

MINUTES OF A SPECIAL MEETING OF THE COMMISSIONERS
OF RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY
HELD IN THE OFFICES OF RRHA
901 CHAMBERLAYNE PARKWAY, RICHMOND, VIRGINIA
ON MONDAY, JUNE 30, 2008

The Commissioners of Richmond Redevelopment and Housing Authority (“RRHA”) met in special session at 901 Chamberlayne Parkway, Richmond, Virginia on June 30, 2008 at 10:00 a.m.

Chairman Brian K. Jackson, Esq. called the meeting to order at 10:10 a.m. with *General Counsel M. Maxine Cholmondeley, Esq.*, present and upon roll call, the following were present:

Brian K. Jackson, Esq., Chairman

Marilyn B. Olds, Vice Chairman

J. Russell Parker, III

Guenet M. M. Beshah, Esq.

Elliott M. Harrigan (via phone until Closed Session)

Cindy Mims (via phone for very beginning, but the connection was broken)

James A. Sties

NOTE: Section 2.2-3708(A) of the Code of Virginia states that an authority may not have a meeting where the public business is discussed or transacted through telephonic, video, electronic or other communication means where the members are not physically assembled. This means that the Board of Commissioners can be conferenced in for participation at the Public Meeting. However, they cannot participate on the vote nor can they participate in a Closed Session.

And the following were absent:

None

Also present:

Anthony Scott, Executive Director

Doris Jackson-Crocker, Deputy Assistant to Executive Director

Rodney Forte, Deputy Executive Director of Community Revitalization

Valena Dixon, Director of Communications

George Martin, McGuireWoods LLP

Paula T. Saje, Executive Administrative Assistant

Cora Hayes, Resident

Citizens Information Period

There was no Citizens Information Period at this Special meeting.

Committee Reports

There were no Committee Reports presented at this Special meeting.

RESOLUTIONS

Agenda Item No. 1 – A Resolution of the Richmond Redevelopment and Housing Authority Authorizing the Amendment of Certain Documents Relating to \$63,795,000 Initial Aggregate Principal Amount of Tobacco Row Revenue Bonds 1989 Series B-1, 1989 Series B-2, 1989 Series B-3A, 1989 Series B-3B, 1989 Series B-4, 1989 Series B-5A, 1989 Series B-5B, 1989 Series B-6, 1989 Series B-7A, 1989 Series B-7B, 1989 Series B-8, 1989 Series B-9, 1989 Series B-10A and 1989 Series B-10B (together, the “Bonds”) and Establishing an Effective Date, which was read and considered:

(08-52) WHEREAS, the Richmond Redevelopment and Housing Authority (the “Authority”) is a political subdivision of the Commonwealth of Virginia, created pursuant to the provisions of Title 36, Chapter 1, Code of Virginia 1950, as amended (the “Act”); and

WHEREAS, the Authority has reissued the above-referenced 1989 Series B-3B, 1989 Series B-5A, 1989 Series B-5B, 1989 Series B-6, 1989 Series B-7A, 1989 Series B-7B, 1989 Series B-8, 1989 Series B-10A and 1989 Series B-10B Bonds pursuant to those Amended and Restated Indentures of Trust and Pledges (together, the “Lucky Strike/Edgeworth Indentures”); between the Authority and The Bank of New York (the “Trustee”) and

WHEREAS, the Authority has reissued the above-referenced 1989 Series B-2, 1989 Series B-4 and 1989 Series B-9 Bonds pursuant to those three Amended and Restated Indentures of Trust and Pledges, as once previously amended (together, “Consolidated Indentures”) between the Authority and the Trustee, and

WHEREAS, the Authority has reissued the above-referenced 1989 Series B-1, 1989 Series B-3A Bonds pursuant to those two Amended and Restated Indentures of Trust and Pledges between the Authority and the Trustee, as twice previously amended (together, “Phillip Morris Indentures” and together with the Lucky Strike/Edgeworth Indentures and the Consolidated Indentures, the “Indentures” and each individually, an “Indenture”), and

WHEREAS, the Bonds are subject to mandatory redemption in part as set forth in Annex 1 entitled “Mandatory Redemption Schedule” to each Indenture; and

WHEREAS, FC Edgeworth Lessor, LLC, FC Lucky Strike Lessor, LLC and FC Consolidated Lessor, LLC each a limited liability company organized under the laws of the Commonwealth of Virginia and F. C. Phillip Morris, L.P., a limited partnership organized under the laws of the Commonwealth of Virginia

(together with their respective successors and assigns, the “Development Partnerships”), have requested the Authority and the Trustee to amend the Indentures pursuant to a Comprehensive Amendment to Amended and Restated Indentures of Trust and Pledges (the “Amendment to Indenture”); and

WHEREAS, the Amendment to Indenture will amend the mandatory sinking fund schedule and will shorten the stated maturity date for each series of Bonds as set forth in the Amendment to Indenture; and

WHEREAS, Kutak Rock LLP as Bond Counsel will be requested to deliver its opinion that the execution and delivery of the Amendment to Indenture will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

AFTER CONSIDERATION AND IN FURTHERANCE OF THE PUBLIC PURPOSES FOR WHICH THE AUTHORITY WAS CREATED, NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY AS FOLLOWS:

1. **Defined Terms.** In addition to words and terms elsewhere defined in this Resolution, the capitalized words and terms used herein shall have the meanings given in the Indentures.

2. **Ratification of Actions.** All actions (not inconsistent with the provisions of this Resolution) heretofore taken by or at the direction of the Authority and its directors, officers, counsel or advisors or agents directed toward the sale and issuance of the Bonds therefor are hereby approved and ratified.

3. **Conditions.** The Amendment to Indenture shall not be executed and delivered unless and until: (a) the Amendment to Indenture is in a form and substance acceptable to the Authority’s counsel, McGuire Woods LLP; and (b) the Authority shall receive such opinions, certificates, comfort letters and consent letters in connection with the Amendment to Indenture as the Authority’s counsel or advisors may deem necessary or appropriate, in the form and substance satisfactory to the Authority’s counsel and advisors.

4. **Amendment to Indenture, and Ancillary Documents.** The forms, terms and provisions of the Amendment to Indenture, in the form (including the exhibits thereto) presented to this meeting is hereby approved, with such insertions, deletions and changes as are approved by the officers authorized to execute the Amendment to Indenture (which approval will be conclusively demonstrated by their execution thereof) and, upon satisfaction of the conditions set forth in Section 3 hereof, the Chairman, the Vice Chairman and the Executive Director are hereby authorized to execute each of the Amendment to Indenture and such other certificates, acknowledgments or other documents as shall be deemed necessary or desirable by the Authority or the Authority’s counsel and advisors (herein “Ancillary Documents”) to effect the intent and purposes of this Resolution, as shall be approved by the Authority’s Chairman or Vice Chairman (which approval will be conclusively demonstrated by its execution thereof).

5. **Further Actions.** The officers of the Authority, upon satisfaction of the conditions set forth above, shall take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated hereby and thereby, which actions may include, without limitation, the execution and delivery of the Ancillary Documents and other documents required to be delivered in connection with the amendment of the Indentures, as shall be approved by the Authority’s Chairman or Vice Chairman (which approval will be conclusively demonstrated by its execution thereof).

6. **Open Meeting Laws.** It is found and determined that all formal actions of the Authority and its Board of Directors concerning and relating to the

adoption of this Resolution were adopted in an open meeting and that all deliberations that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements of the State and the Authority.

7. ***Irrepealability.*** This Resolution shall be and remain irrepealable until the Bonds and the interest thereon shall have been fully paid, cancelled and discharged.

8. ***Previous Actions.*** All actions previously taken or to be taken by the Authority's counsel or Bond Counsel in connection with preparation and publication of the notices of public hearing and holding the public hearings on behalf of the Board are hereby ratified and confirmed and authorized.

9. ***Severability.*** If any section, paragraph, clause or provision of this Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

10. ***No Charge Upon General Credit; Immunity of Officers.*** Neither the directors of the Authority nor any person executing the Amendment to Indenture or Ancillary Documents shall be liable personally on the Bonds, the Amendment to Indenture or any Ancillary Document. Nothing contained in this Resolution, the Amendment to Indenture or any Ancillary Document or any other instrument shall be construed as obligating the Authority, except to the extent provided in such documents or instruments, or as incurring a charge upon the general credit of the Authority, nor shall the breach of any agreement contained in this Resolution, the Amendment to Indenture or any Ancillary Document or any other instrument or document executed in connection therewith impose any charge upon the general credit of the Authority. The Authority has no taxing power.

11. ***Headings.*** Subject headings included in this Resolution are included for purpose of convenience only and shall not affect the construction or interpretation of any of its provisions.

12. ***Effectiveness.*** This Resolution shall take effect immediately.

Discussion

Attorney George Martin was asked to give an explanation about the resolution. He explained that the passage of the resolution would shorten the maturity date on the bonds. All of the bond holders have consented to this change. From a financial standpoint, it will free up some of the money now being used to pay debt service to make capital improvements. RRHA is a conduit in this particular transaction. Mr. Martin continued, giving some background on the project. Commissioner Parker asked if new bonds will be issued. Mr. Martin responded that the bonds will be amended.

Commissioner Sties asked, "Who initiates this kind of activity?" Mr. Martin responded that the developers initiate it, with the rationale that this will allow them to make capital improvements because they'll have a short-term savings in debt service.

Chairman Jackson entertained a motion to adopt Resolution 1. Commissioner Parker moved for adoption, which was seconded by Commissioner Olds and upon roll call the following voted "Aye":

Commissioners Olds, Parker, Beshah, Sties

And the following voted “Nay”:

None

And the following abstained:

Commissioner Jackson (Commissioners Harrigan and Mims were not permitted to participate in the vote)

Minutes

Commissioner Sties questioned a statement in Agenda Item #12 of the June 9, 2008 minutes. It was the Board’s decision to proceed as outlined during the closed session. However, the following wording was included in the resolution:

“The Settlement Agreement, with any subsequent modifications thereto that may be acceptable to the Executive Director, the Chairman of the RRHA Board of Commissioners and RRHA’s legal counsel, is hereby approved, and the Executive Director is hereby authorized, on behalf of RRHA, to execute and deliver the Settlement Agreement.”

It is the concept of “any subsequent modifications thereto,” after the Board made specific decisions, that Commissioner Sties finds inconsistent with what the Board discussed and agreed to. Commissioner Parker expressed his concern about this issue as well.

Commissioner Sties felt that this wording should be altered or deleted to reflect only the specific action of the Board without the ability to modify its content. It was explained that the above statement has been RRHA’s standard language. Chairman Jackson did agree that, in the future, it should be clear that the resolutions would be brought back for material/substantive changes. Chairman Jackson noted that, in this instance, the wishes of the Board were followed and that particular issue (the resolution) is closed. Chairman Jackson thanked Commissioner Sties for bringing this issue to the attention of the Board.

Chairman Jackson stated that the recording of the minutes would be reviewed and any corrections would be made.

Closed Session

Commissioner Jackson stated that it would be necessary to go into closed session at 10:30 a.m. to discuss some matters. Commissioner Parker read the following:

“I move that we go into closed meeting to consult with legal counsel and staff regarding specific personnel matters, as permitted by Section 2.2-3711(A)(7) of the Virginia Freedom of Information Act.”

“I move that we go into closed meeting to consult with legal counsel and staff pertaining to actual or probably litigation or other specific legal matters as permitted by Section 2.2-3711(A)(7) of the Virginia Freedom of Information Act.”

“I move that we go into closed meeting to consult with legal counsel and staff regarding the acquisition and/or disposition for public purposes as permitted by Section 2.2-3711(A)(3) of the Virginia Freedom of Information Act.”

Commissioner Parker moved for adoption, which was seconded by Commissioner Sties and upon roll call the following voted “Aye”:

Commissioners Jackson, Olds, Parker, Beshah and Sties

And the following voted “Nay”:

None

And the following abstained:

None

General Counsel Cholmondeley noted that there was an error in what was read in reference to going into Closed Session. She stated, “the record is to reflect that the second and third reasons for going into Closed Session do not apply to this situation.”

Commissioner Parker made a motion to come out of closed session, which was seconded by Commissioner Beshah and upon roll call the following voted “Aye”:

Commissioners Jackson, Olds, Parker, Beshah and Sties

And the following voted “Nay”:

None

And the following abstained:

None

Commissioner Parker read the following Certification of Closed Meeting:

CERTIFICATION OF CLOSED MEETING

WHEREAS, the Board of Commissioners of the Richmond Redevelopment and Housing Authority (the “Board”) convened a closed meeting on this date pursuant to an affirmative recorded vote and in

accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3711(B) of the Code of Virginia of 1950, as amended, requires a certification by the Board that such closed meeting was conducted in conformity with Virginia law.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Board.

Commissioner Parker moved for adoption, which was seconded by Commissioner Beshah and upon roll call the following voted "Aye":

Commissioners Jackson, Olds, Parker, Beshah and Sties

And the following voted "Nay":

None

And the following abstained:

None

The meeting officially reconvened at 11:25 a.m.

Chairman Jackson noted for the record that no action was taken in the Closed Session.

Commissioner James Sties moved for adoption of the Minutes as corrected, which was seconded by Commissioner Marilyn Olds.

Commissioner Jackson stated that the motion to adopt the minutes had been properly moved and seconded and upon roll call the following voted "Aye":

Commissioners Marilyn Olds, Russell Parker, and James Sties

And the following voted "Nay":

None

And the following abstained:

Commissioners Brian K. Jackson, Esq.

Chairman Jackson entertained a motion to adjourn. There being no further business and upon unanimous vote, the meeting adjourned at 11:27 a.m.

Chairman

Executive Director/Secretary-Treasurer