

AT A SPECIAL MEETING OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF JAMES CITY, VIRGINIA, HELD ON APRIL 18, 2001, AT 4:00 P.M. IN THE BUILDING C CONFERENCE ROOM, 101 MOUNTS BAY ROAD, JAMES CITY COUNTY, VIRGINIA.

1. CALL TO ORDER

The meeting was called to order by Chairman Bartlett at 4:00 p.m.

2. ROLL CALL

A roll call by Secretary Taylor identified the following members present:

Mr. Gilbert Bartlett
Mr. John Berkenkamp
Mrs. Virginia Hartmann
Mr. Sterling Nichols
Mr. Mark Rinaldi

LATE ARRIVAL

Mr. Vincent Campana, Jr.

ALSO PRESENT

Keith A. Taylor, Secretary, IDA
Kelly See, Recording Secretary, IDA
Sandra Barner, Economic Development Project Coordinator
Leo Rogers, Assistant IDA General Counsel
William Brauer, Executive Vice President, Christopher Newport University
George Consolvo, CNUEF Bond Counsel, Kaufman & Canoles
Steve Johnson, James City County IDA Bond Counsel, Troutman Sanders Mays & Valentine

ABSENT

Mr. Jon Nystrom

3. PRESENTATION

a. Christopher Newport University Educational Foundation (CNUEF) Revenue Bond Financing Request

Mr. George Consolvo, Bond Counsel for CNUEF, gave a brief overview of the legal aspects of CNUEF's \$8,000,000 bond request. He then answered questions from the IDA Directors. Mr. William Brauer, Executive Vice President of Christopher Newport University, then gave a brief presentation about CNUEF's plans for using the requested revenue bond proceeds and answered questions from the Directors.

Mr. Steve Johnson, Bond Counsel for the IDA, stated that he had reviewed the application submitted by CNUEF and found everything to be in order.

4. PUBLIC HEARING

a. Proposed Revenue Bond Financing for CNUEF

Chairman Bartlett opened the public hearing concerning CNUEF's bond financing request. There being no member of the public appearing to speak, Chairman Bartlett then closed the public hearing.

5. ACTION ITEMS

a. Resolution Approving Issuance of Revenue Bonds for CNUEF

On a motion by Mr. Berkenkamp and a second by Mr. Nichols, the resolution approving issuance of revenue bonds for CNUEF was adopted by the following voice vote:

Mr. Bartlett	Aye
Mr. Berkenkamp	Aye
Mr. Campana	Abstain
Mrs. Hartmann	Aye
Mr. Nichols	Aye
Mr. Rinaldi	Aye

b. Resolution in Support of the King William Reservoir Project

Mr. Bartlett presented a resolution for the IDA's consideration in support of the proposed King William Reservoir Project. On a motion by Mr. Rinaldi and a second by Mr. Berkenkamp, the resolution in support of the King William Reservoir Project was passed by unanimous voice vote. Mr. Taylor agreed to forward the resolution to Colonel Carroll with the Army Corps of Engineers.

6. OTHER BUSINESS

Mr. Taylor reported the rezoning request which the IDA had supported was granted by the Board of Supervisors.

Mr. Bartlett stated that another issue may come before the Planning Commission that may be of interest to the IDA, the US Homes project across from the Pottery. He stated he was concerned about water usage rate of such a development and whether the IDA should take a position. Mr. Berkenkamp stated that he is concerned about the water usage as well. Discussion of the project followed. Mr. Campana suggested the IDA form a sub-committee to look into the long-term impact of water usage by large scale developments. Mr. Bartlett asked Mrs. Hartmann if she would serve as Chair of such a sub-committee and she stated she would. Mr. Bartlett asked Mr. Berkenkamp to serve on the committee also. Mr. Rogers mentioned that another project similar to the US Homes project was on the horizon, the Methodist Homes project at New Town.

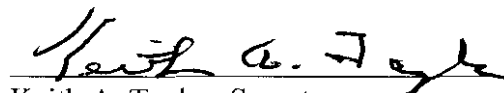
Mr. Taylor asked Mr. Bartlett to appoint a representative of the IDA to work with Staff to develop the proposed Fiscal Year 2002 Operating Budget for the IDA. Mr. Bartlett asked Mr. Berkenkamp if he would serve as that representative and he stated that he would.

Mr. Rinaldi stated that as they had discussed at the last IDA meeting, an interest in aquaculture in the county has been expressed from several sources. He asked Mr. Johnson if aquaculture would be eligible for Industrial Revenue Bond Financing. Mr. Johnson stated that in order to qualify for such financing, companies had to fall into one of several categories and that one of those categories was manufacturing. He further stated that it had been found that aquaculture, or fish farming, did not fall into the category of manufacturing and therefore would not be eligible for IRB financing.

7. ADJOURNMENT

There being no further business Chairman Bartlett entertained a motion from Mr. Berkenkamp to adjourn. The motion was seconded by Mr. Rinaldi and approved by unanimous voice vote. The meeting was adjourned at 4:43 p.m.


Gilbert A. Bartlett, Chairman


Keith A. Taylor, Secretary

RECORD OF PUBLIC HEARING WITH RESPECT TO ISSUANCE OF
INDUSTRIAL DEVELOPMENT REVENUE BONDS
FOR CHRISTOPHER NEWPORT UNIVERSITY EDUCATIONAL FOUNDATION, INC.

Public notice having been duly published in The Virginia Gazette on April 4, 2001, and April 11, 2001, at 4:00 p.m. on April 18, 2001, the Chairman of the Industrial Development Authority of the County of James City, Virginia, opened a public hearing with respect to the issuance of the up to \$8,000,000 of Industrial Development Revenue Bonds for Christopher Newport University Educational Foundation, Inc. No member of the public appeared to be heard. Mr. George Consolvo and Mr. Bill Brauer made brief presentations on behalf of the Foundation. The Chairman closed the public hearing at approximately 4:10 p.m.

Respectfully submitted,



/s/ Keith A. Taylor, Secretary of the
Industrial Development Authority of the
County of James City, Virginia

RESOLUTION OF
INDUSTRIAL DEVELOPMENT AUTHORITY OF THE
COUNTY OF JAMES CITY, VIRGINIA

WHEREAS, there has been described to the Industrial Development Authority of the County of James City, Virginia (the Authority), the plans of Christopher Newport University Educational Foundation, Inc. (the Foundation) for the issuance of the Authority's revenue bond (the Bond) in an amount not to exceed \$8,000,000; and

WHEREAS, the Foundation has elected to proceed with a plan of finance pursuant to which the Bond will be privately placed with Bank of America, N.A. (the Lender), for its own account and for investment purposes; and

WHEREAS, the Foundation in its appearance before the Authority has described the debt service cost savings relating to the issuance of the Bond as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the Code); and

WHEREAS, the Foundation in its appearance before the Authority and in its Application has described the educational and other benefits to the City of Newport News (the "City") and the County of James City (the "County") and has requested the Authority to agree to issue the Bond under the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the Act), to assist the Foundation in (i) the acquisition of properties, all of which will be owned by the Foundation and some of which will be leased by Christopher Newport University (the University), for student housing, parking and other University related facilities (the Project) (the Project consists of several parcels of real estate located on Warwick Boulevard, Jan Mar Drive and Sweetbrier Drive, all of such parcels being adjacent to or in the immediate vicinity of the University's campus which is located at 1 University Place, Newport News, Virginia 23606; specifically, these properties are located at 12304, 12346, 12352, 12366, 12372 and 12386 Warwick Boulevard, 39 Sweetbriar Drive, and 410, 411, 439, 437 and 441 Jan Mar Drive), (ii) the payment of the cost of issuing said Bonds and (iii) the payment of costs of furnishings and other costs associated with the development of the properties; and

WHEREAS, a public hearing has been held by the Authority as required by Virginia law and Section 147(f) of the Code on the date hereof;

WHEREAS, there have been presented to this meeting the forms of the following documents and instruments which the Authority proposes to execute to carry out the transactions described above:

(a) Bond Purchase and Financing Agreement (the Bond Purchase Agreement), dated as of April 1, 2001, among the Authority, the Foundation and the Lender, together with the Foundation's promissory note (the Note) payable to the Authority; and

(b) The Authority's Revenue Bond (Christopher Newport University Project) Series 2001 (the Bond), in registered form, and in the aggregate principal amount, payable and bearing interest as set forth therein.

BE IT RESOLVED BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF JAMES CITY, VIRGINIA:

1. It is hereby found and determined that the plan of finance described above will benefit the inhabitants of the County and the Commonwealth of Virginia and promote their safety, health, education and welfare.

2. To assist the Foundation in such plan of finance, the Authority hereby agrees to undertake the issuance of the Bond.

3. The Chairman or Vice Chairman of the Authority is hereby authorized and directed to execute and to deliver the Bond Purchase Agreement to the other parties thereto.

4. The Chairman or Vice Chairman of the Authority is hereby authorized and directed to execute, the Secretary or Assistant Secretary is authorized and directed to affix and attest the seal of the Authority, and either is authorized and directed to deliver the Bond to the Lender upon the terms provided in the Bond Purchase Agreement; provided, however, that delivery of the Bond shall not occur until the Bond has been approved by the Board of Supervisors of the County of James City, Virginia (the "Board"), and until the City Council of the City of Newport News, Virginia, by resolution (the Concurring Resolution) concurs with the adoption of this resolution in accordance with the Act. All terms of the Bond are by this reference thereto incorporated herein as a part of this resolution.

5. The Chairman or Vice Chairman of the Authority is hereby authorized and directed to execute and deliver to the Lender an assignment of the Note and of the rights of the Authority under the Bond Purchase Agreement (except for the reserved rights set forth therein).

6. The Bond Purchase Agreement, the Note and the Bond shall be in substantially the forms presented at this meeting which are hereby approved, with such completions, omissions, insertions and changes as may be approved by the Chairman or Vice Chairman of the Authority, his execution to constitute conclusive evidence of his approval of any such omissions, insertions and changes.

7. The officers of the Authority are hereby authorized and directed to execute and deliver all certificates and instruments, including Internal Revenue Service Form 8038, and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Bond and the undertaking of the plan of finance described herein.

8. The Authority hereby agrees to the recommendation of the Foundation that Kaufman & Canoles, P.C., Williamsburg, Virginia, be appointed as bond counsel and hereby appoints such firm to supervise the proceedings and approve the issuance of the Bond.

9. All costs and expenses in connection with the financing, including the fees and expenses of bond counsel, counsel for the Authority and counsel for the Lender, shall be paid from the proceeds of the Bond or from funds of the Foundation. If for any reason the Bond is not issued, it is understood that all such expenses shall be paid by the Foundation and that the Authority shall have no responsibility therefor.

10. In adopting this resolution the Authority intends to evidence "official intent" within the meaning of Treasury Regulations Section 1.150-2. The Authority, including its directors, officers, employees, agents and counsel, shall not be liable and hereby disclaims all liability to any person for any damages, direct or consequential, resulting from the Authority's failure to issue the Bond or for any other reason, and the Foundation shall agree to indemnify and hold harmless the Authority and its directors, officers, employees, agents and counsel from and against all liabilities, claims, penalties, losses, costs and expenses in any way connected with the Project or the issuance of the Bond.

11. The Authority hereby designates the Bond a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code for calendar year 2001.


12. The Authority's officers shall perform such other acts and adopt such further resolutions as may be required to implement its undertakings as hereinabove set forth.

13. The Authority hereby recommends that the Board approve the issuance of the Bond and hereby directs the Chairman or Vice Chairman to submit to the Board the statement in the form prescribed by Section 15.2-4907 of the Code of Virginia of 1950, as amended, to provide to the Board a reasonably detailed summary of the comments expressed at the public hearing required by Section 15.2-4906 of the Code of Virginia of 1950, as amended, a copy of this resolution and a copy of the Concurring Resolution.

14. This resolution shall take effect immediately upon its adoption but shall expire on the first anniversary of the date of adoption of this resolution if the Bond has not been issued by such first anniversary.

The undersigned hereby certifies that the above resolution was duly adopted by a majority of the directors of the Industrial Development Authority of the County of James City, Virginia, at a meeting duly called and held on April 18, 2001, and that such resolution is in full force and effect on the date hereof.

Dated: April 18, 2001


Secretary, Industrial Development Authority of the
County of James City, Virginia

#664051 v4



INDUSTRIAL DEVELOPMENT AUTHORITY OF JAMES CITY COUNTY

101 MOUNTS BAY ROAD, P.O. BOX 8784, WILLIAMSBURG, VIRGINIA 23187-8784
(757) 253-6607 FAX: (757) 253-6833

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF JAMES CITY IN SUPPORT OF THE KING WILLIAM RESERVOIR PROJECT

WHEREAS, the Industrial Development Authority of the County of James City supports and appreciates the diligent work of the Regional Raw Water Study Group, comprised of drinking water utility representatives of Newport News, Hampton, York County, James City County and Williamsburg; and

WHEREAS, the Industrial Development Authority of the County of James City recognizes that a regional water supply strategy to meet future needs has been developed which includes water conservation and other demand side management components, development of groundwater resources and the construction of a new water supply reservoir in King William County; and,

WHEREAS, the Industrial Development Authority of the County of James City supports all regional efforts to meet the long term water supply needs of the people of the Peninsula and James City County to ensure the continuance of economic vitality and excellent quality of life provided by our communities; and,

WHEREAS, the Industrial Development Authority of the County of James City recognizes the importance of wise use of the existing and future water supplies for our region to sustain the economic vitality and quality of life of the community; and,

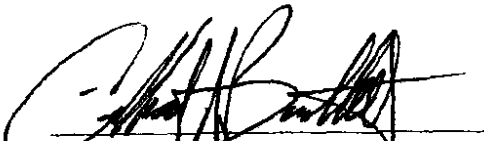
WHEREAS, the Industrial Development Authority of the County of James City recognizes that the proposed King William Reservoir is a project that will balance the provision for human drinking water needs while respecting the environment, the host communities, and historic and cultural resources,

NOW, THEREFORE, on motion made and unanimously adopted on April 18, 2001, by the Industrial Development Authority of the County of James City,

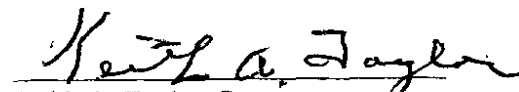
BE IT RESOLVED by the Directors of the Industrial Development Authority of the County of James City,

1. That the Industrial Development Authority of the County of James City supports the proposition that new sources of water need to be developed for the Peninsula.

2. That the Industrial Development Authority of the County of James City supports the efforts of the Regional Raw Water Study Group to secure the permits from the U.S. Army Corps of Engineers to construct the reservoir-river withdrawal project.
3. That with this resolution, the Industrial Development Authority of the County of James City urges the U.S. Army Corps of Engineers to issue a construction permit for development of the King William Reservoir project, without further delay, to ensure the greatest interest of the public is served.



Gilbert A. Bartlett, Chairman



Keith A. Taylor, Secretary

Date: April 18, 2001