

BOARD OF SUPERVISORS
COUNTY OF STAFFORD
STAFFORD, VIRGINIA

MINUTES

Special Meeting
November 13, 2007

Call to Order. A special meeting of the Stafford County Board of Supervisors was called to order by Jack R. Cavalier, Chairman, at 7:03 P. M., Tuesday, November 13, 2007, in the Board Chambers, Stafford County Administration Center.

Roll Call. The following members were present: George H. Schwartz; M. S. "Joe" Brito; Jack R. Cavalier, Chairman; L. Mark Dudenhefer; Vice Chairman; Peter J. Fields; Robert C. Gibbons and Paul V. Milde.

Also in attendance were: Steve Crosby, County Administrator; Anthony Romanello, Deputy County Administrator; Joe Howard, County Attorney and Marty Beard, Chief Deputy Clerk.

Legislative; Capital Projects Financing. The County Administrator commented.

Anthony Romanello, Deputy County Administrator, gave a presentation.

Bonnie France, McQuireWoods and JoAnn Carter, Public Financial Management Advisors, commented further

Mr. Gibbons motioned, seconded by Mr. Cavalier, to adopt proposed Resolution R07-435.

Discussion ensued.

Mr. Brito made a substitute motion, seconded by Mr. Schwartz, to adopt proposed Resolution R07-435 with changes.

Discussion further ensued.

The Voting Board tally on the substitute motion was:

Yea: (2) Fields, Brito

Nay: (5) Cavalier, Dudenhefer, Gibbons, Milde, Schwartz

The Voting Board tally on the original motion was:

Yea: (5) Schwartz, Cavalier, Dudenhefer, Gibbons, Milde

Nay: (2) Brito, Fields

Resolution R07-435 reads as follows:

A RESOLUTION REQUESTING THE ECONOMIC DEVELOPMENT
AUTHORITY OF STAFFORD COUNTY, VIRGINIA TO ISSUE ITS
PUBLIC FACILITY LEASE REVENUE BONDS TO FINANCE THE
COSTS OF CERTAIN PUBLIC FACILITIES

WHEREAS, the County of Stafford, Virginia (the "County") has determined that it is necessary and advisable to undertake the financing of the renovation of existing courthouse facilities, acquisition and construction of a new courthouse facilities, including juvenile and domestic relations court facilities, construction of the Falls Run library, development of Patawomeck Park, conversion of two existing soccer fields at Smith Lake Park to synthetic turf fields, acquisition and installation of a radio

communications system and refinancing certain Potomac Hills Fire and Rescue Station financing (the "Projects");

WHEREAS, the Board of Supervisors of the County (the "Board") proposes to provide for financing the Projects through the issuance of public facility lease revenue bonds (the "Bonds") by the the Economic Development Authority of Stafford County, Virginia ("Authority");

WHEREAS, the proposed financing for the Projects will be secured in part by a leasehold interest in all or a portion of (i) certain of the Projects, including the new courthouse facilities, the library and the radio communications system and (ii) such other facilities as the County Administrator may designate (the "Leased Projects");

WHEREAS, the County will lease the Leased Projects to the Authority pursuant to one or more leases ("Lease") and will lease the Leased Projects back from the Authority pursuant to a Financing Lease (hereinafter defined). The Bonds will be payable solely from the revenues derived from the Financing Lease between the Authority and the County ("Financing Lease") pursuant to which the County will agree to make rental payments, subject to annual appropriation, sufficient to pay the principal of and interest on the Bonds;

WHEREAS, the Bonds will be issued pursuant to the following documents: (i) an Indenture of Trust (the "Indenture") between the Authority and a corporate trustee to be selected by the County Administrator ("Trustee"), with the form of the Bonds attached thereto; (ii) the Lease; (iii) the Financing Lease; (iv) a Leasehold Deed of Trust (the "Leasehold Deed of Trust") from the Authority to the individual trustees named therein; (v) an Assignment of Rents and Leases (the "Assignment of Rents and Leases") between the Authority and the Trustee; and (vi) a Preliminary Official Statement ("Preliminary Official Statement") and an Official Statement ("Official Statement");

WHEREAS, all the documents listed above are referred to in this Resolution as the "Basic Documents."

NOW, THEREFORE, BE IT RESOLVED by the Stafford County Board of Supervisors on this the 4th day of December 2007:

1. **Issuance of Bonds.** The Board requests the Authority to issue its Bonds in the maximum amount of \$95,320,000 in one or more series at one time or from time to time as may be requested by the County Administrator. The Bonds will be paid from revenues derived from payments made by the County pursuant to the Financing Lease and any amendments to the Financing Lease.

2. **Authorization of Basic Documents.** The Bonds and the Basic Documents are approved in substantially the forms on file with the County Administrator, with such changes, insertions or omissions (including, without limitation, changes of the dates thereof) as may be approved by the Chairman of the Board of Supervisors or the County Administrator, whose approval shall be evidenced conclusively by the execution and delivery of the Basic Documents to which the County is a party. The execution and delivery of and performance by the County of its obligations under the Bonds and the Basic Documents to which it is a party are authorized.

3. **Execution of Documents.** The Chairman of the Board of Supervisors and the County Administrator, or either of them, are authorized to execute on behalf of the County the Basic Documents to which the County is a party, and, if required, the Clerk of the Board of Supervisors or any Deputy Clerk is authorized and directed to affix or to cause to be affixed the seal of the County to the Basic Documents and to attest such seal. Such officers or their designees are authorized to execute and deliver on behalf of the County such instruments, documents or certificates, and to do and perform such things and acts and to take such further action, as they shall deem necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Basic Documents; and all of the foregoing, previously done or performed by such officers or agents of the County, are in all respects approved, ratified and confirmed.

4. **Sale of Bonds.** The Bonds shall be offered for sale in such manner as the County Administrator may determine to be in the best interests of the County. The

County Administrator is authorized and directed to accept a bid or proposal for the purchase of the Bonds which results in the lowest true interest cost to the County, provided that the true interest cost of the Bonds does not exceed the maximum true interest cost set forth in this Section 4. If the County Administrator determines that it is in the best interest of the County to sell the Bonds in a negotiated sale, then the County Administrator is authorized and directed to execute and deliver the Bond Purchase Agreement with an underwriter or group of underwriters selected by the County Administrator providing for the sale and delivery of the Bonds. The County Administrator is authorized and directed to determine and approve the final details of the Bonds, including, without limitation, the aggregate principal amount of the Bonds or each series of Bonds, the optional and mandatory redemption provisions and the sale price of the Bonds, provided that (i) the true interest cost of the Bonds shall not exceed 7.0%, (ii) the aggregate principal amount of the Bonds shall not exceed the amount set forth in paragraph 1, (iii) the sale price of the Bonds shall not be less than 98% of the aggregate principal amount thereof (not taking into account any original issue discount or bond insurance premium) and (iv) the final maturity of the Bonds shall not be later than 30 years from their date. The approval of such officers shall be evidenced conclusively by the execution and delivery of such documentation evidencing the sale of the Bonds.

5. Disclosure Documents. The County Administrator and the Finance Director, or either of them, and such officers and agents of the County as either of them may designate are hereby authorized and directed to prepare, execute, if required, and deliver an appropriate Notice of Sale, Preliminary Official Statement and Official Statement or such other offering or disclosure documents as may be necessary to expedite the sale of the Bonds. The Notice of Sale, Preliminary Official Statement, Official Statement or other documents shall be published in such publications and distributed in such manner, including by electronic distribution, and at such times as the County Administrator, or such officers and agents of the County as he may designate, shall determine. The County Administrator, or such other officer or agent of the County as he may designate, is authorized to deem the Preliminary Official Statement "final" for purposes of Securities Exchange Commission Rule 15c2-12.

6. **Municipal Bond Insurance Policy.** The County Administrator is authorized to cooperate with the Authority regarding obtaining a municipal bond insurance policy to guarantee the payment of principal of and interest on the Bonds if the County Administrator, in collaboration with the Authority and Public Financial Management, the County's financial advisor, determines that selling the Bonds insured by such a policy would be in the best interests of the County. In addition to the authorization under Section 2, the County Administrator is hereby authorized to agree to such changes to the form of the Basic Documents and the Bonds as he may consider appropriate to comply with requirements of the bond insurer.

7. **Costs and Expenses.** All costs and expenses in connection with the undertaking of the Projects and the issuance of the Bonds, including the Authority's fees and expenses and the fees and expenses of bond counsel and counsel for the Authority, 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.

8. **Nature of Obligations.** Nothing in this Resolution, the Bonds or the Basic Documents shall constitute a debt of the County and the Authority shall not be obligated to make any payments under the Bonds or the Basic Documents except from payments made by or on behalf of the County under the Financing Lease. The County Administrator is directed to submit for each fiscal year a request to the Board of Supervisors for an appropriation to the Authority for an amount equal to the rental payments coming due under the Financing Lease for the next fiscal year. The County's obligations to make payments to the Authority pursuant to this Resolution shall be subject to and dependent upon annual appropriations being made from time to time by the Board of Supervisors of the County for such purpose. Nothing in this Resolution, the Bonds or the Financing Lease shall constitute a pledge of the full faith and credit of the County.

9. Official Intent. The Board of Supervisors of the County adopts this Resolution as a declaration of official intent for purposes of Treasury Regulations Section 1.150-2. The Board reasonably expects to reimburse any advances made or to be made by the County to pay the costs of the Projects from the proceeds of its debt and financing. The maximum amount of debt or other financing expected to be issued for the Projects is set forth in paragraph one.

10. Effective Date. This Resolution shall take effect immediately.

The undersigned Clerk of the Board of Supervisors of the County of Stafford, Virginia certifies that the foregoing constitutes a true, complete and correct copy of the Resolution adopted at a special meeting of the Board of Supervisors of the County of Stafford, Virginia held on November 13, 2007.

Clerk, Board of Supervisors
County of Stafford, Virginia

Mr. Gibbons motioned, seconded by Mr. Cavalier, to adopt proposed Resolution R06-436.

The Voting Board tally was:

Yea: (5) Cavalier, Dudenhefer, Gibbons, Milde, Schwartz

Nay: (2) Brito, Fields

Resolution R07-436 reads as follows:

A RESOLUTION TO AUTHORIZE A PUBLIC HEARING TO BUDGET
AND APPROPRIATE LEASE PROCEEDS FOR CERTAIN CAPITAL
PROJECTS

WHEREAS, the Board, on November 13, 2007, approved Resolution R07-435 requesting that the Economic Development Authority of Stafford County, Virginia issue Public Facility Lease Revenue Bonds to finance the renovation of existing courthouse facilities, acquisition of land for and construction of a new courthouse facilities, including juvenile and domestic relations court facilities, construction of a new library, development of Patawomeck Park, conversion of two existing soccer fields at Smith Lake Park to synthetic turf fields, acquisition and installation of a radio communications system and refinancing certain Potomac Hills Fire and Rescue Station financing (the "Projects"); and

WHEREAS, proceeds from the issuance of the bonds need to be appropriated prior to their expenditure.

NOW, THEREFORE, BE IT RESOLVED by the Stafford County Board of Supervisors on this the 13th day of November, 2007, that the County Administrator be and he hereby is authorized to advertise a public hearing on Proposed Resolution R07-437 which budgets and appropriates debt proceeds in the amount of \$95,320,000.

Adjournment. At 7:50 P. M. the Chairman declared the meeting adjourned.

Steve Crosby
County Administrator

Jack R. Cavalier
Chairman