

**RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE COUNTY OF JAMES CITY, VIRGINIA**

WHEREAS, the Industrial Development Authority of the County of James City, Virginia, a political subdivision of the Commonwealth of Virginia (the "Authority"), is empowered by the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2 of the Code of Virginia, as amended (the "Act"), to issue its revenue bonds for the purpose of inducing manufacturing, industrial and commercial facilities to locate or remain in the Commonwealth of Virginia (the "Commonwealth") and to promote the commerce, safety, health, welfare, convenience or prosperity of the citizens of the Commonwealth;

WHEREAS, the Authority in 2002 received a request from Avid Medical, Inc. (the "Applicant"), a Delaware corporation, having its principal place of business currently at 9000 Westmont Drive, Toano, Virginia 23168, that the Authority issue its revenue bonds to assist the Applicant in financing (1) the acquisition, construction and equipping of an approximately 45,000 square foot expansion of the Applicant's existing facility, which expansion will be used in the manufacturing of medical devices and the manufacturing process of assembling and packing procedure - ready kits and subassemblies primarily for sale to health care providers and which will be located on a 3 acre parcel of land adjacent to the existing facility at 9000 Westmont Drive, Toano, Virginia (the "Project") and (2) payment of the costs of issuing the Bonds;

WHEREAS, the issuance of bonds for the Project will induce the Applicant to locate the Project in James City County, Virginia (the "County") and thereby benefit the inhabitants of the County and the Commonwealth through the increase of their commerce and through the promotion of their safety, health, welfare, convenience and prosperity;

WHEREAS, the Applicant, in an appearance before the Authority in May, 2002 by the Applicant's representatives and in the application filed with the Authority, described the benefits of the Project to the inhabitants of the County and the Commonwealth;

WHEREAS, the Applicant represented that the estimated cost of the Project and all expenses of the issue payable from bond proceeds would require an issue of industrial development revenue bonds in an aggregate principal amount not to exceed \$3,500,000 (the "Bonds");

WHEREAS, the Authority held a public hearing in May, 2002 as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), and by the Act and adopted an Inducement Resolution with respect to the Project (the "Inducement Resolution");

WHEREAS, the Board of Supervisors of the County (the "Board of Supervisors") adopted a resolution approving the issuance of bonds for the Project in June, 2002;

WHEREAS, subsequent to the adoption of the aforementioned resolutions by the Authority and the County, the Applicant and its lender agreed to finance construction of the Project through an interim taxable conventional loan with the issuance of the Bonds being delayed until on or about the time of construction completion;

WHEREAS, the Code requires that bonds for manufacturing purposes be issued within one year of the approval of the Board of Supervisors, thus necessitating a new approval by the Board of Supervisors and a new public hearing; and

WHEREAS, the Authority has today held a new public hearing as required by Section 147(f) of the Code and by the Act;

NOW, THEREFORE, BE IT RESOLVED BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF JAMES CITY, VIRGINIA:

1. The Inducement Resolution, in which the Authority agreed to issue the Bonds to finance the Project, is in all respects ratified and confirmed.
2. The Authority hereby (a) recommends that the Board of Supervisors approve the issuance of the Bonds to the extent required by Section 147(f) of the Code within sixty days of the date of the adoption of this Resolution by the Authority and (b) directs the Chairman or Vice Chairman and the Secretary or Assistant Secretary of the Authority to file with the Board of Supervisions this Resolution, the Inducement Resolution, the Applicant's Fiscal Impact Statement and a reasonably detailed summary of the statements made at the public hearing held by the Authority.
3. All other acts of the officers of the Authority which are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bonds and the undertaking of the Project are hereby ratified, approved and confirmed.
4. This Resolution shall take effect immediately upon its adoption.

ADOPTED: June 17, 2003