

**RESOLUTION AUTHORIZING THE ISSUANCE OF  
GENERAL OBLIGATION SCHOOL BONDS, SERIES 2008A,  
OF THE COUNTY OF ALBEMARLE, VIRGINIA,  
IN A PRINCIPAL AMOUNT NOT TO EXCEED \$30,765,000  
TO BE SOLD TO THE VIRGINIA PUBLIC SCHOOL AUTHORITY  
AND PROVIDING FOR THE FORM AND DETAILS THEREOF**

**WHEREAS**, the School Board (the “School Board”) of the County of Albemarle, Virginia (the “County”), has, by resolution adopted on August 14, 2008, requested the Board of Supervisors (the “Board”) to authorize the issuance of the Bonds (as hereinafter defined) and consented to the issuance of the Bonds; and

**WHEREAS**, the Board has determined that it is necessary and expedient to borrow an amount not to exceed \$30,765,000 and to issue its general obligation school bonds for the purpose of financing certain capital projects for school purposes; and

**WHEREAS**, the County held a public hearing, duly noticed, on September 3, 2008, on the issuance of the Bonds in accordance with the requirements of Section 15.2-2606, Code of Virginia 1950, as amended (the “Virginia Code”); and

**WHEREAS**, the Bond Sale Agreement (as hereinafter defined) shall indicate that \$30,765,000 is the amount of proceeds requested (the “Proceeds Requested”) from the Virginia Public School Authority (the “VPSA”) in connection with the sale of the Bonds; and

**WHEREAS**, VPSA’s objective is to pay the County a purchase price for the Bonds which, in VPSA’s judgment, reflects the Bonds’ market value (the “VPSA Purchase Price Objective”), taking into consideration such factors as the amortization schedule the County has requested for the Bonds relative to the amortization schedules requested by other localities, the purchase price to be received by VPSA for its bonds and other market conditions relating to the sale of VPSA’s bonds; and

**WHEREAS**, such factors may result in the Bonds having a purchase price other than par and consequently (i) the County may have to issue a principal amount of Bonds that is less than the Proceeds Requested in order to receive an amount of proceeds that is substantially equal to the Proceeds Requested, or (ii) if the maximum authorized principal amount of the Bonds set forth in Section 1 below does not exceed the Proceeds Requested by at least the amount of any discount, the purchase price to be paid to the County, given the VPSA Purchase Price Objective and market conditions, will be less than the Proceeds Requested.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF ALBEMARLE, VIRGINIA:**

**1. Authorization of Bonds and Use of Proceeds.** The Board hereby determines that it is advisable to contract a debt and issue and sell its general obligation school bonds in an aggregate principal amount not to exceed \$30,765,000 (the “Bonds”) for the purpose of financing certain

capital projects for school purposes, including without limitation, the projects as described in Exhibit B. The Board hereby authorizes the issuance and sale of the Bonds in the form and upon the terms established pursuant to this Resolution.

**2. Sale of the Bonds.** It is determined to be in the best interest of the County to accept the offer of VPSA to purchase from the County, and to sell to VPSA, the Bonds at a price, determined by VPSA to be fair and accepted by the Chairman of the Board and the County Executive, either of whom may act [that is substantially equal to the Proceeds Requested, except that the Bonds may be sold for a purchase price not lower than 95% of the Proceeds Requested if issuing the Bonds in the maximum principal amount authorized by Section 1 of this Resolution is insufficient, given the VPSA Purchase Price Objective and market conditions, to generate an amount of proceeds substantially equal to the Proceeds Requested]. The Chairman of the Board and the County Executive, either of whom may act and such other officer or officers of the County as either may designate, any of whom may act, are hereby authorized and directed to enter into a Bond Sale Agreement dated as of October 10, 2008 (the “Bond Sale Agreement”), with VPSA providing for the sale of the Bonds to VPSA. The Bond Sale Agreement shall be in substantially the form submitted to the Board at this meeting, which form is hereby approved with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the officer executing the Bond Sale Agreement, his execution to constitute conclusive evidence of his approval of any such completions, omissions, insertions and changes.

**3. Details of the Bonds.** The Bonds shall be issued in fully registered form, dated the date of issuance and delivery of the Bonds; shall be designated “General Obligation School Bonds, Series 2008A”; shall bear interest from the date of delivery thereof payable semi-annually on each January 15 and July 15 beginning July 15, 2009 (each an “Interest Payment Date”), at the rates established in accordance with Section 4 of this Resolution; and shall mature on July 15 in the years (each a “Principal Payment Date”) and in the amounts set forth on Schedule I attached hereto (the “Principal Installments”), subject to the provisions of Section 4 of this Resolution.

**4. Interest Rates and Principal Installments.** The County Executive is hereby authorized and directed to accept the interest rates on the Bonds established by VPSA, provided that each interest rate shall be ten one-hundredths of one percent (0.10%) over the interest rate to be paid by VPSA for the corresponding principal payment date of the bonds to be issued by VPSA (the “VPSA Bonds”), a portion of the proceeds of which will be used to purchase the Bonds, and provided further that the true interest cost of the Bonds does not exceed five and fifty one-hundredths percent (5.50 %) per annum. The Interest Payment Dates and the Principal Installments are subject to change at the request of VPSA. The County Executive is hereby authorized and directed to accept changes in the Interest Payment Dates and the Principal Installments at the request of VPSA, provided that the aggregate principal amount of the Bonds shall not exceed the amount authorized by this Resolution and provided further that the final maturity of the Bonds occurs no later than December 31, 2028. The execution and delivery of the Bonds as described in Section 8 hereof shall conclusively evidence such interest rates established by VPSA and Interest Payment Dates and the Principal Installments requested by VPSA as having been so accepted by the County Executive as authorized by this Resolution.

5. **Form of the Bonds.** The Bonds shall be initially in the form of a single, temporary typewritten bond substantially in the form attached hereto as Exhibit A.

6. **Payment; Paying Agent and Bond Registrar.** The following provisions shall apply to the Bonds:

(a) For as long as VPSA is the registered owner of the Bonds, all payments of principal, premium, if any, and interest on the Bonds shall be made in immediately available funds to VPSA at, or before 11:00 a.m. on the applicable Interest Payment Date, Principal Payment Date or date fixed for prepayment or redemption, or if such date is not a business day for Virginia banks or for the Commonwealth of Virginia, then at or before 11:00 a.m. on the business day next succeeding such Interest Payment Date, Principal Payment Date or date fixed for prepayment or redemption.

(b) All overdue payments of principal and, to the extent permitted by law, interest shall bear interest at the applicable interest rate or rates on the Bonds.

(c) U.S. Bank National Association, Richmond, Virginia, is designated as bond registrar and paying agent for the Bonds (the "Bond Registrar"). The County may, in its sole discretion, replace at any time the Bond Registrar with another qualified bank or trust company as successor Bond Registrar.

7. **Prepayment or Redemption.** The Principal Installments of the Bonds held by VPSA coming due on or before July 15, 2018, and the definitive Bonds for which the Bonds held by VPSA may be exchanged that mature on or before July 15, 2018, are not subject to prepayment or redemption prior to their stated maturities. The Principal Installments of the Bonds held by VPSA coming due after July 15, 2018, and the definitive bonds for which the Bonds held by VPSA may be exchanged that mature after July 15, 2018, are subject to prepayment or redemption at the option of the County prior to their stated maturities in whole or in part, on any date on or after July 15, 2018, upon payment of the prepayment or redemption prices (expressed as percentages of Principal Installments to be prepaid or the principal amount of the Bonds to be redeemed) set forth below plus accrued interest to the date set for prepayment or redemption:

<u>Dates</u>	<u>Prices</u>
July 15, 2018, through July 14, 2019	101%
July 15, 2019, through July 14, 2020	100½
July 15, 2020, and thereafter	100

Provided, however, that the Bonds shall not be subject to prepayment or redemption prior to their stated maturities as described above without first obtaining the written consent of VPSA or the registered owner of the Bonds. Notice of any such prepayment or redemption shall be given by the Bond Registrar to the registered owner by registered mail not more than ninety (90) and not less than sixty (60) days before the date fixed for prepayment or redemption.

8. **Execution of the Bonds.** The Chairman or Vice Chairman of the Board, either of whom may act, and the Clerk of the Board or any Deputy Clerk, either of whom may act, are

authorized and directed to execute and deliver the Bonds and to affix the seal of the County thereto.

**9. Pledge of Full Faith and Credit.** For the prompt payment of the principal of and premium, if any, and the interest on the Bonds as the same shall become due, the full faith and credit of the County are hereby irrevocably pledged, and in each year while any of the Bonds shall be outstanding there shall be levied and collected in accordance with law an annual ad valorem tax upon all taxable property in the County subject to local taxation sufficient in amount to provide for the payment of the principal of and premium, if any, and the interest on the Bonds as such principal, premium, if any, and interest shall become due, which tax shall be without limitation as to rate or amount and in addition to all other taxes authorized to be levied in the County to the extent other funds of the County are not lawfully available and appropriated for such purpose.

**10. Use of Proceeds Certificate and Certificate as to Arbitrage.** The Chairman of the Board, the County Executive and such other officer or officers of the County as either may designate, any of whom may act, are hereby authorized and directed to execute a Certificate as to Arbitrage and a Use of Proceeds Certificate each setting forth the expected use and investment of the proceeds of the Bonds and containing such covenants as may be necessary in order to show compliance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable regulations relating to the exclusion from gross income of interest on the Bonds and on the VPSA Bonds. The Board covenants on behalf of the County that (i) the proceeds from the issuance and sale of the Bonds will be invested and expended as set forth in such Certificate as to Arbitrage and such Use of Proceeds Certificate and that the County shall comply with the other covenants and representations contained therein and (ii) the County shall comply with the provisions of the Code so that interest on the Bonds and on the VPSA Bonds will remain excludable from gross income for Federal income tax purposes.

**11. State Non-Arbitrage Program; Proceeds Agreement.** The Board hereby determines that it is in the best interests of the County to authorize and direct the Director of Finance to participate in the State Non-Arbitrage Program in connection with the Bonds. The Chairman of the Board, the County Executive and such officer or officers of the County as either may designate, any of whom may act, are hereby authorized and directed to execute and deliver a Proceeds Agreement with respect to the deposit and investment of proceeds of the Bonds by and among the County, the other participants in the sale of the VPSA Bonds, VPSA, the investment manager and the depository, substantially in the form submitted to the Board at this meeting, which form is hereby approved, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the officer executing such Proceeds Agreement, his execution to constitute conclusive evidence of his approval of any such completions, omissions, insertions and changes.

**12. Continuing Disclosure Agreement.** The Chairman of the Board, the County Executive and such other officer or officers of the County as either may designate, any of whom may act, are hereby authorized and directed to execute a Continuing Disclosure Agreement, substantially in the form attached as Appendix F to the Bond Sale Agreement, setting forth the reports and notices to be filed by the County and containing such covenants as may be necessary in order to show compliance with the provisions of the Securities and Exchange Commission Rule 15c2-12, under the Securities Exchange Act of 1934, as amended, and directed to make all filings

required by Section 3 of the Bond Sale Agreement should the County be determined by VPSA to be a MOP (as defined in the Continuing Disclosure Agreement).

**13. Filing of Resolution.** The appropriate officers or agents of the County are hereby authorized and directed to cause a certified copy of this Resolution to be filed with the Circuit Court of the County.

**14. Further Actions.** The members of the Board and all officers, employees and agents of the County are hereby authorized to take such action as they or any one of them may consider necessary or desirable in connection with the issuance and sale of the Bonds and any such action previously taken is hereby ratified and confirmed.

**15. Effective Date.** This Resolution shall take effect immediately.

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The undersigned Clerk of the Board of Supervisors of the County of Albemarle, Virginia, hereby certifies that the foregoing constitutes a true and correct extract from the minutes of a meeting of the Board of Supervisors held on September 3, 2008, and of the whole thereof so far as applicable to the matters referred to in such extract. I hereby further certify that such meeting was a regularly scheduled meeting and that, during the consideration of the foregoing resolution, a quorum was present. Members present at the meeting were: \_\_\_\_\_. Members absent from the meeting were: \_\_\_\_\_. Members voting in favor of the foregoing resolution were: \_\_\_\_\_. Members voting against the foregoing resolution were: \_\_\_\_\_. Members abstaining from voting on the foregoing resolution were: \_\_\_\_\_.

**WITNESS MY HAND** and the seal of the Board of Supervisors of the County of Albemarle, Virginia, this \_\_\_ day of September, 2008.

\_\_\_\_\_  
Clerk, Board of Supervisors of the County  
of Albemarle, Virginia

[SEAL]

EXHIBIT A  
(FORM OF TEMPORARY BOND)

NO. TR-1

\$ \_\_\_\_\_

**UNITED STATES OF AMERICA**  
**COMMONWEALTH OF VIRGINIA**  
**COUNTY OF ALBEMARLE**  
**General Obligation School Bond**  
**Series 2008A**

The **COUNTY OF ALBEMARLE, VIRGINIA** (the “County”), for value received, hereby acknowledges itself indebted and promises to pay to the **VIRGINIA PUBLIC SCHOOL AUTHORITY** the principal amount of \_\_\_\_\_ DOLLARS (\$\_\_\_\_\_), in annual installments in the amounts set forth on Schedule I attached hereto payable on July 15, 2009, and annually on July 15 thereafter to and including July 15, 20\_\_ (each a “Principal Payment Date”), together with interest from the date of this Bond on the unpaid installments, payable semi-annually on January 15 and July 15 of each year, commencing on July 15, 2009 (each an “Interest Payment Date”; together with any Principal Payment Date, a “Payment Date”), at the rates per annum set forth on Schedule I attached hereto, subject to prepayment or redemption as hereinafter provided. Both principal of and interest on this Bond are payable in lawful money of the United States of America.

For as long as the Virginia Public School Authority is the registered owner of this Bond, U.S. Bank National Association, Richmond, Virginia, or any successor entity appointed by the County, as bond registrar and paying agent (the “Bond Registrar”), shall make all payments of principal of and premium, if any, and interest on this Bond, without the presentation or surrender

hereof, to the Virginia Public School Authority, in immediately available funds at or before 11:00 a.m. on the applicable Payment Date or date fixed for prepayment or redemption. If a Payment Date or date fixed for prepayment or redemption is not a business day for banks in the Commonwealth of Virginia or for the Commonwealth of Virginia, then the payment of principal of or premium, if any, or interest on this Bond shall be made in immediately available funds at or before 11:00 a.m. on the business day next succeeding the scheduled Payment Date or date fixed for prepayment or redemption. Upon receipt by the registered owner of this Bond of said payments of principal, premium, if any, and interest, written acknowledgment of the receipt thereof shall be given promptly to the Bond Registrar, and the County shall be fully discharged of its obligation on this Bond to the extent of the payment so made. Upon final payment, this Bond shall be surrendered to the Bond Registrar for cancellation.

The full faith and credit of the County are irrevocably pledged for the payment of the principal of and the premium, if any, and interest on this Bond. The resolution adopted by the County Board of Supervisors authorizing the issuance of the Bonds provides, and Section 15.2-2624, Code of Virginia 1950, as amended, requires, that there shall be levied and collected an annual tax upon all taxable property in the County subject to local taxation sufficient to provide for the payment of the principal of and premium, if any, and interest on this Bond as the same shall become due which tax shall be without limitation as to rate or amount and shall be in addition to all other taxes authorized to be levied in the County to the extent other funds of the County are not lawfully available and appropriated for such purpose.

This Bond is duly authorized and issued in compliance with and pursuant to the Constitution and laws of the Commonwealth of Virginia, including the Public Finance Act of 1991, Chapter 26, Title 15.2, Code of Virginia 1950, as amended, and resolutions duly adopted by the County Board

of Supervisors and the School Board of the County to provide funds for capital projects for school purposes.

This Bond may be exchanged without cost, on twenty (20) days written notice from the Virginia Public School Authority, at the office of the Bond Registrar on one or more occasions for one or more temporary bonds or definitive bonds in marketable form and, in any case, in fully registered form, in denominations of \$5,000 and whole multiples thereof, and having an equal aggregate principal amount, having principal installments or maturities and bearing interest at rates corresponding to the maturities of and the interest rates on the installments of principal of this Bond then unpaid. This Bond is registered in the name of the Virginia Public School Authority on the books of the County kept by the Bond Registrar, and the transfer of this Bond may be effected by the registered owner of this Bond only upon due execution of an assignment by such registered owner. Upon receipt of such assignment and the surrender of this Bond, the Bond Registrar shall exchange this Bond for definitive Bonds as hereinabove provided, such definitive Bonds to be registered on such registration books in the name of the assignee or assignees named in such assignment.

The principal installments of this Bond coming due on or before July 15, 2018, and the definitive Bonds for which this Bond may be exchanged that mature on or before July 15, 2018, are not subject to prepayment or redemption prior to their stated maturities. The principal installments of this Bond coming due after July 15, 2018, and the definitive Bonds for which this Bond may be exchanged that mature after July 15, 2018, are subject to prepayment or redemption at the option of the County prior to their stated maturities in whole or in part, on any date on or after July 15, 2018, upon payment of the prepayment or redemption prices (expressed as percentages of principal installments to be prepaid or the principal amount of the Bonds to be redeemed) set forth below plus accrued interest to the date set for prepayment or redemption:

<u>Dates</u>	<u>Prices</u>
July 15, 2018, through July 14, 2019	101%
July 15, 2019, through July 14, 2020	100½
July 15, 2020, and thereafter	100

Provided, however, that the Bonds shall not be subject to prepayment or redemption prior to their stated maturities as described above without the prior written consent of the registered owner of the Bonds. Notice of any such prepayment or redemption shall be given by the Bond Registrar to the registered owner by registered mail not more than ninety (90) and not less than sixty (60) days before the date fixed for prepayment or redemption.

All acts, conditions and things required by the Constitution and laws of the Commonwealth of Virginia to happen, exist or be performed precedent to and in the issuance of this Bond have happened, exist and have been performed in due time, form and manner as so required, and this Bond, together with all other indebtedness of the County, is within every debt and other limit prescribed by the Constitution and laws of the Commonwealth of Virginia.

**IN WITNESS WHEREOF,** the Board of Supervisors of the County of Albemarle has caused this Bond to be issued in the name of the County of Albemarle, Virginia, to be signed by its Chairman or Vice-Chairman, its seal to be affixed hereto and attested by the signature of its Clerk of the Board or any of its Deputy Clerks, and this Bond to be dated [November 20], 2008.

**COUNTY OF ALBEMARLE, VIRGINIA**

(SEAL)

ATTEST:

\_\_\_\_\_  
Clerk, Board of Supervisors of the  
County of Albemarle, Virginia

\_\_\_\_\_  
Chairman, Board of Supervisors of the  
County of Albemarle, Virginia

**ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

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(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE:

the within Bond and irrevocably constitutes and appoints

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\_\_\_\_\_ attorney to exchange said Bond for definitive bonds in lieu of which this Bond is issued and to register the transfer of such definitive bonds on the books kept for registration thereof, with full power of substitution in the premises.

Date: \_\_\_\_\_

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Signature Guaranteed:

Registered Owner

(NOTICE: The signature above must correspond with the name of the Registered Owner as it appears on the front of this Bond in every particular, without alteration or change.)

\_\_\_\_\_  
(NOTICE: Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Bond Registrar which requirements will include Membership or participation in STAMP or such other "signature guarantee program" as may be determined by the Bond Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

SCHEDULE I

**PROJECT DESCRIPTION**

The Project includes the following components:

**Vehicle Maintenance Facility** - Phase B of the project will be to construct a storage addition to the existing VMF Shop, including a first floor access, interior stairs to the second floor and second floor roof access to the existing facility. Phase C will repair, resurface and/or pave parking areas, and provide lighting in the upper bus lot. Phase D is to construct an automatic wash for buses utilizing recycled water.

**Brownsville Elementary Addition/Renovations** - The project costs of a 28,000 square foot addition to include ten regular classrooms, one self-contained classroom, four resource rooms, five offices and one faculty workroom.

**Albemarle High School Addition/Renovations** - The project consists of a 29,000 square foot addition to include six regular classrooms, three science classrooms, one learning lab and other associated spaces.

**Greer Elementary Addition/Renovations** - The project consists of a 36,200 square foot addition to include two phases. Phase 1 is a renovation to include interior doors, dividing spaces into resource rooms and expanding the Media Center and other associated spaces, as well as a gym addition.

**Maintenance Projects** - Funding for maintenance and replacements projects including floor tile, lights, carpet, paving, HVAC and energy management projects.

**Gymnasium HVAC/Lighting Replacement** - Design costs to allow air conditioning and upgraded lighting to be installed in nine elementary facilities.

**Support Services Complex** - The project consists of constructing a new office building on a site located adjacent to an existing school facility. The new facility will house the Building Services Department and the Food Services Division.

**Crozet Elementary School Addition** - Phase I of this project consists of site improvements to reconfigure the front parking and bus loop to provide a separation of bus unloading and parent pick up/drop off areas, as well as provide additional parking.