

RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF ALBEMARLE COUNTY, VIRGINIA, APPROVING A PLAN TO REFUND CERTAIN PRIOR BONDS THROUGH THE ISSUANCE OF A SERIES OF REVENUE REFUNDING BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$21,500,000

WHEREAS, the Economic Development Authority of Albemarle County, Virginia (formerly the Industrial Development Authority of Albemarle County, Virginia) (the “Authority”), pursuant to the Industrial Development and Revenue Bond Act (the “Act”), under which it was created, is authorized to exercise all the powers set forth in the Act, which include, among other things, the power to make loans to, among others, a county in furtherance of the purposes of the Act, to finance or refinance facilities for use by, among others, a county, to issue its revenue bonds, notes and other obligations from time to time for such purposes and 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 any source, as security for the payment of principal of and premium, if any, and interest on any such obligations;

WHEREAS, the County Executive of the County of Albemarle, Virginia (the “County”), working with the County’s Department of Finance and Budget and Davenport & Company LLC, as the County’s financial advisor (the “Financial Advisor”), has identified a potential opportunity for the County to realize debt service savings by refunding all or a portion of the Authority’s outstanding Public Facility Revenue Bonds (Albemarle County Project), Series 2013 (the “2013 Bonds”), the original proceeds of which were loaned to the County to finance and refinance various public facility projects for the benefit of the County;

WHEREAS, pending concurrence by the Board of Supervisors of the County (the “County Board”), the Authority desires to issue a series of Public Facility Revenue Refunding Bonds (Albemarle County Projects) (the “Bonds”) and use the proceeds thereof to (a) refund all or a portion of the outstanding 2013 Bonds (such refunded portion, the “Refunded Bonds”), (b) fund as desired a reserve fund for the Bonds and (c) pay the related costs of issuance and refunding;

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

WHEREAS, the County administration has recommended that Hunton Andrews Kurth LLP (formerly Hunton & Williams LLP), Richmond, Virginia, be approved as bond counsel;

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

- (a) a form of Supplemental Agreement of Trust, supplementing the Agreement of Trust dated as of March 1, 2003, as previously supplemented (collectively, the “Trust Agreement”), all between the Authority and U.S. Bank Trust Company, National Association, as successor trustee (the “Trustee”), pursuant to which the Bonds are to be issued and which is to be acknowledged and consented to by the County;

(b) a form of the Bonds (attached as Exhibit A to the form of the Supplemental Agreement of Trust);

(c) a form of Supplemental Financing Agreement (the “Supplemental Financing Agreement”), supplementing a Financing Agreement dated as of March 1, 2003, as previously supplemented (collectively, the “Financing Agreement”), all 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

(d) a form of Preliminary Official Statement relating to the public offering of the Bonds (the “Preliminary Official Statement”);

NOW, THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF ALBEMARLE COUNTY, VIRGINIA:

1. The Authority hereby finds that the refunding of the Refunded Bonds will be in the best interests of the County and its citizens. The Authority hereby approves the following financing plan to accomplish such purpose. The Authority will issue the Bonds and use the proceeds thereof to (a) refund the Refunded Bonds, (b) fund as desired a reserve fund for the Bonds, and (c) pay the related costs of issuance and refunding. Pursuant to the provisions of the Financing Agreement, the County will undertake to make certain Basic Payments and Additional Payments (each as defined in the Financing Agreement) to the Authority in amounts sufficient to amortize the Bonds, to pay the fees or expenses of the Authority and the Trustee and to pay certain other related costs. The obligation of the Authority to pay principal of and premium, if any, and interest on the Bonds will be limited to the Basic Payments and Additional Payments received from the County. The Bonds will be secured by an assignment of the Basic Payments and certain Additional Payments due under the Financing Agreement, all for the benefit of the holders of the Bonds. The undertaking by the County to make Basic Payments and Additional Payments will be subject to the appropriation by the County Board from time to time of sufficient amounts for such purposes. The plan to issue the Bonds and refund the Refunded Bonds shall contain such additional requirements and provisions as may be approved by the County Executive (the “County Executive,” which term as used herein shall also include any Deputy County Executive) and the Chair or Vice-Chair of the Authority. Notwithstanding anything in this Resolution to the contrary, no Bonds shall be issued unless and until the Chair or Vice-Chair of the Authority has received evidence that the County Board has approved a resolution concurring in the issuance by the Authority of the Bonds substantially in accordance with the provisions of this Resolution.

2. Subject to Section 3 below, the Authority hereby authorizes a series of Bonds to be issued pursuant to the provisions of the Trust Agreement; provided that (a) the aggregate principal amount of the Bonds shall not exceed \$21,500,000, (b) the “true” or “Canadian” interest cost of the Bonds shall not exceed 3.50% (taking into account any original issue discount or premium), (c) the Bonds shall mature or be subject to mandatory sinking fund redemption in installments ending not later than December 31, 2033, (d) the Bonds shall be sold to the purchaser(s) thereof at a price not less than 98% of the aggregate principal amount thereof (without taking into account any original issue discount or premium), and (e) the Bonds shall be subject to optional redemption,

if at all, at a redemption price not to exceed 102% of their principal amount. The Chair and Vice-Chair of the Authority, either of whom may act, are also hereby authorized to approve, in collaboration with the County Executive, the timing for the issuance of the Bonds, the aggregate principal amount of the Bonds (subject to the limit set forth in clause (a) above), the maturity schedule (including serial maturities and term maturities for the Bonds) and the redemption provisions, all as such officers shall determine to be in the best interests of the Authority and the County.

3. The Authority hereby approves the following terms of sale for the Bonds:

(a) The Bonds shall be sold through a competitive sale or a negotiated sale, as requested by the County Executive.

(b) If the County Executive determines that the Bonds shall be sold by competitive sale, the County Executive is hereby authorized, on behalf of the Authority, to 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 Section 2. Following a competitive sale, the Chair or Vice-Chair of the Authority shall, in collaboration with the County Executive, file a certificate with the Authority and the County Board setting forth the final terms of the Bonds. The actions of the Chair or Vice-Chair of the Authority, in collaboration with the County Executive, in selling the Bonds by competitive sale shall be conclusive, and no further action with respect to the sale and issuance of the Bonds shall be necessary on the part of the Authority.

(c) If the Bonds are sold by competitive sale, the County Executive is hereby authorized and directed, on behalf of the Authority and in collaboration the Financial Advisor, to take all proper steps to advertise the Bonds for sale pursuant to the terms of a Notice of Sale, the form of which shall be prepared by the Financial Advisor and the County’s bond counsel and approved by the County Executive.

(d) If the County Executive determines that the Bonds shall be sold by negotiated sale, the County Executive is hereby authorized and directed, on behalf of the Authority and in collaboration with the Financial Advisor, to choose one or more investment banks or firms to serve as underwriter(s) for the Bonds and to negotiate and finalize the terms of such sale pursuant to a bond purchase agreement (the “Bond Purchase Agreement”). The Chair and Vice-Chair of the Authority, either of whom may act, are hereby authorized to execute and deliver the Bond Purchase Agreement in such form as is consistent with the terms of this Resolution and approved by the officer executing such instrument. Such officer’s execution and delivery of the Bond Purchase Agreement shall constitute conclusive evidence of such officer’s approval of the final form of such instrument. Following a negotiated sale, the Chair or Vice-Chair of the Authority shall file a copy of the Bond Purchase Agreement with the records of the Authority. No further action with respect to the sale and issuance of the Bonds shall be necessary on the part of the Authority.

4. The Chair and Vice-Chair of the Authority, either of whom may act, are hereby authorized and directed to execute the Documents (excluding the Preliminary Official Statement and the Notice of Sale), which shall be in substantially the forms circulated prior to this meeting, which forms are hereby approved, with such completions, omissions, insertions and changes not

inconsistent with this Resolution as may be approved by the officer executing them. Such officer's execution of the Documents shall constitute conclusive evidence of such officer's approval of any such completions, omissions, insertions and changes.

5. The Authority hereby authorizes the distribution of a Preliminary Official Statement to prospective purchasers of the Bonds in a form deemed "final" (within the meaning of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule")) as of its date, except for the omission of certain pricing and other information permitted to be omitted pursuant to the Rule and with such completions, omissions, insertions and changes as may be approved by the Chair or Vice-Chair of the Authority, in collaboration with the County and the Financial Advisor. Such distribution shall constitute conclusive evidence of the approval of such officer as to any such completions, omissions, inserts and changes and that the Authority has deemed such Preliminary Official Statement to be "final" (within the meaning of the Rule) as of its date.

6. The Chair and Vice-Chair of the Authority, either of whom may act, are hereby authorized and directed to approve such completions, omissions, insertions and other changes to each Preliminary Official Statement as may be necessary to reflect the terms of sale of the Bonds and the details thereof and as are appropriate to complete it as an official statement in final form (the "Official Statement") and to execute and deliver the Official Statement when the same has been approved by the County. The County Executive is hereby authorized, on behalf of the Authority, to distribute the Official Statement to the purchaser(s) of the Bonds. Execution and distribution of each Official Statement by the Chair or Vice-Chair shall constitute conclusive evidence of such officer's approval of any such completions, omissions, insertions and changes and that the Authority has deemed such Official Statement to be "final" (within the meaning of the Rule) as of its date.

7. The Chair and Vice-Chair of the Authority, either of whom may act, are hereby authorized and directed to execute the Bonds by manual or facsimile signature, the Secretary-Treasurer and Assistant Secretary-Treasurer of the Authority is hereby authorized and directed to affix the seal of the Authority to or print a facsimile thereof on the Bonds and to attest the same by manual or facsimile signature, and the officers of the Authority are hereby authorized and directed to deliver the Bonds to the Trustee for authentication and delivery to the purchaser(s) thereof upon payment therefor.

8. All costs and expenses in connection with the issuance of the Bonds and the refunding of the Refunded Bonds, including the Authority's fees and expenses and the related fees and expenses of bond counsel, counsel for the Authority, and the Financial Advisor, 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 fees and expenses incurred in connection with the Bonds shall be paid by the County from its legally available funds and that the Authority shall have no responsibility therefor.

9. At the request of the County and subject to the direction of the County Executive, the Authority hereby authorizes the redemption of the Refunded Bonds and authorizes and directs the officers of the County and the Authority to take all proper steps to call the Refunded Bonds for redemption and to prepare and deliver any such notices and correspondences necessary therefor.

10. The officers of the Authority are hereby authorized and directed to execute, deliver and file all certificates and documents and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Bonds and the refunding of the Refunded Bonds, including without limitation (a) executing and delivering a certificate setting forth the expected use and investment of the proceeds of the Bonds to show that such expected use and investment will not violate the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations thereunder, applicable to “arbitrage bonds,” (b) making any elections, at the request of the County, that such officers deem desirable regarding any provision requiring rebate to the United States of “arbitrage profits” earned on investment of proceeds of the Bonds, (c) providing for the County to pay any such rebate amount and (d) filing, as applicable, an Internal Revenue Service Form 8038-G. The foregoing shall be subject to the advice, approval and direction of bond counsel.

11. The Authority consents to the recommendation by the County that Hunton Andrews Kurth LLP serve as bond counsel for the issuance and sale of the Bonds.

12. Any authorization herein to execute a document shall include authorization to deliver it to the other parties thereto and, if applicable, to record such document where appropriate.

13. 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 issuance and sale of the Bonds and the refunding of the Refunded Bonds are hereby approved and ratified.

14. This Resolution shall take effect immediately.