

AT A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE JAMES CITY SERVICE AUTHORITY, JAMES CITY COUNTY, VIRGINIA, HELD ON THE THIRTEENTH DAY OF DECEMBER, NINETEEN HUNDRED EIGHTY-TWO AT 7:15 P.M. IN THE COUNTY GOVERNMENT CENTER BOARD ROOM, 101 MOUNTS BAY ROAD, JAMES CITY COUNTY, VIRGINIA.

A. ROLL CALL

Perry M. DePue, Chairman
 Thomas D. Mahone, Vice-Chairman
 Jack D. Edwards
 Abram Frink, Jr.
 Stewart U. Taylor

James B. Oliver, Jr., Secretary
 John E. McDonald, Treasurer
 Wayland N. Bass, Consulting Engineer
 Frank M. Morton, III, County Attorney

B. MINUTES - November 15, 1982

Mr. Mahone made a motion to approve the minutes of November 15, 1982. The motion passed by a unanimous voice vote.

C. BOARD CONSIDERATIONS

1. Drawdown of PA#4 Construction Account Funds

Mr. Wayland N. Bass, Consulting Engineer, presented this matter to the Board stating that radio monitoring and alarm system improvements are necessary at PA#4 sewage pumping stations and generator improvements at the Southall Quarter sewage pumping station. He recommended adoption of the resolution appropriating \$22,700.00 from Busch Construction Account to the Busch Sewer Operating Account.

After a brief discussion on the matter, Mr. Frink moved for the approval of the resolution. The motion passed by a unanimous voice vote.

RESOLUTION

APPROPRIATION OF PA #4 CONSTRUCTION ACCOUNT FUNDS

WHEREAS, radio monitoring and alarm system improvements are necessary at PA #4 sewage pumping stations; and

WHEREAS, generator improvements are necessary at the Southall Quarter sewage pumping station; and

WHEREAS, funds are available in the Busch Construction Account for Phase I of the Busch Properties Development, and

NOW, THEREFORE, BE IT RESOLVED that \$22,700 is hereby appropriated from Busch

0400 for the purpose of making said improvements and the consulting engineer is hereby authorized and directed to properly notify the Bond Trustees.

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2. Bond Closing for Mooretown-Forest Glen

Mr. John E. McDonald, Treasurer, presented this matter to the Board recommending adoption of bond documents relating to the financing for the Mooretown-Forest Glen water and sewer project.

Mr. Edwards moved for the approval of resolution. The motion passed by a unanimous voice vote.

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF A \$612,000 JAMES CITY SERVICE AUTHORITY WATER AND SEWER REVENUE BOND, SERIES OF 1983, TO EXTEND THE SYSTEM AUTHORIZED BY THE AUTHORITY'S INITIAL RESOLUTION ADOPTED JANUARY 8, 1979, AS AMENDED AND READOPTED ON AUGUST 11, 1980

WHEREAS, James City Service Authority (the Authority) is a public body politic and corporate of the Commonwealth of Virginia duly created pursuant to the Virginia Water and Sewer Authorities Act by the Board of Supervisors of James City County, Virginia; and

WHEREAS by a resolution adopted January 8, 1979, as amended and readopted on August 11, 1980 (the Initial Resolution), the Authority authorized the extension of its water and sewer system, and the issuance, sale and award of \$2,820,000 James City Service Authority Sewer Revenue Bonds in Series A and Series B (the Series A Bond and the Series B Bond collectively referred to hereinafter as the Initial Bonds); and

WHEREAS, the Authority is not in default in payment of the principal of or interest on the Initial Bonds, or in the performance of any of the covenants, conditions, agreements and provisions contained in the Initial Bonds or in the Initial Resolution; and

WHEREAS, within the limitations of and in compliance with Article IV of the Initial Resolution the Authority is authorized to issue additional bonds secured on a parity with the Initial Bonds to finance the cost of completing the System, as defined in the Initial Resolution, or the acquisition or construction of improvements, extensions, additions and replacements to the System; and

WHEREAS, it is necessary to issue a water and sewer revenue bond in the amount of \$612,000 (the Bond), the proceeds of which, together with other available funds, are estimated to be sufficient to pay the cost of the Project as hereinafter defined; and

WHEREAS, the United States of America, acting through the Farmers Home Administration (the Government), has offered to purchase the Bond upon certain terms and conditions as set forth in the letter attached hereto as Exhibit A, as supplemented by a letter from the Government dated December 9, 1982, attached hereto as Exhibit B, and bearing interest as set forth in FmHA Form 1940-1 attached hereto as Exhibit C, and the Authority, after mature consideration of the condition of the municipal bond market and other methods of selling its bonds, has determined to satisfy such terms and conditions and award the Bond to the Government:

BE IT RESOLVED BY JAMES CITY SERVICE AUTHORITY:

ARTICLE I

AUTHORIZATION OF PROJECT

Section 1.1. The Project: The Project, which shall be made a part of the System, consists of construction of improvements to the sewer system in the Forest Glen area of James City County and construction of a water distribution system for the Mooretown, Ewell and Forest Glen areas substantially as described in reports by the James City County Department of Public Works to the Farmers Home Administration dated July, 1980, January, 1981, and July, 1981.

Section 1.2. Cost of Project: The cost of the Project is estimated to be \$967,000, \$612,000 of which is to be financed through the issuance of the Bond.

ARTICLE II

AUTHORIZATION, FORM, EXECUTION, DELIVERY AND REGISTRATION OF ADDITIONAL BOND

Section 2.1. Authorization of the Bond: There is hereby authorized to be issued a water and sewer revenue bond of the Authority in the principal amount of \$612,000, to provide funds, together with other available funds, to finance the cost of the Project as an extension of the System. The Bond shall be designated "James City Service Authority Water and Sewer Revenue Bond, Series of 1983."

Section 2.2. Details of the Bond: The Bond shall be issued as a single fully registered bond without coupons in the denomination of \$612,000, shall be dated as of the date of delivery of the Bond to the Government upon payment therefor (the Closing Date), shall be numbered R-1, shall bear interest at the rate of 5% per year, and shall provide for payment of interest only on the first anniversary of the Closing Date and payment thereafter in installments of combined principal and interest of \$2,981 beginning thirteen full months following the Closing Date and continuing each month thereafter for a period of thirty-nine years, until paid. If not sooner paid, the final

installment shall be due and payable forty years from the Closing Date. The payment of every installment shall be applied first to interest accrued to the payment date and then to principal. In the event the Closing Date occurs on the 29th, 30th or 31st day of the month, the installment payment date shall be the 28th day of the month.

At the request of the Government, the Bond may be delivered as a fully registered bond in the alternative form substantially as set forth in Section 3.4 of the Initial Resolution providing for principal advances to be made from time to time by the Government in an aggregate principal amount not to exceed \$612,000. An authorized officer of the Government shall enter the amount and the date of each such principal advance in the certificate on the Bond when the proceeds of such advances are delivered to the Authority. Each such principal advance shall bear interest from the date of such advance so entered on the Bond.

Installments shall be payable in lawful money of the United States of America, but only from the revenues pledged to the payment thereof, as hereinafter provided. Installments shall be payable by check or draft mailed to the registered owner of the Bond at its address as it appears on the registration books, except that the final installment shall be payable upon presentation and surrender of the Bond at the office of the Registrar, as described in the Initial Resolution.

Section 2.3. Form and Execution of the Bond: The Bond shall be in substantially the form authorized by the Initial Resolution, as amended by this resolution, for the single fully registered bond, with such insertions, omissions and variations as may be necessary to conform to the provisions hereof and shall be signed by the Chairman of the Authority and countersigned by its Secretary and the Authority's seal shall be affixed thereto.

Section 2.4. Delivery of the Bond: The Chairman and the Secretary are hereby authorized and directed to have the Bond prepared and executed in accordance with its terms and to deliver it to the Government, as the purchaser thereof, upon payment therefor.

Section 2.5. Disbursement of Proceeds of the Bond: Simultaneously with the delivery of the Bond, the proceeds from the sale thereof shall be deposited in the Construction Fund established under the Initial Resolution and applied to the cost of the Project as provided in Section 10.6 of the Initial Resolution.

Section 2.6. Other Provisions Relating to Registration and Replacement of Bond: Reference is hereby made to Article III of the Initial Resolution for the provisions relating to registration of the Initial Bonds, which provisions shall apply to the Bond.

ARTICLE III

PREPAYMENT OF ADDITIONAL BOND

Section 3.1. Prepayment of the Bond: Installments of principal due on the Bond may be prepaid at the option of the Authority at any time as a whole or in part from time to time (but if in part, in inverse order of their maturities), without premium, from any balance remaining in the Construction Fund after completion of the Project, any proceeds derived from the Authority from the sale or other disposition of a portion of the Project, including the proceeds of insurance or condemnation and annexation awards, or any other source. Prepayments of installments of principal shall not affect the obligation of the Authority to pay the remaining installments payable as provided in Section 2.2. Notwithstanding the above, the Authority may at any time deliver moneys to the Government with instructions that such moneys be credited against future installments of principal and interest due on the Bond in chronological order, but any such advance payment shall not affect the amount of such installments or the interest accruing on the Bond.

Section 3.2. Other Provisions Pertaining to Prepayment: Reference is hereby made to Article III of the Initial Resolution for the provisions describing the manner of effecting prepayment, the effect of call for redemption and cancellation of the redeemed Initial Bonds, which provisions shall apply, insofar as applicable, to the Bond.

ARTICLE IV

SUPPLEMENTAL RESOLUTION

Section 4.1. Supplemental to Initial Resolution: This resolution is adopted and the Bond is authorized herein

pursuant to, within the limitations of and in compliance with the Initial Resolution and Article IV thereof. All covenants and provisions of the Initial Resolution shall apply with full force and effect to the Bond and to the holder thereof, except as otherwise provided herein. Certified copies of the Initial Resolution are on file at the office of the Authority in Williamsburg, Virginia.

Section 4.2. Additional Transfers to Reserve Fund: In addition to the transfer of \$1,428 from the Revenue Fund to the Reserve Fund required by Section 5.7 of the Initial Resolution, the Authority shall transfer an additional \$299, for a total of \$1,727 from the Revenue Fund to the Reserve Fund on the first day of each month. The \$171,252 which must be accumulated and maintained in the Reserve Fund pursuant to Section 5.7 of the Initial Resolution shall be increased by \$35,772 to \$207,024.

Section 4.3. Pledge of Revenues: All improvements, extensions, additions and replacements constituting the Project financed by the issuance of the Bond shall be a part of the System as defined in the Initial Resolution, and all revenues therefrom are hereby pledged to the equal benefit of the holders of the Initial Bonds and the Bond. In addition, there shall be pledged to the payment of the Bond all revenues to be derived from any water or sewer facilities currently owned and operated by the Authority and not previously made a part of the System; provided, however, that this additional pledge of revenues shall not include the revenues from the Long Hill Road-Route 60 West Project or Busch Properties Project excepted from the definition of the System in the Initial Resolution.

ARTICLE V

MISCELLANEOUS

Section 5.1. Contract with Bondholders: The provisions of this resolution and the Initial Resolution constitute a contract between the Authority and the bondholders for so long as any of the Bond and interest thereon are outstanding.

Section 5.2. Authority of Officers and Agents: The officers and agents of the Authority shall do all acts and things required of them by this resolution, the Initial Resolution, the Bond and the Act for the complete and punctual performance of all the terms, covenants and agreements contained therein.

Section 5.3. Successors and Assigns: All the covenants, stipulations, promises and agreements of the Authority contained in this resolution and the Initial Resolution shall bind and inure to the benefit of its successors and assigns, whether so expressed or not.

Section 5.4. Immunity of Officers: No recourse shall be had for the payment of principal of or interest on the Bond or for any claim based thereon, on this resolution or the Initial Resolution against any member or other officer of the Authority, James City County or the Commonwealth of Virginia.

Section 5.5. Notice: Any provision in this resolution or the Initial Resolution, for the giving, filing, mailing or delivery of notice or other papers shall be deemed fully complied with if and when such notice or other papers are sent by registered or certified mail, return receipt requested, to the Authority, addressed to James City Service Authority, Williamsburg, Virginia.

Section 5.6. Headings: Any headings in this resolution are solely for convenience of reference and shall not constitute a part of the resolution nor shall they affect its meaning, construction or effect.

Section 5.7. Conditions Precedent: Upon the issuance of the Bond all acts, conditions, and things required by the Constitution and statues of the Commonwealth of Virginia, the Initial Resolution or this resolution to happen, exist and to be performed precedent to or in the issuance of such bond shall have happened, exist and have been performed.

Section 5.8. Severability: If any court of competent jurisdiction shall hold any provision of this resolution to be invalid and unenforceable, such holding shall not affect any other provision hereof.

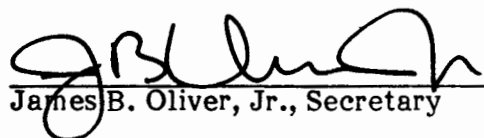
Section 5.9. Effective Date: This resolution shall take effect immediately. The Secretary of the Authority is hereby authorized and directed to file a certified copy of this resolution in the office of the Authority and in the office of the Government as owner of the Initial Bonds.

Section 5.10. Non-Arbitrage Certificate: The Chairman, Secretary, and such other officers as may be requested are hereby authorized to sign a certificate or certificates setting forth the expected use and investment of the proceeds of the Bonds or notes issued pursuant hereto in order to show that such expected use and investment will not violate the provisions of Section 103(c) of the Internal Revenue Code of 1954, as amended, and regulations issued pursuant thereto, applicable to "arbitrage bonds."

D. BOARD REQUESTS AND DIRECTIVES

Mr. Mahone made a motion to adjourn. The motion passed by a unanimous voice vote.

The meeting ADJOURNED at 7:25 P.M.


James B. Oliver, Jr., Secretary