

## RESOLUTION

### RATIFICATION OF THE APPROVAL OF LEASE FINANCING TO FINANCE CAPITAL

#### IMPROVEMENTS FOR PUBLIC SCHOOL FACILITIES

#### AND APPROVING FINANCE DOCUMENTS

WHEREAS, the Board of Supervisors (the "County Board") of James City County, Virginia (the "County"), has previously approved at its March 8, 2016 meeting, a plan of lease financing (the "Plan of Finance") with the Economic Development Authority of James City County, Virginia (the "Authority"), and the Williamsburg-James City County School Board (the "School Board"), to finance (including reimburse) the costs of certain capital improvements for public school facilities, including (but not limited to) the construction, renovation, rehabilitation and equipping of a middle school (collectively, the "Project"); and

WHEREAS, the County has previously requested and the Authority has agreed to issue its Public Facility Revenue Bonds (James City County School Project), Series 2016 (the "Bonds"), and use the proceeds to: a) reimburse or finance costs of the Project; and b) pay the related costs of issuing the Bonds; and

WHEREAS, the Bonds will be secured in part by payments appropriated from time to time by the County Board and payable to the Authority in accordance with the terms of the Financing Agreement (as defined herein); and

WHEREAS, to improve the marketing of the Bonds at attractive interest rates, Davenport & Company LLC, the County's financial advisor (the "Financial Advisor"), has recommended that the County consider providing additional security for the Bonds by undertaking a lease/lease-back financing arrangement with the Authority and the School Board of the Toano Middle School property (the "Property"); and

WHEREAS, there have been presented to this meeting drafts of the following documents (collectively, the "Documents"), proposed in connection with the issuance and sale of the Bonds:

- a. Agreement of Trust, as supplemented and amended by a First Supplemental Trust Agreement (together, the "Trust Agreement"), each between the Authority and Wilmington Trust, National Association, as trustee (the "Trustee"), pursuant to which the Bonds are to be issued; and
- b. Financing Agreement (the "Financing Agreement"), between the Authority and the County, pursuant to which the Authority will loan the proceeds of the Bonds to the County and the County will undertake, subject to appropriation, to make payments to the Authority in amounts sufficient to pay the principal of and premium, if any, and interest on the Bonds and certain other related costs; and

- c. Preliminary Official Statement of the Authority relating to the public offering of the Bonds (the "Preliminary Official Statement"); and
- d. Notice of Sale (attached as Appendix H to the Preliminary Official Statement) (the "Notice of Sale"); and
- e. Continuing Disclosure Agreement (attached as Appendix F to the Preliminary Official Statement), pursuant to which the County agrees to undertake certain continuing disclosure obligations with respect to the Bonds; and
- f. Deed and Agreement of Ground Lease (the "Ground Lease"), between the Authority, the County and the School Board, conveying to the Authority a leasehold interest in the Property; and
- g. Deed and Agreement of Financing Lease, between the Authority, the County and the School Board (the "Financing Lease"), conveying to the County and the School Board a subleasehold interest in the Property; and
- h. Assignment Agreement (the "Assignment Agreement"), between the Authority and the Trustee, assigning to the Trustee certain rights of the Authority under the Ground Lease and the Financing Lease.


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

- 1. Ratification. The County Board hereby ratifies the Plan of Finance and the Project approved by the County Board at its March 8, 2016 meeting, (the "March Resolution").
- 2. Execution. The Chairman and the Vice Chairman of the County Board and the County Administrator (which term for purposes of this Resolution includes any Assistant County Administrator), any of whom may act, are hereby authorized and directed to execute the Documents to which the County is a signatory, which shall be in substantially the forms circulated prior to this meeting, which are hereby approved, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the officer signing such Documents, the execution and delivery thereof to constitute conclusive evidence of the officer's approval of any such completions, omissions, insertions and changes. The County Attorney is hereby authorized to cause the Ground Lease, the Financing Lease, the Assignment Agreement and other documents as are necessary to be recorded in the Clerk's Office of the Circuit Court of Williamsburg/James City County.
- 3. Sale of Bonds. The County Board approves the following terms of the sale of the Bonds. The Bonds shall be sold by competitive bid in a principal amount to be determined by the County Administrator, in collaboration with the Financial Advisor, and subject to the limitations set forth in the March Resolution. The County Administrator shall also determine the interest rates and maturity schedules of the Bonds, the price to be paid for the Bonds and the redemption provisions of the Bonds, all subject to the limitations set forth in the March Resolution, as well as the dated date, the principal and interest payment dates and the Record Date of the Bonds, all as the County Administrator determines to be in the best interest of the County.

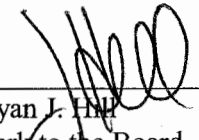
The County Administrator shall receive bids for the Bonds and award the Bonds to the bidder providing the lowest "true" or "Canadian" interest cost, subject to the limitations set forth in the March Resolution. Following the sale of the Bonds, the County Administrator shall file a certificate with the County Board setting forth the final terms of the Bonds. The actions of the County Administrator in selling the Bonds shall be conclusive, and no further action shall be necessary on the part of the County Board.

4. Notice of Sale. The County Administrator, in collaboration with the Financial Advisor, is authorized and directed to take all proper steps to advertise the Bonds for sale substantially in accordance with the form of Notice of Sale, which is hereby approved; provided that the County Administrator, in collaboration with the Financial Advisor, may make such changes in the Notice of Sale not inconsistent with this Resolution as he may consider to be in the best interest of the County.
5. Official Statement. The draft Preliminary Official Statement describing the Bonds, copies of which have been made available prior to this meeting, is hereby approved as the Preliminary Official Statement by which the Bonds will be offered for sale to the public; provided that the County Administrator, in collaboration with the Financial Advisor, may make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this Resolution as the County Administrator may consider to be in the best interest of the County. After the Bonds have been sold, the County Administrator, in collaboration with the Financial Advisor, shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this Resolution as are necessary or desirable to complete it as a final Official Statement. The County shall arrange for the delivery to the purchaser of the Bonds of a reasonable number of printed copies of the final Official Statement, within seven business days after the Bonds have been sold, for delivery to each potential investor requesting a copy of the Official Statement and to each person to whom the purchaser initially sells Bonds.
6. Official Statement Deemed Final. The County Administrator is authorized, on behalf of the County, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12 (the "Rule") of the SEC, except for the omission in the Preliminary Official Statement of certain pricing and other information permitted to be omitted pursuant to the Rule. The distribution of the Preliminary Official Statement and the execution and delivery of the Official Statement in final form shall be conclusive evidence that each has been deemed final as of its date by the County, except for the omission in the Preliminary Official Statement of such pricing and other information permitted to be omitted pursuant to the Rule.
7. Preparation and Delivery of Bonds. After the Bonds have been awarded, the officers of the County are authorized and directed to take all proper steps to have the Bonds prepared and executed in accordance with their terms and to deliver the Bonds to the purchaser thereof upon payment therefor.
8. Other Actions. All other acts of the County Administrator and other officers of the County that are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bonds are hereby approved and ratified.

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

  
Michael J. Hipple  
Chairman, Board of Supervisors

ATTEST:

  
Bryan J. Hipple  
Clerk to the Board

	VOTES		
	<u>AYE</u>	<u>NAY</u>	<u>ABSTAIN</u>
MCGLENNON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LARSON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ONIZUK	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SADLER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HIPPLE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Adopted by the Board of Supervisors of James City County, Virginia, this 12th day of April,  
2016.

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