

RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF

JAMES CITY COUNTY, VIRGINIA

WHEREAS, the Economic Development Authority of James City County, Virginia (the "Authority"), was created under and is authorized to exercise all the powers set forth in the Industrial Development and Revenue Bond Act, Title 15.2, Chapter 49, Code of Virginia, as amended (the "Act"), which include, among other things, (a) the power to make loans to, among others, a county in furtherance of the Act, (b) to finance or refinance facilities and lease facilities for use by, among others, a county, (c) to issue its revenue bonds, notes and other obligations from time to time for such purposes and (d) to pledge all or any part of its revenues and receipts derived from payments received by the Authority in connection with its loans or from the leasing by the Authority of such facilities or from any source, as security for the payment of principal of and interest on any such obligations; and

WHEREAS, the Board of Supervisors (the "County Board") of James City County, Virginia (the "County"), has expressed its desire 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 Board has expressed its desire to undertake the Project through a lease financing structure with the Williamsburg-James City County School Board (the "School Board"), and the Authority, pursuant to which (a) the County and the School Board would lease certain property (the "Property") to the Authority pursuant to the terms of a prime lease and (b) the Authority would lease such real property back to the County and the School Board pursuant to the terms of a financing lease; and

WHEREAS, the County Board has requested that the Authority (a) issue one or more series of lease revenue bonds or notes (collectively, the "Bonds"), (b) loan the proceeds of the Bonds to the County and the School Board pursuant to the terms of a financing lease to pay the costs of the Project and to pay related financing and issuance costs of the Bonds and (c) secure the repayment of the Bonds by a pledge of the rental payments to be made by the County pursuant to the terms of the financing lease.

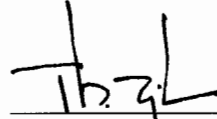
NOW, THEREFORE, BE IT RESOLVED by the Economic Development Authority of James City County, Virginia, that:

1. The following plan of lease financing is hereby approved: (a) the Authority shall issue the Bonds in a principal amount not to exceed \$26,750,000, (b) the County and the School Board will lease the Property to the Authority pursuant to the terms of a prime lease, with an expiration not later than December 31, 2042 (the "Prime Lease") and (c) the Authority will lease the Property back to the County and the School Board pursuant to the terms of a financing lease, with an expiration not later than December 31, 2037 (the "Financing Lease"). The County will undertake to make payments to the Authority of basic rent ("Basic Rent") and additional rent ("Additional Rent") under the terms of the Financing Lease in amounts sufficient to pay when due the principal of and premium (if any) and interest on the Bonds and to pay the fees and expenses of the

Authority. The obligation of the Authority to pay principal of and premium, if any, and interest on the Bonds will be limited to the payments of Basic Rent and Additional Rent received from the County. The undertaking by the County to make payments of Basic Rent and Additional Rent will be subject to appropriation from time to time by the County Board of sufficient amounts for such purposes. Upon an event of default or an event of non-appropriation by the County Board under the Financing Lease, the Authority shall have the right to exercise any remedies provided in the Financing Lease, including the right to terminate the Financing Lease and exclude the County and the School Board from possession of the Property for the remainder of the term of the Prime Lease. The Bonds will be secured in part by an assignment to the bondholders of the Authority's rights to receive payments of Basic Rent and certain Additional Rent. This plan of lease financing shall contain such additional requirements and provisions as the Chairman or Vice Chairman of the Authority, either of whom may act, may approve and determine, in collaboration with the County Administrator, to be in the best interests of the Authority and the County.


2. The Authority Board authorizes the Authority staff to proceed with the lease financing for the County, subject to the approval by the Authority Board at a subsequent meeting of the forms of the Prime Lease, Financing Lease and any other documents necessary to the financing.
3. The Bonds are to be designated "Lease Revenue Bonds (James City County School Projects), Series 2016," and shall be dated the date of their delivery. The Authority hereby authorizes the issuance of the Bonds in an aggregate principal amount not to exceed \$26,750,000, provided that the Bonds (a) shall mature in installments ending no later than December 31, 2037, (b) shall have a true interest cost not exceeding 5% (taking into account any original issue discount or premium), and (c) shall be sold to the bondholders at a price not less than 100% of the aggregate principal amount thereof (without taking into account any original issue discount or premium). The Chairman and Vice Chairman of the Authority, either of whom may act, are also authorized to approve, in collaboration with the County Administrator, (x) a lesser principal amount for the Bonds, (y) a maturity schedule, including serial maturities and term maturities for the Bonds and (z) redemption provisions of the Bonds, all as such officer shall determine to be in the best interests of the Authority and the County.
4. All costs and expenses in connection with the undertaking of the Project and the issuance of the Bonds, including the Authority's fees and expenses and the fees and expenses of bond counsel, counsel to the Authority, counsel to the School Board, the purchaser or underwriter(s) of the Bonds and their counsel, 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.
5. All other acts of the officers of the Authority that are in conformity with the purposes and intent of this resolution and in furtherance of the financing of the Project are hereby approved and ratified.
6. All resolutions or parts of resolutions in conflict herewith are repealed.
7. This resolution shall take effect immediately.

The undersigned hereby certifies that the above resolution was duly adopted by the Directors of the Economic Development Authority of James City County, Virginia, at a meeting duly called and held on March 10, 2016 and that such resolution is in full force and effect on the date hereof.



Thomas G. Tingle
Chairman, EDA

ATTEST:


Russell C. Seymour
Secretary to the EDA

| | VOTES | | |
|-------------|---------------|------------|----------------|
| | <u>AYE</u> | <u>NAY</u> | <u>ABSTAIN</u> |
| WARNER | <u>Absent</u> | ___ | ___ |
| CARSON | <u>✓</u> | ___ | ___ |
| <u>ODLE</u> | <u>Absent</u> | ___ | ___ |
| GERHARDT | <u>✓</u> | ___ | ___ |
| HARRIS | <u>✓</u> | ___ | ___ |
| MONTGOMERY | <u>Absent</u> | ___ | ___ |
| TINGLE | <u>✓</u> | ___ | ___ |

Adopted by the Economic Development Authority of James City County, Virginia, this
22nd day of March, 2016.

EDA-LeaseRev-res