a) The Authorized Representatives and such other officers and agents either Authorized Representative may designate are hereby authorized and directed to prepare, execute, if required, and deliver an appropriate notice of sale, Preliminary Official Statement and final official statement (the "Official Statement") or such other offering or disclosure documents as may be necessary to expedite the sale of the Bonds, including such documentation as may be necessary to provide for the submission of electronic bids for the Bonds if electronic bidding is determined by such officer or officers to be advantageous. Any such 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 shall determine. The Authorized Representatives and such other officer or agent either Authorized Representative may designate, are hereby authorized to deem the Preliminary Official Statement "final" for purposes of Securities Exchange Commission Rule 15c2-12.

(b) The Official Statement and its use and distribution is authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement on file with the County Administrator, which is hereby approved, with such completions, omissions, insertions and changes as may be approved by the Authorized Officers, whose execution thereof shall constitute conclusive evidence of their approval of such form, terms and conditions.
7. Costs and Expenses. All costs and expenses in connection with the undertaking of the refinancing of the County's obligations under the 2005 Financing Lease, the refunding of the Refunded Bonds 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 therefor.
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 hereby directed to submit for each fiscal year a request to the Board 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 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. Tax Covenants. The Authorized Representatives are hereby authorized and directed to execute and deliver simultaneously with the issuance of any series of Bonds the interest on which is intended to be excludable from gross income for federal income tax purposes a tax certificate or agreement, or both (collectively, the "Tax Agreement") setting forth the expected use and investment of the proceeds of the Bonds and containing such covenants as may be necessary in order to comply with the provisions

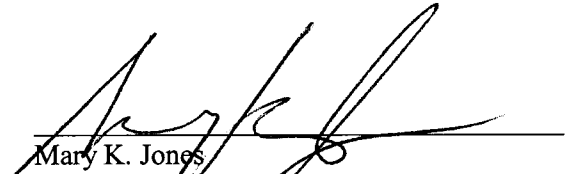
of the Internal Revenue Code of 1986, as amended (the "Tax Code"), including the provisions of Section 148 of the Tax Code and applicable regulations relating to "arbitrage bonds." The proceeds from the issuance and sale of any such series of the Bonds will be invested and expended as set forth in the Tax Agreement and that the County will comply with the other covenants and representations contained in it.

10. Further Actions. (a) The Authorized Representatives and such other officers and agents either Authorized Representative may designate are hereby authorized and directed to take further action as each deems necessary or appropriate regarding the issuance, credit enhancement and sale of the Bonds and the refunding of the Refunded Bonds, including, without limitation, (i) purchasing of one or more credit enhancements for any series of Bonds if market or other conditions so warrant, (ii) entering into supply arrangements relating to the investment of the proceeds of any series of Bonds, (iii) applying for CUSIP identification numbers and the execution and delivery of replacement bonds in connection with any partial refunding of the Prior Bonds, (iv) selecting a verification agent and escrow agent in connection with any series of Bonds and (v) determining which property owned by the County shall constitute the Leased Projects.


(b) All actions taken by officers and agents of the County in connection with the issuance and sale of the Bonds are hereby ratified and confirmed. The officers and agents of the County are hereby authorized and directed to take such further actions as each deems necessary regarding the issuance and sale of any series of Bonds and all actions taken by such officers and agents in connection with the issuance and sale of any series of Bonds are hereby ratified and confirmed.
11. SNAP Investment Authorization. The County has heretofore received and reviewed 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 "SNAP 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 SNAP Contract.
12. Exercise of Discretion and Authorizations. Any authorization of an officer of the County under this Resolution entitles such officer to exercise his or her discretion in taking action on behalf of the County, unless expressly provided otherwise. For any authorization of the Authorized Representatives, it shall be sufficient that either Authorized Representative act in order to bind the County. The authorizations granted in this Resolution to the County Administrator, the Director of Financial and Management Services or the Clerk of the Board of Supervisors, or any combination of the foregoing, may be carried out by any Acting or Assistant County Administrator (with respect to authorizations granted to the County Administrator), Acting or Assistant Director of Financial Management Services (with respect to authorizations granted to the Director of Financial Management Services) and any Deputy or Assistant

Clerk (with respect to authorizations granted to the Clerk of the Board of Supervisors),
in the absence of the primary officer.

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


Mary K. Jones
Chairman, Board of Supervisors

ATTEST:


Adam R. Kinsman
Deputy Clerk to the Board

	<u>AYE</u>	<u>NAY</u>	<u>ABSTAIN</u>
KENNEDY	<u>X</u>	---	---
JONES	<u>X</u>	---	---
MCGLENNON	<u>X</u>	---	---
ONIZUK	<u>X</u>	---	---
HIPPLE	<u>X</u>	---	---

Adopted by the Board of Supervisors of James City County, Virginia, this 8th day of July,
2014.

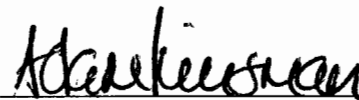
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CERTIFICATION

The undersigned Deputy 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 July 8, 2014, 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, Chair	Present	AYE
Michael J. Hipple, Vice Chair	Present	AYE
James G. Kennedy	Present	AYE
Kevin D. Onizuk	Present	AYE
John J. McGlennon	Present	AYE

WITNESS my signature as Deputy Clerk of the Board of Supervisors of James City County, Virginia, this 9th day of July, 2014.



Deputy Clerk, Board of Supervisors
James City County, Virginia

(SEAL)