

**TOWN OF WEST POINT
TOWN COUNCIL
MINUTES
July 29th, 2014**

I. CALL TO ORDER

The West Point Town Council held its regular monthly meeting on Tuesday, July 29th 2014. The Honorable James H. Hudson III called the meeting to order at 6:30 p.m. The Invocation was given by Chris Vincent followed by the Pledge of Allegiance.

Members Present: Mayor, Jim Hudson; Tina Gulley; Paul Kelley; Jack Lawson; Bub Shreaves and Chris Vincent.

Absent Members: Deborah Ball and Wayne Healy.

Also Present: John B. Edwards, Jr., Town Manager; Andrea Erard, Town Attorney; Karen Barrow, Town Clerk; Sgt. Lisa Woodson, WPPD; Holly McGowan, Community Development Coordinator; Walt Feurer, Director of Public Works; TC Moore, Town Treasurer and other interested persons.

II. CITIZENS ADDRESS TO COUNCIL

A. Public Hearing – HRSD Communication Tower

Mr. Hudson read the public hearing advertisement and asked the Town Clerk if anyone had contacted the Town asking for assistance to attend the meeting.

The Town Clerk advised no requests were received.

Steve Romine, Attorney for HRSD stated that, HRSD are requesting a Special Use Permit to construct a 195 foot communication tower as part of a baseline network that will transmit and receive data from the pump stations and other facilities located in the Middle Peninsula. Mr. Romine also stated that Planning Commission approved the application with 13 conditions, the 12th condition I have discussed with the Town Attorney and Town Manager. HRSD and Milestone Communications are willing to provide the Town with a free co-location of 30 square foot on the tower.

Mr. Snarr, the Tower Engineer advised that if the Tower was to fail, the weak point is about 145 feet up from the ground, if the tower collapsed it would fold in half like a paperclip. The tower is designed to withstand wind speeds the equivalent to Hurricane Katerina.

Mr. Hudson read the 13 conditions of the Special Use Permit as recommended by Planning Commission then opened the floor for comments from the public.

Tom Vosnick, 474 Moorefield Road, West Point, Virginia stated he is representing PBRE2, adjoining property owner to HRSD. Mr. Vosnick stated that PBRE2 are concerned about the marketability of their property and asked about the collapsible area if the tower failed. Apart from these concerns there are no other objections to the tower.

Mr. Hudson asked if anyone else would like to submit any comments regarding the proposed tower. There being none, the public hearing was closed.

1. Action

Mr. Hudson asked the Town Attorney the current status of the discussions regarding the co-location.

Andrea Erard, the Town Attorney advised that she appreciates Milestone's willingness to work with the Town by providing a thirty square foot area, however that may not be a sufficient amount of area for the Town.

Mr. Shreaves asked what is the projected area and how much wind load is on the whole tower.

Tim Dennis, representative for Milestone Communications stated that Milestone is a private enterprise that will construct the tower and cover the cost. HRSD will pay a small amount of rent to Milestone at first and once tenants begin to pay rent, HRSD will pay less rent and eventually earn money from the rental fees. The rental area on the tower is the only income that Milestone will have to recoup their cost, we are more than happy to accommodate the Town's request and we have offered what we consider to be a reasonable capacity. Mr. Dennis stated that the question before us is what is appropriate for the Town to receive in capacity on the tower.

Mr. Dennis answered Mr. Shreaves question by explaining the projected area and wind load.

Mr. Shreaves asked what is the structure capacity.

Tim Dennis advised that is a technical question.

Mr. Shreaves stated that he does not feel the town should have 30% of area on the tower, but it shouldn't be 1%.

Tim Dennis said the capacity could be from 70 to 110 square foot including platforms.

The consensus of Town Council is that additional information is needed before action can be taken.

Mr. Vincent made a motion to defer action on the Special Use Permit for a Communication Tower until the August 26th meeting pending additional information. Seconded by Mr. Shreaves, upon roll call, Mrs. Gulley, Mr. Kelley, Mr. Lawson, Mr. Shreaves and Mr. Vincent voted "Aye".

B. Citizens Address to Council

Mr. Hudson opened the floor for citizens to address Town Council on any Town related business.

1. George Cunningham, 309 Lee Street, West Point, Virginia stated that he purchased a lot in West Point to build his home with a river view. The phragmites has grown so much it's out of control and there is no view of the river any more. It would be in the Town's best interest to address the phragmites issue. People are not going to want to live in West Point if phragmites is allowed to take over the town, home values will go down. Mr. Cunningham presented Town Council with some research on phragmites and options for dealing with the issue and asked Town Council to review the information.

2. William Cawley, 215 Main Street, West Point, Virginia stated that phragmites is devouring West Point and is out of control, it is destroying the natural waterfront. Two of the most outstanding aspects of the Town are the Schools and the waterfront. Mr. Cawley asked Town Council to consider implementing a program, other localities have the same issues and perhaps the Town could work with adjoining Counties to eradicate the issue.

Mr. Hudson asked if there was any one else that would like to address Town Council. There being none, Mr. Hudson closed the Citizens Address.

III. COUNCIL RESPONSE

Mr. Kelley asked if Mr. Cawley knew of any program administered by other localities.

Mr. Cawley advised that Hampton has an issue with phragmites, Mr. Cawley is not sure how Hampton handled the situation. Mr. Cawley suggested the Town check to see if a grant is available to assist with the funding of a project.

Mr. Lawson advised that it would be very costly to treat the phragmites in Town and a lot of the property with phragmites is private property.

Mr. Cunningham stated that the Town might find that some of the property owners would be willing to assist with the cost for treating the phragmites, there is a petition with over 70 signatures requesting that Town Council do something about the phragmites.

Mr. Edwards stated that phragmites has been placed on the Community Development Agenda for August 11th 2014.

IV. AGENDA CHANGES

Mrs. Gulley made a motion to place “Extension of the Term for the Town Council Representative to Planning Commission”. Seconded by Mr. Shreaves, upon roll call, Mrs. Gulley, Mr. Kelley, Mr. Lawson, Mr. Shreaves and Mr. Vincent voted “Aye”.

V. ADOPTION OF CONSENT AGENDA

Mr. Lawson made a motion to adopt the following consent agenda, seconded by Mr. Kelley. Upon roll call Mrs. Gulley, Mr. Kelley, Mr. Lawson, Mr. Shreaves and Mr. Vincent all voted “Aye”.

- 1) Minutes of June 24th 2014 Town Council Meeting.
- 2) Cash Reports
 - a) General Fund
Cash on hand as of June 30, 2014 - \$3,460,981.27
 - b) Water Fund
Cash on hand as of June 30, 2014 - \$344,098.57
 - c) CIP
Cash on hand as of June 30, 2014 - \$157,710.37
 - d) Solid Waste
Cash on hand as of June 30, 2014 - \$77,435.72
- 3) Monthly Budget Report
- 4) School Fund Cash Report
 - a) Cash on hand as of June 30, 2014 - \$369,610.86
- 5) West Point Monthly Police Activity Report
- 6) Building Official Monthly Report
- 7) Public Works Monthly Permit Report
- 8) Community Development Monthly Permit Report
- 9) Treasurer Monthly Report
- 10) Human Resource Monthly Report

V. COMMITTEE REPORTS

A. Economic and Community Development – Mr. Lawson reported for the Committee

Mr. Lawson advised there was nothing to report.

B. Education Committee – Mr. Shreaves reported for the Committee

Mr. Shreaves advised there was nothing to report.

C. Finance Committee

1. Debt Re-financing Resolution [*See Attached Resolution*]

Kyle Laux, representative for Davenport & Company, advised that there were two proposal received in response to the RFP to re-finance the HVAC Debt. C&F Bank with a 3.47% interest rate for 20 years and Towne Bank with an interest rate of 2.40% for 10 years with a reset rate after 10 years.

Mr. Edwards stated that it was the recommendation of the Finance Committee to accept the proposal with Towne bank.

Mr. Lawson made a motion to adopt the attached resolution authorizing the issuance and sale of a General Obligation Refunding Bond, Series 2014, of the Town of West Point in an amount not to exceed \$5,100,000. Seconded by Mr. Vincent, upon roll call Mrs. Gulley, Mr. Kelley, Mr. Lawson, Mr. Shreaves and Mr. Vincent all voted "Aye".

2. Real Estate Tax Refund

Mr. Edwards advised that Thrift Realty was billed for taxes after the bridges were built; VDOT owned the land but Thrift Realty was receiving the tax bill and paid the bills. The amount of the request is \$2,091.10.

Mr. Vincent made a motion to refund \$2,091.10 to Thrift Insurance Corporation, second by Mrs. Gulley. Upon roll call Mrs. Gulley, Mr. Kelley, Mr. Shreaves and Mr. Vincent all voted "Aye", Mr. Lawson abstained from voting.

D. Public Safety – Mrs. Gulley reported for the Committee.

Mrs. Gulley advised that she has no report but she has one item to note, that the Public Safety Committee meeting for the month of August will be on Thursday, August 14th 2014 after the Finance Committee meeting at 5:00 p.m.

E. Public Works – Mr. Vincent reported for the Committee

Mr. Vincent advised there was no report.

VII. TOWN MANAGER'S ITEMS

A. Extension of Term for the Town Council Representative to Planning Commission

Mr. Edwards advised that upon the review of the Town Attorney it was discovered that the extension in term dates for Town Council in conjunction with the change of election dates did not include an extension in the term date for the Town Council representative to Planning Commission. Upon the review of the Town Attorney, Town Council would need to extend the term date from June 30th 2014 to December 31st 2014.

Mr. Vincent made a motion for Town Council to extend the term date for the Town Council representative to the Planning Commission from June 30th 2014 to December 31st 2014. Seconded by Mr. Shreaves, upon roll call Mrs. Gulley, Mr. Kelley, Mr. Lawson, Mr. Shreaves and Mr. Vincent voted "Aye".

VIII. OLD BUSINESS

There was nothing to report under Old Business.

IX. NEW BUSINESS

A. Planning Commission Report - Mr. Hudson

Mr. Hudson advised the Planning Commission did not meet in July therefore there was nothing to report.

B Closed Session

Mr. Vincent made a motion for Town Council to enter into Closed Session pursuant to Virginia Code §2.2-3711(A)(1) for discussion related to the performance evaluation of the Town Manager. Seconded by Mr. Kelley, upon roll call Mrs. Gulley, Mr. Kelley, Mr. Lawson, Mr. Shreaves and Mr. Vincent voted "Aye".

Reconvene

Mr. Lawson made a motion to enter into public meeting, seconded by Mr. Kelley. Upon a unanimous vote, the motion was approved.

Certification

The Town Council of the Town of West Point certifies that only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act and only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered by Town Council.

Those members Voting:

James H. Hudson	N/A
Deborah Ball	Absent
Tina Gulley	Yes
Wayne Healy	Absent
Paul Kelley	Yes
Joshua Lawson	Yes
Otto Shreaves	Yes
Christopher Vincent	Yes

X. ADJOURNMENT

There being no further business, Mr. Hudson adjourned the meeting at 7:55 p.m.

James H. Hudson, III
Mayor

Karen M. Barrow
Town Clerk

**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF A
GENERAL OBLIGATION REFUNDING BOND,
SERIES 2014, OF THE TOWN OF WEST POINT, VIRGINIA,
AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF**

The Town of West Point, Virginia (the “Town”) is a political subdivision of the Commonwealth of Virginia, and pursuant to the Public Finance Act of 1991, Chapter 26, Title 15.2, Code of Virginia of 1950, as amended (the “Act”), the Council of the Town (the “Town Council”) is authorized to contract debts on behalf of the Town and to issue, as evidence thereof, bonds, notes or other obligations payable from pledges of the full faith and credit of the Town.

The Town wishes to issue a general obligation refunding bond to (i) refund, together with other available funds, the outstanding principal balance of the Town’s General Obligation School Note, Series 2012B (the “Prior Note”), the proceeds of which were used to finance a portion of the costs of HVAC system replacement at West Point Elementary School and West Point High School/West Point Middle School (the “Project”) and (ii) pay the costs of issuing the bond.

The Town Council has received proposals from financial institutions in connection with the purchase of such bond and now wishes to authorize the issuance of such bond.

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF
THE TOWN OF WEST POINT, VIRGINIA:**

Section 1. Authorization of Bond. It is hereby determined to be necessary and expedient for the Town to issue its general obligation refunding bond in an aggregate principal amount not to exceed \$5,100,000 (the “Bond”) to refund, together with other available funds, the Prior Note and pay the costs of issuing the Bond.

Section 2. Selection of Winning Proposal. After consideration of the methods of sale of the Bond and the proposals received from financial institutions, it is hereby determined that it is in the best interest of the Town to accept, and the Town does hereby accept, the proposal of Towne Bank (the “Bank”) to purchase the Bond, such offer being contained in a letter from the Bank (the “Winning Proposal”). The Mayor, the Vice Mayor and the Town Manager of the Town, any of whom may act, are each hereby authorized and directed to accept the Winning Proposal and to evidence such acceptance by executing and delivering the same to the Bank.

Section 3. Details of Bond. The Town Council hereby authorizes the issuance and sale of the Bond in the form and upon the terms set forth herein. The Bond shall be issued in the form of a single fully-registered bond without coupons designated the “General Obligation Refunding Bond, Series 2014”, shall be dated the date of its issuance, shall be registered as to both principal and interest in the name of the Bank, shall be in a principal amount not to exceed \$5,100,000, and shall be numbered R-1. Interest shall accrue on the Bond from its dated date until January 15, 2025 at the interest rate per year of 2.40%. On January 15, 2025 and on January 15, 2030, the interest rate will be reset to an interest rate per annum that is equal to the five-year Federal Home Loan Bank rate then in effect plus fifty basis points. In addition, on January 15, 2030, the Bank has the right in its sole discretion to tender the Bond to the Town for purchase upon written notice thereof given to the Town on or before October 15, 2029. Interest on the Bond shall be payable semi-annually on each January 15 and July 15, commencing January 15, 2015. Principal shall be payable on each January 15 commencing January 15, 2016 and continuing through January 15, 2035. If not sooner paid, all principal of and interest on the Bond shall be due and payable on January 15, 2035. The Bond shall be in the form attached hereto as Exhibit A, with such changes, omissions and insertions as may be approved by Bond Counsel and by the Mayor and Vice Mayor, either of whom may act, such approval to be evidenced conclusively by the execution and delivery of the Bond.

Interest on the Bond shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. All payments made on the Bond shall be applied first to accrued interest and then to principal. If the payment date of any payment due under the Bond would fall on a day on which commercial banks are authorized or required to close in the Commonwealth

of Virginia, then payment need not be made on such date, but may be made on the next succeeding business day, and if made on such next succeeding business day, no additional interest shall accrue.

The Mayor and Vice Mayor, either of whom may act, are each hereby authorized to approve the final principal amount of the Bond, so long as the final principal amount is less than or equal to \$5,100,000, and to approve the amortization schedule for the Bond based upon the final principal amount, so long as the weighted average maturity of the Bond shall not exceed twenty (20) years, such approvals to be evidenced conclusively by the execution and delivery of the Bond.

Section 4. Redemption Provisions. The Bond will be subject to redemption at the option of the Town in whole or in part at any time and from time to time on any day at a redemption price equal to 100% of the principal portion of the Bond being redeemed plus accrued interest to the redemption date. The Town shall cause notice of the call for redemption identifying the principal portion of the Bond to be redeemed to be sent by electronic or facsimile transmission, registered or certified mail, or overnight express delivery, not less than ten (10) days prior to the redemption date, to the registered owner of the Bond.

Section 5. Pledge of Full Faith and Credit. The Bond will be secured by the full faith and credit of the Town. For the prompt payment of the principal of and interest on the Bond as the same shall become due, the full faith and credit of the Town are hereby irrevocably pledged. Pursuant to Virginia Code Section 15.2-2624, there shall be levied and collected an annual tax upon all taxable property in the Town subject to local taxation sufficient to provide for the payment of the principal of and interest on the 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 Town to the extent other funds of the Town are not lawfully available and appropriated for such purpose.

Section 6. Execution and Delivery of Bond. The Mayor and the Vice Mayor, either of whom may act, are each authorized and directed to execute the Bond. The Town Clerk and any Deputy Clerk, either of whom may act, are authorized and directed to execute the Bond, to affix the seal of the Town to the Bond, to attest the seal and then to deliver the Bond to the Bank upon payment of the purchase price of 100% of the principal amount thereof.

Section 7. Designation for Purchase by Financial Institutions. The Town hereby designates the Bond as a “qualified tax-exempt obligation” eligible for the exception from the disallowance of the deduction of interest by financial institutions allocable to the cost of carrying tax-exempt obligations in accordance with the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). The Town does not reasonably anticipate that it and any “subordinate entities” will issue more than \$10,000,000 in qualified tax-exempt obligations during calendar year 2014, and the Town will not designate more than \$10,000,000 of qualified tax-exempt obligations in calendar year 2014.

Section 8. Registration and Transfer of Bond. The Town Manager is appointed paying agent and registrar for the Bond (the “Registrar”). The Registrar shall maintain registration books for the registration and registration of transfers of the Bond. Upon presentation and surrender of the Bond at the office of the Registrar, together with an assignment duly executed by the registered owner or its duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar, the Town shall execute and deliver in exchange, a new Bond having an equal aggregate principal amount, of the same form and maturity, bearing interest at the same rate and registered in the name as requested by the then registered owner thereof or its duly authorized attorney or legal representative. Any such transfer or exchange shall be at the expense of the Town, except that the Registrar may charge the person requesting such transfer or exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

Section 9. Bond Purchase Agreement. Certain additional terms of the Winning Proposal may be set forth in a Bond Purchase Agreement between the Town and the Bank (the “Bond Purchase Agreement”). The Mayor, the Vice Mayor and the Town Manager, any of whom may act, are each authorized to execute and deliver the Bond Purchase Agreement on behalf of the Town.

Section 10. Further Actions. The Mayor, the Vice Mayor, and the

Town Manager, and such officers, employees and agents of the Town as may be designated by any of them, are authorized and directed to take such further actions as they deem necessary regarding the issuance and sale of the Bond including, without limitation, the execution and delivery of closing documents and certificates, including IRS Form 8038 G and a Non Arbitrage and Tax Matters Certificate (the "Tax Certificate"). All such actions previously taken by the Mayor, Vice Mayor, the Town Manager, or such officers, employees and agents are hereby approved, ratified and confirmed.

The Town Council covenants on behalf of the Town that (i) the proceeds from the issuance of the Bond will be used as set forth in the Tax Certificate, (ii) the Town shall comply with the other covenants and representations contained in the Tax Certificate, and (iii) the Town shall comply with the provisions of the Code, so that interest on the Bond will remain excludable from gross income for federal income tax purposes and that the Bond will maintain its status as a "qualified tax-exempt obligation."

Section 11. Selection of Bond Counsel. The Town Council hereby consents to Troutman Sanders LLP serving as Bond Counsel to the Town in connection with the issuance of the Bond.

Section 12. Election Under the Act. The Town Council elects to issue the Bond under the provisions of the Act and without regard to the Town Charter.

Section 13. Redemption Date for Prior Note. The Council hereby calls for the optional redemption of the Prior Note on the date of the issuance of the Bond (the "Redemption Date") at a redemption price equal to 100% of the outstanding principal amount thereof plus accrued interest to the Redemption Date.

Section 14. Use of Proceeds of Bond and Prior Note. The principal amount of the Bond does not exceed the amount necessary to retire the Prior Note and pay the costs of issuance of the Bond. The proceeds of the Prior Note were used to pay a portion of the costs of the Project and the costs of issuance of the Prior Note. The remaining proceeds of the Prior Note are being used to pay the portion of the redemption price of the Prior Note not funded by the proceeds of the Bond and thus to downsize the Bond issue.

Section 15. Discharge upon Payment of Bond. If the Bond shall have become due and payable in accordance with its terms, shall have been fully refunded from the proceeds of refunding bonds issued by the Town and the full amount of the principal and interest so due and payable upon the Bond then outstanding shall have been paid, or sufficient cash or direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America shall be held by the Town or by an escrow agent selected by the Town for such purpose, at the time and in the manner provided in this Resolution, then all covenants, agreements and other obligations of the Town to the holder of the Bond under this Resolution shall cease, terminate and be void and the Town shall be discharged from its obligations hereunder. Upon the deposit of such cash or obligations with the Town or escrow agent, the Town or escrow agent may request a report from certified public accountants, actuaries or other similar professionals, addressed to the Town or escrow agent, to the effect that the cash and the proceeds to be received from such obligations will be sufficient, without reinvestment, to provide for the payment of the principal of and interest on the Bond when due.

In the event that all of such cash and obligations are not required for the payment of the principal of and interest on the Bond, such excess may be used by the Town for any lawful purpose.

Notwithstanding anything to the contrary contained herein, any defeasance and discharge hereunder shall not be deemed to release the Town from its obligations to pay the principal of and interest on the Bond as contemplated herein until the date the Bond is paid in full. In addition, such defeasance and discharge shall not terminate the obligations of the Town to comply with the tax laws pertaining to the Bond until the date the Bond is paid in full.

Section 16. Financial Statements and Fees. The Town agrees to provide its audited financial statements to the Bank, or any subsequent registered owner of the Bond, each year within 270 days of its fiscal year end. The Town agrees to pay the legal fees of counsel to the Bank, subject to a maximum fee of \$2,500.

Section 17. Arbitrage Covenants.

(a) No Composite Issue. The Town represents that there have not been issued, and covenants that there will not be issued, any obligations that will be treated as part of the same issue of obligations as the Bond, within the meaning of the Code.

(b) Not an Arbitrage Bond. The Town covenants that it shall not take or omit to take any action the taking or omission of which will cause the Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code, or otherwise cause interest on the Bond to be includable in the gross income for federal income tax purposes of the registered owner thereof under existing law. Without limiting the generality of the foregoing, the Town shall comply with any provision of law which may require the Town at any time to rebate to Town receives an opinion of nationally recognized Bond Counsel that such compliance is not required to prevent interest on the Bond from being includable in the gross income for federal income tax purposes of the registered owner thereof under existing law. The Town shall pay any such required rebate from its legally available funds the United States any part of the earnings derived from the investment of the gross proceeds of the Bond, unless the

Section 18. Limitation on Private Use; No Federal Guaranty. The Town covenants that it shall not permit the proceeds of the Bond to be used in any manner that would result in (a) ten percent (10%) or more of such proceeds being used in a trade or business carried on by any person other than a state or local governmental unit, as provided in Section 141(b) of the Code, (b) five percent (5%) or more of such proceeds being used with respect to any output facility (other than a facility for the furnishing of water), within the meaning of Section 141(b)(4) of the Code, or (c) five percent (5%) or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than a state or local governmental unit, as provided in Section 141(c) of the Code; provided, that if the Town receives an opinion of nationally recognized Bond Counsel that any such covenants need not be complied with to prevent the interest on the Bond from being includable in the gross income for federal income tax purposes of the registered owners thereof under existing law, the Town need not comply with such covenants.

The Town represents and agrees that the Bond is not and will not be “federally guaranteed,” as such term is used in Section 149(b) of the Code. No portion of the payment of principal of or interest on the Bond is or will be guaranteed, directly or indirectly, in whole or in part by the United States or an agency or instrumentality thereof.

The Town has complied, with respect to the Prior Note, with the limitation on private use and the prohibition against a federal guaranty, as described in this Section 18.

Section 19. Limitation of Liability of Officials of the Town. No covenant, condition, agreement or obligation contained herein shall be deemed to be a covenant, condition, agreement or obligation of any officer, employee or agent of the Town in his or her individual capacity, and no officer of the Town executing the Bond shall be liable personally on the Bond or be subject to any personal liability or accountability by reason of the issuance thereof. No officer, employee or agent of the Town shall incur any personal liability with respect to any other action taken by him or her pursuant to this Resolution, provided he or she acts in good faith.

Section 20. Contract with Bank. The provisions of this Resolution shall constitute a contract between the Town and the Bank for so long as the Bond is outstanding. This Resolution may not be amended by the Town in any manner without the consent of the Bank, except to cure any defect, error, omission or ambiguity herein.

Section 21. Filing of Resolution. The Town Clerk is hereby authorized and directed to cause a certified copy of this Resolution to be filed with the Circuit Court of the County of King William, Virginia.

Section 22. Effective Date. This Resolution shall take effect immediately.

Exhibit A – Form of the Bond

R-1

\$ _____

UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA
TOWN OF WEST POINT, VIRGINIA

GENERAL OBLIGATION REFUNDING BOND, SERIES 2014

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP</u>
2.40% per year (subject to reset as provided herein)	January 15, 2035	August __, 2014	None

REGISTERED OWNER: TOWNEBANK

PRINCIPAL AMOUNT: _____ AND 00/100 DOLLARS

FOR VALUE RECEIVED, the TOWN OF WEST POINT, VIRGINIA (the “Town”), a political subdivision of the Commonwealth of Virginia, hereby acknowledges itself indebted and promises to pay, from the sources described below, to the Registered Owner stated above, its successors or registered assigns, without offset, at Towne Bank, 5216 Monticello Avenue, Williamsburg, Virginia 23188, or at such other place as the Registered Owner may designate that is acceptable to the Town, the Principal Amount stated above on the Maturity Date stated above. Interest on the unpaid Principal Amount of this Bond shall accrue at the Interest Rate stated above from the Dated Date until January 15, 2025. On January 15, 2025 and on January 15, 2030, the interest rate will be reset to an interest rate per annum that is equal to the five-year Federal Home Loan Bank rate then in effect plus fifty basis points. In addition, on January 15, 2030, the Bank has the right in its sole discretion to tender this Bond to the Town for purchase upon written notice thereof given to the Town on or before October 15, 2029. Payments of interest on this Bond will be due and payable semi-annually on each January 15 and July 15, commencing January 15, 2015 and continuing through the Maturity Date. Principal shall be payable on each January 15 commencing January 15, 2016 and continuing through the Maturity Date in the amounts set forth on Schedule A attached hereto and made a part hereof. If not sooner paid, all principal, together with all accrued interest due hereunder, shall be paid in full on the Maturity Date stated above. Principal and interest shall be payable in lawful money of the United States of America.

All payments made on this Bond shall be applied first to accrued interest and then to principal. Interest on this Bond shall be computed on the basis of a 360-day year consisting of twelve 30-day months. If the payment date of any payment hereunder would fall on a day on which commercial banks are authorized or required to close in the Commonwealth of Virginia, then payment need not be made on such date, but may be made on the next succeeding business day, and if made on such next succeeding business day, no additional interest shall accrue. This Bond is subject to redemption at the option of the Town in whole or in part at any time and from time to time on any day at a redemption price equal to 100% of the principal portion of this Bond being redeemed plus accrued interest to the redemption date. The Town shall cause notice of the call for redemption identifying the principal portion of this Bond to be redeemed to be sent by electronic or facsimile transmission, registered or certified mail, or overnight express delivery, not less than ten (10) days prior to the redemption date, to the Registered Owner of this Bond.

This Bond is executed and delivered pursuant to a Resolution of the Town Council of the Town (the “Town Council”) adopted on July 29, 2014 (the “Resolution”). This Bond is being issued under the Public Finance Act of 1991 (Chapter 26, Title 15.2, Code of Virginia of 1950, as amended). The proceeds of this Bond will be used to (i) refund, together with other available funds, the outstanding principal balance of the Town’s General Obligation School Note, Series 2012B, the proceeds of which financed a portion of the costs of HVAC

system replacement at West Point Elementary School and West Point High School/West Point Middle School and (ii) pay costs of issuance. The Registered Owner shall be entitled to all benefits, and this Bond is issued subject to all terms and conditions, of the Resolution.

The full faith and credit of the Town are irrevocably pledged for the payment of the principal of and the interest on this Bond. The Resolution provides, and Section 15.2-2624 of the Code of Virginia of 1950, as amended, requires, that there shall be levied and collected an annual tax upon all taxable property in the Town subject to local taxation sufficient to provide for the payment of the principal of and the 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 Town to the extent other funds of the Town are not lawfully available and appropriated for such purpose.

This Bond is subject to acceleration and will become immediately due and payable if the Town shall default in the payment of any amounts due and owing hereunder. This Bond is subject to acceleration and will become immediately due and payable upon a breach or violation of any of the covenants and agreements set forth in Sections 7, 14, 16, 17 and 18 of the Resolution. This Bond is subject to acceleration and will become immediately due and payable upon the occurrence of a default by the Town with respect to any of the Town's other outstanding general or revenue obligation indebtedness and the expiration of any applicable grace period.

No covenant, condition, agreement or obligation contained herein shall be deemed to be a covenant, condition, agreement or obligation of any officer, employee or agent of the Town in his or her individual capacity, and no officer of the Town executing this Bond shall be liable personally on this Bond or be subject to any personal liability or accountability by reason of the issuance hereof.

This Bond is a "qualified tax exempt obligation" within the meaning of Section 265(b)(3) of the Code.

The Town Manager shall act as Registrar (until a different Registrar is selected) and shall maintain registration books for the registration and the registration of transfer of this Bond. Payments of principal and interest shall be made by check or draft mailed to the Registered Owner, at its address as it appears on the registration books kept for that purpose at the principal office of the Registrar. The final payment of principal shall be payable upon presentation and surrender of this Bond to the Registrar. The transfer of this Bond may be registered only on the books kept for the registration and registration of transfer of this Bond upon surrender thereof to the Registrar at his or her address together with an assignment duly executed by the Registered Owner in person or by his duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar. Upon any such transfer, the Town shall execute and deliver, in exchange for this Bond, a new registered Bond registered in the name of the transferee. Prior to due presentment for registration of transfer, the Registrar shall treat the Registered Owner as the person exclusively entitled to payment of principal of and interest on, this Bond and to the exercise of all other rights and powers of the owner.

If this Bond has been mutilated, lost or destroyed, the Town shall execute and deliver a new Bond of like date and tenor in exchange or substitution for, and upon cancellation of, such mutilated Bond or in lieu of and in substitution for such lost or destroyed Bond; provided, that the Town shall execute and deliver such Bond only if the holder has paid the reasonable expenses and charges of the Town and the Registrar in connection therewith and, in the case of a mutilated Bond, such mutilated Bond shall first be surrendered to the Registrar, and in the case of a lost or destroyed Bond, the holder has furnished to the Town and the Registrar (a) evidence satisfactory to them that such Bond was lost or destroyed and the holder was the owner thereof and (b) indemnity satisfactory to them.

Any failure or delay by the Registered Owner to exercise any right hereunder or under the Resolution shall not be construed as a waiver of the right to exercise the same or any other rights at any time.

The term "Registered Owner" as used herein shall include any future holder of this Bond. This Bond shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia. Whenever possible, each provision of this Bond shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Bond shall be prohibited by or invalid under such law, such provisions shall be ineffective to the

extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Bond. This Bond shall apply to and bind the Town's successors and assigns to the extent provided herein and shall inure to the benefit of the Registered Owner, its successors and assigns.

All acts and conditions required by the Constitution and statutes of the Commonwealth of Virginia to happen, exist or be performed precedent to and in connection with the issuance of this Bond have happened, exist and have been performed, and the issue of this Bond, together with all other indebtedness of the Town, is within every debt and other limit prescribed by the Charter of the Town and the Constitution and statutes of the Commonwealth of Virginia.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Town Council of the Town of West Point, Virginia, has caused this Bond to be issued in the name of the TOWN OF WEST POINT, VIRGINIA, to be executed by its Mayor or Vice Mayor, its seal to be affixed to this Bond attested by its Town Clerk or Deputy Clerk and this Bond to be dated August __, 2014.

TOWN OF WEST POINT, VIRGINIA

By _____

Mayor

[SEAL]

Attest:

Town Clerk

FORM OF ASSIGNMENT

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

(Please print or typewrite name, address and Social Security Number or Taxpayer Identification Number of transferee) the within Bond and all rights therein and hereby irrevocably constitutes and appoints _____ attorney-in-fact to transfer the Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated:

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears in the registration books of the Town.

In the presence of:

NOTICE: The registered owner's signature to this assignment must be guaranteed by an institution participating in the Securities Transfer Agent Medallion Program ("STAMP") or similar program. Please affix signature guarantee ink Stamp with appropriate signature, title of officer and date.

SCHEDULE A

Date	Principal Payment
1/15/16	\$
1/15/17	
1/15/18	
1/15/19	
1/15/20	
1/15/21	
1/15/22	
1/15/23	
1/15/24	
1/15/25	
1/15/26	
1/15/27	
1/15/28	
1/15/29	
1/15/30	
1/15/31	
1/15/32	
1/15/33	
1/15/34	
1/15/35	

CERTIFICATE

The undersigned Town Clerk of the Town of West Point, Virginia, hereby certifies that the foregoing constitutes a true, correct and complete copy of a Resolution adopted by the Town Council of the Town of West Point, Virginia at a meeting of the Town Council duly called and held on July 29, 2014. I hereby further certify that the Resolution was adopted at the meeting at which it was introduced, that said meeting constituted a regularly scheduled meeting, and that during the consideration of the foregoing Resolution a quorum was present. The vote of the members of the Town Council upon the foregoing Resolution was as follows:

Member	Present/Absent	Vote
James H. Hudson III, Mayor	Present	N/A
Deborah T. Ball, Vice Mayor	Absent	
O.B. 'Bub' Shreaves, Jr.	Present	Yes
Paul T. Kelley	Present	Yes
Chris P. Vincent	Present	Yes
Wayne Healy	Absent	
Tina S. Gulley	Present	Yes
Jack T. Lawson	Present	Yes

WITNESS MY HAND and the seal of the Town of West Point, Virginia, this
_____ day of July, 2014.

Town Clerk of the Town of West Point, Virginia