

Issue Analysis Form



Date: September 22, 2020
Discussion and Approval of
Debt Refunding /
Item: "Refinancing" Option
County Administration &
Lead Department(s): Finance
Percy C. Ashcraft & Betsy
Contact Person(s): Drewry

Description and Current Status

On September 1 and September 8, Ted Cole, Senior Vice-President, Davenport & Company, LLC (the County's contracted financial advisor), provided the Board an overview of potential savings if we refund (refinance) several of the County's existing debt obligations to take advantage of lowered borrowing rates.

Davenport provided an analysis that compared possible savings and costs refunding County debt through two options:

- **Option 1** - Refunding through Virginia Resources Authority (VRA) fall 2020 borrowing pool
- **Option 2** – Issuance of County Debt in public bond market

See **Attachment A** for an analysis provided to the Board on September 8 with an updated timeline. On September 1 and 8, Mr. Cole, Board members and staff discussed possible risks and costs for both options.

The analysis (**Attachment A**) shows *estimated* savings under the options as follows:

VRA Fall Pool Savings - \$2,934,758*

County Public Issuance - \$3,473,060* [AA Bond Rating – Current Rating]

County Public Issuance - \$2,975,218* [A Bond Rating]

Difference = \$538,302 [VRA to County Issuance AA]*

Difference = \$40,460 [VRA to County Issuance A]*

*Preliminary and subject to change with change in bond market rates

Savings in costs for County issuance vs. VRA = \$311,690

Staff Recommendation – The staff recommendation is to issue County debt in the public bond market to maximize savings and realize lower fees.

Staff seeks approval from the Board on the preferred option to refund debt. VRA refunding or issuance of County bonds in the public market.

If a VRA refunding is the best option (option 1), on September 22, the Board will need to consider and adopt a resolution prepared by Williams Mullen (bond counsel) to express its intent to participated in the fall 2020 VRA financing pool. The resolution provides the board with protection from participation with the fall 2020 VRA financing pool unless certain savings thresholds are met at closing (i.e. the ability to withdraw our application). **If issuance of County Debt in the public bond market (option 2) is the best option**, board actions and approvals would likely take place October through November, 2020.

Comparative timelines are provided on page 5 of Attachment A.

Board Action Requested:

Two (2) draft resolutions are provided for consideration and possible approval.

- 1) Approve refunding method by resolution [VRA or County Bond Sale in Public Market]
- 2) ONLY IF VRA (option 1) is selected, approve resolution expressing the County's intent to participate in the VRA fall 2020 financing pool

VRA Terms & Conditions are provided for Board review as **Attachment B**

VRA Bond Financing Agreement is provided for Board review as **Attachment C**

Government Path

- | | | |
|---|---|--|
| Does this require IDA action? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does this require BZA action? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does This require Planning Commission Action? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does this require Board of Supervisors action? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Does this require a public hearing? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| If so, before what date? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

Fiscal Impact Statement

If qualified existing debt obligations are refunded (refinanced), substantial savings could be realized based on lowered borrowing rates.

County Impact

The County can enjoy reduced debt service payments if existing debt is refunded / "refinanced" at lower interest rates.

Notes

Refunding Analysis

Prince George County, Virginia



September 4, 2020



ATTACHMENT A

Debt Outstanding | Summary

A	B	C	D	E	F	G	H	I	J	K	L	M
Dated/ Closing Date	Description	Credit	Final Maturity	Rem. Term (In Years) ⁽¹⁾	Tax Status	Coupon	Pot. Refi. Candidate	Type	Purpose	Original Par Amount	Outstanding as of 6/30/2020	Call Provisions
Tax-Supported Debt												
1	VPSA Bonds, Series 2000B	GO	7/15/2020	0.0	Tax-Exempt	5.10%		VPSA	Clements, Walton & Beazley	\$15,284,493	\$1,051,700	VPSA Discretion
2	VPSA Bonds, Series 2005D	GO	7/15/2025	5.0	Tax-Exempt	4.6%-5.1% (Subsidy)		VPSA	Schools	\$7,760,053	\$2,754,711	VPSA Discretion
3	VMI/VACO RZED Bond, Series 2010A	GO	2/15/2025	4.6	Taxable (Subsidy)	5.962%	✓	VMI/ VACO	Animal Shelter	\$1,650,000	\$635,000	Whole or part, any time, no penalty
4	GO Refunding Note, Series 2012B	GO	2/1/2024	3.6	Tax-Exempt	2.25%	✓	Bank (Carter)	Refund 2003B and 2009A (General County Purposes)	\$9,009,000	\$2,911,000	Whole or part, any time, no penalty
5	GO Public Facilities Note, Series 2014A	GO	2/1/2024	3.6	Tax-Exempt	2.15%	✓	Bank (PNC)	PG High Tennis Courts, Disputanta Fire Station, & Temple Field Lights	\$943,000	\$408,000	Whole or part, any time, no penalty
6	GO Public Facilities Note, Series 2014B	GO	2/1/2029	8.6	Tax-Exempt	2.40% ⁽¹⁾	✓	Bank (PNC)	New Carson Volunteer Fire Station	\$2,257,000	\$1,465,000	Whole or part, any time, no penalty
7	GO Bond, Series 2014C	GO	8/1/2024	4.1	Tax-Exempt	2.01%	✓	Bank (US Bank)	Courthouse HVAC upgrades	\$1,218,000	\$641,000	Whole or part, any time, 3% penalty
8	GO and Refunding Bond, Series 2015A	GO	8/1/2020	0.1	Tax-Exempt	1.50%	✓	Bank (Carter)	Refund 2006C and finance vehicles for police use & school buses	\$1,418,000	\$292,000	Whole or part, any time, no penalty
9	GO Bond, Series 2015B	GO	8/1/2030	10.1	Tax-Exempt	2.43%	✓	Bank (Pinnacle)	School roof reno., courthouse reno., fire & rescue equip. act.	\$3,951,000	\$3,035,000	Whole, any time, no penalty. Part min. \$250k
10	GO Refunding Bond, Series 2016A	GO	2/1/2031	10.6	Tax-Exempt	2.32%	✓	Bank (ANBT)	Refund a portion of 2008A Bonds	\$4,457,000	\$3,717,000	Whole or part, any time, no penalty
11	GO Refunding Bond, Series 2016B	GO	4/1/2033	12.8	Tax-Exempt	2.00%	✓	VPSA	Refund a portion of 2008A Bonds (Literary Loan)	\$7,500,000	\$6,715,000	Whole or part, any time, no penalty
12	GO Note, Series 2017A	GO	2/1/2032	11.6	Tax-Exempt	2.30%	✓	Bank (Carter)	Public safety radio system, police vehicles, parks & rec. Rt. 10 Fire Station	\$9,000,000	\$8,752,000	Whole or part, any time, no penalty
13	GO Bond, Series 2018	GO	2/1/2033	12.6	Tax-Exempt	3.16%		Bank (Raymond James)	Police vehicles, public safety radio, improvements to County buildings, water & sewer improvements, fuel canopy & dispenser, electoral equipment, CDCC software upgrade	\$9,300,000	\$8,732,000	Whole or part, after 2/1/28, no penalty. Prepayable prior to 2/1/28 with written consent of lender
14	GO Bond, Series 2019	GO	2/1/2034	13.6	Tax-Exempt	2.88%	✓	Bank (Zions)	Police vehicles, utility improvements, security systems, assessor software, new fire station, parks & rec	\$9,450,000	\$8,840,000	Whole or part, any time, no penalty
15	Tax-Exempt GO Bond, Fall Series 2019	GO	8/1/2034	14.1	Tax-Exempt	2.11%	✓	Bank (Zions)	Police vehicles, fire apparatus, wellness center	\$4,142,000	\$4,142,000	Whole or part, any time, no penalty
16	Taxable GO Bond, Fall Series 2019	GO	8/1/2026	6.1	Taxable	2.65%	✓	Bank (Zions)	Broadband	\$1,017,000	\$1,017,000	Whole or part, any time, no penalty
Utility-Supported Debt										Total Tax-Supported Debt Outstanding	\$54,603,411	
17	GO and Refunding Bond, Series 2015A	GO	8/1/2021	1.1	Tax-Exempt	1.50%	✓	Bank (Carter)	Wastewater	\$856,000	\$294,000	Whole or part, any time, no penalty
18	GO Bond, Series 2015B	GO	8/1/2030	10.1	Tax-Exempt	2.43%	✓	Bank (Pinnacle)	Wastewater	\$1,590,000	\$1,221,000	Whole, any time, no penalty. Part min. \$250k
19	Tax-Exempt GO Bond, Fall Series 2019	GO	8/1/2034	14.1	Tax-Exempt	2.11%	✓	Bank (Zions)	Stormwater	\$2,136,000	\$2,136,000	Whole or part, any time, no penalty
Total Utility-Supported Debt Outstanding										\$3,651,000		

(1) Measured from 7/1/2020.
 (2) A put option is schedule to take place on 2/1/2024. This analysis assumes the interest rate remains the same.



ATTACHMENT A Preliminary Refunding Analysis | VRA Fall Pool Current Market as of 9/4/2020

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Key Assumptions	2010A Bond	2012B Bond	2014A Bond	2014B Bond	2015A Bond	2015B Bond	2016A Bond	2016B Bond	2017A Bond	2019 Spring Bond	2019 Fall Tax- Exempt Bond	2019 Fall Tax- Taxable Bond	2019 Fall Aggregate		
2 Bonds Refunded															
3 Par Refunded	\$ 635,000	\$ 2,911,000	\$ 408,000	\$ 1,465,000	\$ 518,000	\$ 148,000	\$ 3,914,000	\$ 3,712,000	\$ 6,715,000	\$ 8,752,000	\$ 5,364,000	\$ 883,000	\$ 44,265,000		
4 Coupon	5.962%	2.250%	2.150%	2.400% ⁽¹⁾	2.010%	1.500%	2.430%	2.320%	2.000%	2.300%	2.880%	2.110%	2.650%		
5 Next Call	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time		
6 Call Price	100%	100%	100%	100%	103%	100%	100%	100%	100%	100%	100%	100%	100%		
7 Maturities Refunded	2/15/2021 to 2/15/2025	2/1/2021 to 2/1/2024	2/1/2021 to 2/1/2024	2/1/2021 to 2/1/2029	8/1/2021 to 8/1/2024	8/1/2021 to 8/1/2024	8/1/2021 to 8/1/2030	2/1/2021 to 2/1/2031	4/1/2021 to 4/1/2033	2/1/2021 to 2/1/2032	2/1/2021 to 2/1/2034	8/1/2021 to 8/1/2034	2/1/2021 to 8/1/2034		
8															
9															
10 Refunding Bonds															
11 Final Maturity	11/1/2024	11/1/2023	11/1/2023	11/1/2028	11/1/2024	11/1/2024	11/1/2030	11/1/2030	11/1/2030	11/1/2031	11/1/2033	11/1/2034	11/1/2026		
12 True Interest Cost	0.53%	0.60%	0.57%	0.68%	0.53%	0.53%	0.83%	0.83%	1.11%	0.96%	1.26%	1.14%	0.55%		
13 All-In TIC	0.96%	1.23%	1.12%	0.90%	0.96%	0.96%	1.01%	1.01%	1.25%	1.12%	1.40%	1.38%	0.85%		
14 Tax Status	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt		
15 Equity Contribution ⁽²⁾	\$ 114,000	\$ 805,000	\$ 94,000	\$ 130,000	\$ -	\$ -	\$ -	\$ -	\$ 448,000	\$ 535,000	\$ 483,000	\$ -	\$ 2,859,000		
16 Assumed Call Date	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	11/1/2030	11/1/2030	11/1/2030	11/1/2030	N/A		
17															
18 Savings															
19 Gross Savings	\$ 30,931	\$ 50,504	\$ 12,480	\$ 94,725	\$ (3,362)	\$ (1,860)	\$ 292,348	\$ 279,305	\$ 369,303	\$ 644,901	\$ 951,096	\$ 164,245	\$ 50,143		
20 Net PV Savings	\$ 33,796	\$ 46,966	\$ 7,768	\$ 94,499	\$ (6,297)	\$ (899)	\$ 291,024	\$ 258,077	\$ 318,685	\$ 598,241	\$ 862,965	\$ 163,668	\$ 50,089		
21 Net PV Savings %	5.32%	1.61%	1.90%	6.45%	-1.22%	-0.61%	7.44%	6.95%	4.75%	6.84%	9.76%	3.05%	5.67%		
22															
23 Cash Flow Savings															
24 2021	\$ 5,960	\$ 13,455	\$ 2,657	\$ 9,359	\$ (6,048)	\$ (2,255)	\$ (26,700)	\$ 27,505	\$ 29,115	\$ 53,684	\$ 69,939	\$ (51,007)	\$ (6,284)		
25 2022	\$ 6,281	\$ 9,290	\$ 215	\$ 12,642	\$ 3,108	\$ 394	\$ 33,264	\$ 26,015	\$ 29,359	\$ 59,146	\$ 68,887	\$ 20,415	\$ 10,759		
26 2023	\$ 7,759	\$ 13,484	\$ 4,913	\$ 9,168	\$ (1,551)	\$ -	\$ 30,859	\$ 25,575	\$ 26,616	\$ 54,145	\$ 66,599	\$ 22,974	\$ 7,120		
27 2024	\$ 4,494	\$ 14,275	\$ 4,695	\$ 10,983	\$ 124	\$ -	\$ 31,003	\$ 25,544	\$ 29,441	\$ 54,186	\$ 69,975	\$ 18,407	\$ 8,759		
28 2025	\$ 6,437	\$ -	\$ -	\$ 12,957	\$ 1,005	\$ -	\$ 34,570	\$ 24,037	\$ 27,934	\$ 51,291	\$ 65,836	\$ 20,831	\$ 10,548		
29 2026	\$ -	\$ -	\$ -	\$ 9,220	\$ -	\$ -	\$ 30,687	\$ 26,985	\$ 27,253	\$ 54,438	\$ 67,659	\$ (26,492)	\$ 7,615		
30 2027	\$ -	\$ -	\$ -	\$ 11,796	\$ -	\$ -	\$ 30,482	\$ 24,412	\$ 27,397	\$ 53,626	\$ 66,174	\$ (3,734)	\$ 11,625		
31 2028	\$ -	\$ -	\$ -	\$ 9,660	\$ -	\$ -	\$ 33,814	\$ 22,597	\$ 28,366	\$ 50,111	\$ 70,353	\$ 19,357	\$ 234,258		
32 2029	\$ -	\$ -	\$ -	\$ 8,940	\$ -	\$ -	\$ 31,789	\$ 26,294	\$ 30,159	\$ 53,872	\$ 70,196	\$ 20,122	\$ 241,372		
33 2030	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,533	\$ 25,622	\$ 27,906	\$ 52,884	\$ 66,958	\$ 22,070	\$ 226,972		
34 2031	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,047	\$ 24,719	\$ 26,734	\$ 54,298	\$ 65,739	\$ 19,317	\$ 221,855		
35 2032	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,516	\$ 53,221	\$ 65,511	\$ 21,864	\$ 172,111		
36 2033	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,506	\$ -	\$ 67,273	\$ 18,722	\$ 113,501		
37 2034	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,996	\$ 21,890	\$ 91,887		
38 2035	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,509	\$ 19,509		
39 Total	\$ 30,931	\$ 50,504	\$ 12,480	\$ 94,725	\$ (3,362)	\$ (1,860)	\$ 292,348	\$ 279,305	\$ 369,303	\$ 644,901	\$ 951,096	\$ 164,245	\$ 50,143		
													\$ 2,934,758		
														\$ 2,718,582	
														\$ 6.14%	

(1) A put option is scheduled to take place on 2/1/2024. This analysis assumes the interest rate remains the same.
(2) Equity Contributions are assumed to be made from existing budgeted debt service for FY 2021.

Notes:
- Savings net of estimated VRA and Local Costs of Issuance of \$391,900 and Underwriter's Discount of \$171,900. Preliminary and subject to change.
- Interest rates as of 9/4/2020 are preliminary and subject to change.
- Assumes a closing date of 11/18/2020.



ATTACHMENT A
Preliminary Refunding Analysis | County Public Issuance
Current Market as of 9/4/2020 – Assumes AA Rating

Key Assumptions	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
	2010A	2012B	2014A	2014B	2014C	2015A	2015B	2016A	2016B	2017A	2019 Spring	2019 Fall	2019 Fall	2019 Fall	Aggregate
	Bond	Bond	Bond	Bond	Bond	Bond	Bond	Bond	Bond	Bond	Bond	Exempt Bond	Exempt Bond	Taxable Bond	Bond
2 Bonds Refunded															
3 Per Refunded	\$ 635,000	\$ 2,911,000	\$ 408,000	\$ 1,465,000	\$ 518,000	\$ 148,000	\$ 3,914,000	\$ 3,712,000	\$ 6,715,000	\$ 8,752,000	\$ 8,840,000	\$ 5,364,000	\$ 883,000	\$ 44,265,000	
4 Coupon	5.962%	2.250%	2.150%	2.400% ¹	2.010%	1.500%	2.430%	2.320%	2.000%	2.300%	2.880%	2.110%	2.110%	2.650%	1.50% - 5.962%
5 Next Call	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time
6 Call Price	100%	100%	100%	100%	103%	100%	100%	100%	100%	100%	100%	100%	100%	100%	Varies
7 Maturities Refunded	2/15/2025 to 2/1/2021 to 2/1/2024	2/1/2021 to 2/1/2021 to 8/1/2021 to 8/1/2024	2/1/2021 to 2/1/2024	2/1/2021 to 2/1/2021 to 8/1/2021 to 8/1/2024	8/1/2021 to 8/1/2021 to 8/1/2021 to 8/1/2024	8/1/2021 to 8/1/2021 to 8/1/2021 to 8/1/2024	8/1/2021 to 8/1/2021 to 8/1/2021 to 8/1/2024	8/1/2021 to 8/1/2021 to 8/1/2021 to 8/1/2024	4/1/2021 to 4/1/2021 to 4/1/2021 to 4/1/2024	2/1/2021 to 2/1/2021 to 2/1/2021 to 2/1/2024	2/1/2021 to 2/1/2021 to 2/1/2021 to 2/1/2024	2/1/2021 to 2/1/2021 to 2/1/2021 to 2/1/2024	8/1/2021 to 8/1/2021 to 8/1/2021 to 8/1/2024	8/1/2021 to 8/1/2021 to 8/1/2021 to 8/1/2024	2/1/2021 to 8/1/2021 to 8/1/2021 to 8/1/2024
8															
9															
10 Refunding Bonds															
11 Final Maturity	11/1/2024	11/1/2023	11/1/2023	11/1/2028	11/1/2024	11/1/2021	11/1/2030	11/1/2030	11/1/2030	11/1/2032	11/1/2031	11/1/2033	11/1/2034	11/1/2026	11/1/2034
12 True Interest Cost	0.41%	0.47%	0.44%	0.54%	0.41%	0.68%	0.68%	0.68%	0.68%	0.90%	0.79%	1.02%	0.90%	0.42%	0.84%
13 All-In TIC	0.75%	0.99%	0.88%	0.72%	0.75%	1.63%	0.82%	0.82%	0.82%	1.03%	0.92%	1.13%	1.09%	0.66%	0.98%
14 Tax Status	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt
15 Equity Contribution ²	\$ 114,000	\$ 805,000	\$ 96,000	\$ 127,000	\$ -	\$ -	\$ -	\$ 250,000	\$ 455,000	\$ 535,000	\$ 490,000	\$ -	\$ -	\$ -	\$ 2,872,000
16 Assumed Call Date	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	11/1/2030	11/1/2030	11/1/2030	11/1/2030	11/1/2030	N/A	N/A
17															
18 Savings															
19 Gross Savings	\$ 32,452	\$ 60,025	\$ 11,194	\$ 111,396	\$ (1,834)	\$ (1,688)	\$ 337,073	\$ 306,808	\$ 465,853	\$ 749,321	\$ 1,110,008	\$ 238,892	\$ 238,892	\$ 53,559	\$ 3,473,060
20 Net PV Savings	36,782	56,739	9,303	106,404	(3,750)	(485)	332,445	296,806	417,870	702,449	1,026,113	229,679	229,679	55,484	3,265,840
21 Net PV Savings %	5.79%	1.95%	2.28%	7.26%	-0.72%	-0.33%	8.49%	8.00%	6.22%	8.03%	11.61%	4.28%	4.28%	6.28%	7.38%
22															
23 Cash Flow Savings															
24 2021	\$ 6,234	\$ 14,697	\$ 821	\$ 13,111	\$ (5,774)	\$ (2,173)	\$ (24,550)	\$ 29,218	\$ 34,278	\$ 64,344	\$ 82,961	\$ (43,247)	\$ (5,845)	\$ 164,075	
25 2022	6,815	16,403	519	14,233	3,646	485	37,858	29,658	36,525	62,905	78,709	22,418	11,656	321,829	
26 2023	8,150	14,438	5,097	10,609	(1,157)	-	35,131	28,934	34,375	63,192	77,612	24,684	7,867	308,930	
27 2024	4,735	14,488	4,758	12,264	365	-	34,935	28,603	37,775	63,361	82,150	24,641	9,346	317,419	
28 2025	6,518	-	-	14,073	1,087	-	38,145	26,781	36,825	60,560	79,198	21,531	10,970	295,687	
29 2026	-	-	-	10,161	-	-	33,887	29,398	36,675	63,766	77,359	(11,011)	7,862	248,097	
30 2027	-	-	-	12,552	-	-	38,160	26,478	37,325	62,979	82,184	11,747	11,704	283,127	
31 2028	-	-	-	10,222	-	-	35,952	29,168	33,900	59,449	77,769	25,013	-	271,474	
32 2029	-	-	-	14,171	-	-	33,489	27,354	36,400	63,153	79,239	21,250	-	275,056	
33 2030	-	-	-	-	-	-	37,646	26,275	34,825	62,068	77,595	23,788	-	262,197	
34 2031	-	-	-	-	-	-	36,422	24,941	34,300	63,342	77,933	21,617	-	258,555	
35 2032	-	-	-	-	-	-	-	-	36,550	60,202	79,448	22,336	-	198,537	
36 2033	-	-	-	-	-	-	-	-	36,100	-	77,542	24,706	-	138,348	
37 2034	-	-	-	-	-	-	-	-	-	-	80,309	23,053	-	103,362	
38 2035	-	-	-	-	-	-	-	-	-	-	-	26,365	-	26,365	
39 Total	\$ 32,452	\$ 60,025	\$ 11,194	\$ 111,396	\$ (1,834)	\$ (1,688)	\$ 337,073	\$ 306,808	\$ 465,853	\$ 749,321	\$ 1,110,008	\$ 238,892	\$ 238,892	\$ 53,559	\$ 3,473,060

Notes:
 - Savings net of estimated Costs of Issuance of \$325,000 and Underwriter's Discount of \$176,650. Preliminary and subject to change.
 - Interest rates as of 9/4/2020 are preliminary and subject to change.
 - Assumes a closing date of 11/18/2020.



ATTACHMENT A Preliminary Refunding Analysis | County Public Issuance Current Market as of 9/4/2020 – Assumes A Rating

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Key Assumptions	2010A Bond	2012B Bond	2014A Bond	2014B Bond	2014C Bond	2014C Bond	2015A Bond	2015B Bond	2016A Bond	2016B Bond	2017A Bond	2019 Spring Bond	2019 Fall Tax- Exempt Bond	2019 Fall Tax- Taxable Bond	2019 Fall Aggregate
1															
2	Bonds Refunded														
3	Par Refunded	\$ 635,000	\$ 2,911,000	\$ 408,000	\$ 1,465,000	\$ 518,000	\$ 148,000	\$ 3,914,000	\$ 3,712,000	\$ 6,715,000	\$ 8,752,000	\$ 8,840,000	\$ 5,364,000	\$ 883,000	\$ 44,265,000
4	Coupon	5.962%	2.250%	2.150%	2.400% ⁽¹⁾	2.010%	1.500%	2.430%	2.320%	2.000%	2.300%	2.880%	2.110%	2.650%	1.50% - 5.962%
5	Next Call	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time
6	Call Price	100%	100%	100%	100%	103%	100%	100%	100%	100%	100%	100%	100%	100%	Varies
7	Maturities Refunded	2/15/2021 to 2/1/2021 to 2/1/2024	2/1/2021 to 2/1/2021 to 2/1/2024	2/1/2021 to 2/1/2021 to 2/1/2024	2/1/2021 to 2/1/2021 to 2/1/2024	8/1/2021 to 8/1/2021 to 8/1/2024	8/1/2021 to 8/1/2021 to 8/1/2024	8/1/2021 to 8/1/2021 to 8/1/2024	8/1/2021 to 2/1/2021 to 2/1/2024	4/1/2021 to 4/1/2021 to 4/1/2024	2/1/2021 to 2/1/2021 to 2/1/2024	2/1/2021 to 2/1/2021 to 2/1/2024	2/1/2021 to 2/1/2021 to 2/1/2024	8/1/2021 to 8/1/2021 to 8/1/2024	2/1/2021 to 8/1/2021 to 8/1/2024
8		2/15/2025	2/1/2024	2/1/2024	2/1/2029	8/1/2024	8/1/2024	8/1/2024	2/1/2031	4/1/2031	2/1/2032	2/1/2034	2/1/2034	8/1/2034	8/1/2026
9															
10	Refunding Bonds														
11	Final Maturity	11/1/2024	11/1/2023	11/1/2023	11/1/2028	11/1/2024	11/1/2021	11/1/2021	11/1/2030	11/1/2030	11/1/2032	11/1/2031	11/1/2033	11/1/2034	11/1/2026
12	True Interest Cost	0.48%	0.53%	0.49%	0.70%	0.48%	0.75%	0.87%	0.87%	1.15%	1.00%	1.25%	1.08%	1.08%	0.54%
13	AIIn TIC	0.83%	1.04%	0.94%	0.88%	0.83%	1.70%	1.01%	1.01%	1.27%	1.13%	1.37%	1.28%	0.78%	1.19%
14	Tax Status	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt
15	Equity Contribution ⁽²⁾	\$ 114,000	\$ 805,000	\$ 96,000	\$ 127,000	\$ -	\$ -	\$ -	\$ 253,000	\$ 455,000	\$ 540,000	\$ 493,000	\$ -	\$ -	\$ 2,883,000
16	Assumed Call Date	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	11/1/2030	11/1/2030	11/1/2030	11/1/2030	11/1/2030	N/A
17															
18	Savings														
19	Gross Savings	\$ 32,452	\$ 60,025	\$ 11,194	\$ 99,170	\$ (7,072)	\$ (1,688)	\$ 297,894	\$ 274,367	\$ 361,222	\$ 639,435	\$ 969,154	\$ 191,995	\$ 47,071	\$ 2,975,218
20	Net PV Savings	35,643	54,320	8,912	95,850	(4,684)	(562)	289,924	256,674	308,998	590,666	877,584	186,595	51,982	2,751,902
21	Net PV Savings %	5.61%	1.87%	2.18%	6.54%	-0.90%	-0.38%	7.41%	6.91%	4.60%	6.75%	9.93%	3.48%	5.89%	6.22%
22															
23	Cash Flow Savings														
24	2021	\$ 6,234	\$ 14,697	\$ 821	\$ 12,885	\$ (5,887)	\$ (2,173)	\$ (25,229)	\$ 28,347	\$ 53,458	\$ 72,807	\$ (45,194)	\$ (5,959)	\$ 130,459	
25	2022	6,815	16,403	519	8,858	(1,480)	485	31,483	23,533	28,300	54,780	67,784	18,118	11,406	
26	2023	8,150	14,438	5,097	10,359	(1,157)	-	33,881	23,059	25,900	49,942	66,437	20,384	7,617	
27	2024	4,735	14,488	4,758	12,014	365	-	33,685	22,978	29,050	54,986	70,725	20,341	9,096	
28	2025	6,518	-	-	13,823	1,087	-	32,020	26,281	27,850	51,935	67,523	22,106	10,720	
29	2026	-	-	-	9,911	-	-	32,887	24,023	27,450	54,891	70,309	(15,561)	7,612	
30	2027	-	-	-	12,302	-	-	32,285	26,228	27,850	53,854	69,759	7,197	6,579	
31	2028	-	-	-	9,972	-	-	30,327	24,043	29,050	54,949	69,969	20,463	-	
32	2029	-	-	-	9,046	-	-	32,989	27,354	26,175	53,278	70,939	21,575	-	
33	2030	-	-	-	-	-	-	32,271	26,275	29,225	51,943	68,795	18,988	-	
34	2031	-	-	-	-	-	-	31,297	24,941	28,200	52,967	68,633	21,692	-	
35	2032	-	-	-	-	-	-	-	-	25,550	52,452	66,248	18,886	-	
36	2033	-	-	-	-	-	-	-	-	28,275	-	69,017	18,731	-	
37	2034	-	-	-	-	-	-	-	-	-	-	70,209	22,953	-	
38	2035	-	-	-	-	-	-	-	-	-	-	-	21,315	-	
39	Total	\$ 32,452	\$ 60,025	\$ 11,194	\$ 99,170	\$ (7,072)	\$ (1,688)	\$ 297,894	\$ 274,367	\$ 361,222	\$ 639,435	\$ 969,154	\$ 191,995	\$ 47,071	\$ 2,975,218

(1) A put option is scheduled to take place on 2/1/2024. This analysis assumes the interest rate remains the same.
(2) Equity Contributions are assumed to be made from existing budgeted debt service for FY 2021.

- Notes:
- Savings net of estimated Costs of Issuance of \$325,000 and Underwriter's Discount of \$176,150. Preliminary and subject to change.
 - Interest rates as of 9/4/2020 are preliminary and subject to change.
 - Assumes a closing date of 11/18/2020.



ATTACHMENT A

Preliminary Refunding Analysis | Comparison

Current Market as of 9/4/2020

	Estimated Savings ⁽¹⁾	VRA Fall Pool	County Public Issuance (AA)	County Public Issuance (A)
1	Gross Savings	\$ 2,934,758	\$ 3,473,060	\$ 2,975,218
2	Net PV Savings	2,718,582	3,265,840	2,751,902
3	Net PV Savings %	6.14%	7.38%	6.22%
4				
5	Cash Flow Savings			
6	2021	\$ 119,380	\$ 164,075	\$ 130,459
7	2022	279,776	321,829	267,004
8	2023	267,661	308,930	264,105
9	2024	271,885	317,419	277,219
10	2025	255,447	295,687	259,862
11	2026	197,366	248,097	211,522
12	2027	221,777	283,127	236,052
13	2028	234,258	271,474	238,774
14	2029	241,372	275,056	241,356
15	2030	226,972	262,197	227,497
16	2031	221,855	258,555	227,730
17	2032	172,111	198,537	163,137
18	2033	113,501	138,348	116,023
19	2034	91,887	103,362	93,162
20	2035	19,509	26,365	21,315
21	Total	\$ 2,934,758	\$ 3,473,060	\$ 2,975,218
22				
23	Estimated Costs			
24	Local Costs of Issuance	\$ 200,000 ⁽²⁾	\$ 325,000 ⁽³⁾	\$ 325,000 ⁽³⁾
25	VRA Fixed Costs of Issuance	88,760	-	-
26	VRA Capital Reserve Fund Equity Contrib.	103,140	-	-
27	Underwriter's Discount	171,900	176,650	176,150
28	VRA Annual Admin Fee	249,540 ⁽⁴⁾	-	-
29	Total Estimated Costs	\$ 813,340	\$ 501,650	\$ 501,150

- Items for additional consideration, among others:
 - Required staff time;
 - Market risk; and
 - Transaction cost exposure.

- (1) Preliminary, subject to change until pricing occurs for the respective transaction. Savings are net of the Costs shown on lines 23-29.
- (2) Includes fees and expenses for Financial Advisor, Bond Counsel, and associated costs.
- (3) Includes fees and expenses for Financial Advisor, Bond Counsel, Rating Agencies, Printing, CUSIPs, and associated costs.
- (4) 12.5 bps paid over the life of the borrowing.

Preliminary Timelines | VRA & County Public Issuance



Virginia Resources Authority

Timing	Action
Early/Mid-September	VRA conducts its credit work and provides a credit commitment.
9/22 7pm	County Board Meeting <ul style="list-style-type: none"> County Board considers adopting authorizing resolution(s) for Refunding Savings parameters.
9/25	VRA Key Date Deadline for all local approvals.
10/28	VRA Key Date Bond Sale
11/18	VRA Key Date Closing

County Public Issuance

Timing	Action
Late September/ Early October	<ul style="list-style-type: none"> Bond Counsel coordinates with Working Group to draft Preliminary Official Statement. Davenport coordinates with County Staff to reach out to Rating Agencies and prepare credit presentation.
Early/Mid-October	Rating Agency Calls
By Mid-October	County Board holds Public Hearing and considers adopting approving resolution(s) and form of bond documents.
Late October/ Early November	Bond Sale
Early/Mid-November	Working Group coordinates to finalize documents.
By Late November	Closing



ATTACHMENT A

Municipal Advisor Disclosure

The enclosed information relates to an existing or potential municipal advisor engagement.

The U.S. Securities and Exchange Commission (the "SEC") has clarified that a broker, dealer or municipal securities dealer engaging in municipal advisory activities outside the scope of underwriting a particular issuance of municipal securities should be subject to municipal advisor registration. Davenport & Company LLC ("Davenport") has registered as a municipal advisor with the SEC. As a registered municipal advisor Davenport may provide advice to a municipal entity or obligated person. An obligated person is an entity other than a municipal entity, such as a not for profit corporation, that has commenced an application or negotiation with an entity to issue municipal securities on its behalf and for which it will provide support. If and when an issuer engages Davenport to provide financial advisory or consultant services with respect to the issuance of municipal securities, Davenport is obligated to evidence such a financial advisory relationship with a written agreement.

When acting as a registered municipal advisor Davenport is a fiduciary required by federal law to act in the best interest of a municipal entity without regard to its own financial or other interests. Davenport is not a fiduciary when it acts as a registered investment advisor, when advising an obligated person, or when acting as an underwriter, though it is required to deal fairly with such persons.

This material was prepared by public finance, or other non-research personnel of Davenport. This material was not produced by a research analyst, although it may refer to a Davenport research analyst or research report. Unless otherwise indicated, these views (if any) are the author's and may differ from those of the Davenport fixed income or research department or others in the firm. Davenport may perform or seek to perform financial advisory services for the issuers of the securities and instruments mentioned herein.

This material has been prepared for information purposes only and is not a solicitation of any offer to buy or sell any security/instrument or to participate in any trading strategy. Any such offer would be made only after a prospective participant had completed its own independent investigation of the securities, instruments or transactions and received all information it required to make its own investment decision, including, where applicable, a review of any offering circular or memorandum describing such security or instrument. That information would contain material information not contained herein and to which prospective participants are referred. This material is based on public information as of the specified date, and may be stale thereafter. We have no obligation to tell you when information herein may change. We make no representation or warranty with respect to the completeness of this material. Davenport has no obligation to continue to publish information on the securities/instruments mentioned herein. Recipients are required to comply with any legal or contractual restrictions on their purchase, holding, sale, exercise of rights or performance of obligations under any securities/instruments transaction.

The securities/instruments discussed in this material may not be suitable for all investors or issuers. Recipients should seek independent financial advice prior to making any investment decision based on this material. This material does not provide individually tailored investment advice or offer tax, regulatory, accounting or legal advice. Prior to entering into any proposed transaction, recipients should determine, in consultation with their own investment, legal, tax, regulatory and accounting advisors, the economic risks and merits, as well as the legal, tax, regulatory and accounting characteristics and consequences, of the transaction. You should consider this material as only a single factor in making an investment decision.

The value of and income from investments and the cost of borrowing may vary because of changes in interest rates, foreign exchange rates, default rates, prepayment rates, securities/instruments prices, market indexes, operational or financial conditions or companies or other factors. There may be time limitations on the exercise of options or other rights in securities/instruments transactions. Past performance is not necessarily a guide to future performance and estimates of future performance are based on assumptions that may not be realized. Actual events may differ from those assumed and changes to any assumptions may have a material impact on any projections or estimates. Other events not taken into account may occur and may significantly affect the projections or estimates. Certain assumptions may have been made for modeling purposes or to simplify the presentation and/or calculation of any projections or estimates, and Davenport does not represent that any such assumptions will reflect actual future events. Accordingly, there can be no assurance that estimated returns or projections will be realized or that actual returns or performance results will not materially differ from those estimated herein. This material may not be sold or redistributed without the prior written consent of Davenport. Version 1.13.14 | FH | BW | RT | MB | TC



County of Prince George, Virginia
Virginia Pooled Financing Program – G.O. – Terms and Conditions

Below is an outline of the proposed principal terms and conditions for the type of financing requested in the County of Prince George application for funding from the Series 2020C Virginia Pooled Financing Program (“VPFP”), which has been authorized by the Credit Committee of Virginia Resources Authority (“VRA”). The final terms and conditions will be set forth in the Local Bond Sale and Financing Agreement between VRA and the County of Prince George, which will be executed in advance of the Series 2020C VPFP bond pricing in October 2020. The following proposed terms are valid through December 31, 2020.

Borrower:	County of Prince George, Virginia (the “Borrower”)
Amount:	Requested proceeds of up to \$45,200,000 (Any changes in the Requested Proceeds amount should be submitted no later than September 21, 2020)
Purpose:	To refinance up to 13 of the Borrower’s prior debt obligations as requested in the related loan application for consideration in the VPFP Series 2020C issuance, together with related costs (the “Project”).
Security:	Pledge of full faith and credit
Other Conditions:	Notice to VRA prior to the pricing of the VPFP fall Series 2020C bond issue if the Borrower becomes aware of any threatened or filed litigation with respect to the Project ¹ ; Notice to VRA of intent to participate in the VPFP fall Series 2020C transaction no later than September 25, 2020 ² as evidenced by the execution of the related Local Bond Sale and Financing Agreement.
Highlighted Documentation:	<ul style="list-style-type: none"> • Certified copies of the local resolution or ordinance authorizing the proposed financing; • Statement of no material adverse change in condition for the Borrower since Fiscal Year Ending June 30, 2019.

¹ In the event of threatened or filed litigation with respect to the Borrower or the Project, VRA reserves the right to withdraw or alter the terms of this commitment in its sole discretion.

² If a material adverse change has occurred in the financial condition of the Borrower as indicated in the financial statements, application and other information furnished to VRA between the date of the Borrower’s loan application to the VPFP and the VPFP bond pricing, VRA reserves the right to withdraw or alter the terms of this commitment in its sole discretion.



County of Prince George, Virginia
Virginia Pooled Financing Program – G.O. –Terms and Conditions

- Legal Opinions:** Customary opinions as to authorization, validity, no litigation, and no private activity and other matters requested by the VRA
- General Covenants:** To include those customary for these types of transactions, including events of taxability and others that are appropriate in the context of the financing
- Payment Dates:** April 1 - Interest
October 1 – Principal and interest
- Final Local Bond Maturity:** Not later than October 1, 2034
- VRA Loan Origination Fee:** 12.5 basis points of par amount and added to costs of issuance
- Annual Administrative Fee:** 12.5 basis points of outstanding principal and payable with each interest payment on the loan
- Annual Pass-through fees:** Annual trustee fees; allocable costs associated with arbitrage rebate calculations

Acknowledgement:

The foregoing terms and conditions are hereby acknowledged the _____ day of _____, 2020.

By: _____

Its: _____

September 11, 2020



County of Prince George, Virginia
Virginia Pooled Financing Program – G.O. –Terms and Conditions

VRA Contact:

Peter D'Alema
Director of Program Management
Virginia Resources Authority
1111 East Main Street
Suite 1920
Richmond, VA 23219
804-616-3446
pdalema@virginiaresources.org

September 11, 2020

LOCAL BOND SALE AND FINANCING AGREEMENT

between

VIRGINIA RESOURCES AUTHORITY

and

COUNTY OF [____], VIRGINIA

[____], 20[__]

**Virginia Resources Authority
Infrastructure and State Moral Obligation Revenue Bonds
(Virginia Pooled Financing Program)
Series 20[__]C (Taxable)**

ATTACHMENT C

TABLE OF CONTENTS

Page

**ARTICLE I
DEFINITIONS**

Section 1.1	Definitions.....	1
Section 1.2	Rules of Construction.....	5

**ARTICLE II
REPRESENTATIONS**

Section 2.1	Representations by VRA.....	5
Section 2.2	Representations by Local Government.....	5
Section 2.3	Representations Remade as of the Sale Date.....	7

**ARTICLE III
PURCHASE OF THE LOCAL BOND**

Section 3.1	Purchase of the Local Bond.....	8
Section 3.2	Issuance Expenses.....	8
Section 3.3	Schedule 1.1.....	9
Section 3.4	Conditions Precedent to Purchase of the Local Bond.....	9

**ARTICLE IV
USE OF PURCHASE PRICE**

Section 4.1	Deposit of Purchase Price; Investment of Amounts in Local Account.....	10
Section 4.2	Agreement to Accomplish Project.....	10
Section 4.3	Disbursement of Purchase Price and Earnings.....	10
Section 4.4	No Sufficiency Warranty by VRA; Local Government Required to Complete Project.....	11

**ARTICLE V
PLEDGE AND SECURITY**

Section 5.1	Pledge.....	11
Section 5.2	Minimum General Fund Balance.....	11

**ARTICLE VI
PAYMENT AND REDEMPTION OF LOCAL BOND**

Section 6.1	Payment of Local Bond and Related Amounts.....	12
Section 6.2	Defeasance and Redemption of Local Bond.....	13
Section 6.3	Payments and Rights Assigned.....	14
Section 6.4	Obligations Absolute and Unconditional.....	15

ATTACHMENT C

TABLE OF CONTENTS (cont.)

Page

**ARTICLE VII
OPERATION AND USE COVENANTS**

Section 7.1	Maintenance	15
Section 7.2	Additions and Modifications.....	15
Section 7.3	Permits.....	15
Section 7.4	Use.....	15
Section 7.5	Inspection and Local Government's Books and Records.....	15

**ARTICLE VIII
INSURANCE, DAMAGE AND DESTRUCTION**

Section 8.1	Insurance	16
Section 8.2	Requirements of Policies.....	16
Section 8.3	Notice of Damage, Destruction or Condemnation.....	16
Section 8.4	Damage and Destruction.....	17
Section 8.5	Condemnation and Loss of Title.....	17

**ARTICLE IX
SPECIAL COVENANTS**

Section 9.1	[Intentionally Omitted].....	17
Section 9.2	Maintenance of Existence	17
Section 9.3	Financial Records and Statements	17
Section 9.4	Certification as to No Default and Tax Compliance.....	18
Section 9.5	Further Assurances.....	18
Section 9.6	Assignment by Local Government.....	18
Section 9.7	Continuing Disclosure.....	18
Section 9.8	Other Indebtedness.....	22
Section 9.9	Reserved.....	22
Section 9.10	Litigation; Material Change	22

**ARTICLE X
DEFAULTS AND REMEDIES**

Section 10.1	Events of Default.....	22
Section 10.2	Acceleration	23
Section 10.3	Other Remedies	23
Section 10.4	Delay and Waiver.....	23

ATTACHMENT C

TABLE OF CONTENTS (cont.)

Page

**ARTICLE XI
MISCELLANEOUS**

Section 11.1	State Aid Intercept.....	23
Section 11.2	Successors and Assigns.....	23
Section 11.3	Amendments	23
Section 11.4	Limitation of Local Government's Liability	24
Section 11.5	Applicable Law	24
Section 11.6	Severability	24
Section 11.7	Notices.....	24
Section 11.8	Right to Cure Default	24
Section 11.9	Term of Agreement	24
Section 11.10	Counterparts	25
Exhibit A	Form of Local Bond	
Exhibit B	Description of the Project	
Exhibit C	Pending or Threatened Actions, Suits, Proceedings, or Investigations	
Exhibit D	Form of Requisition	
Exhibit E	Operating Data	
Exhibit F	Form of Opinion of Counsel to the Local Government	
Exhibit G	Form of Certification as to No Default and Tax Compliance	
Exhibit H	Description of Special Use Arrangements	
Schedule 1.1	Final Terms	

ATTACHMENT C

LOCAL BOND SALE AND FINANCING AGREEMENT

This **LOCAL BOND SALE AND FINANCING AGREEMENT** is dated as of [____], 20[___], and is between the **VIRGINIA RESOURCES AUTHORITY**, a public body corporate and a political subdivision of the Commonwealth of Virginia ("VRA"), and the **COUNTY OF [_____]**, a municipal corporation of the Commonwealth of Virginia (the "Local Government").

A. VRA intends to issue its Related Series of VRA Bonds, as hereinafter defined, and to use a portion of the proceeds thereof to acquire from the Local Government the Local Bond, as hereinafter defined.

B. VRA and the Local Government wish to set forth herein certain terms, conditions and provisions related to the application of the proceeds to be received pursuant to this Agreement, the payment of the debt service thereon and the security therefor, and the use and maintenance of the Related Financed Property, as each term is hereinafter defined.

NOW, THEREFORE, VRA and the Local Government agree as follows:

**ARTICLE I
DEFINITIONS**

Section 1.1 Definitions. Each capitalized term contained in this Agreement has the meaning set forth below:

"**20[___] Local Bond**" means the Local Government's General Obligation Refunding Bond, Series 20[___].

"**20[___]A VRA Bonds**" means VRA's Infrastructure and State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program), Series 20[___]A.

"**20[___]C Acquisition Fund**" has the meaning set forth in the Related Supplemental Series Indenture.

"**Act**" means the Virginia Resources Authority Act, Chapter 21, Title 62.1 of the Code of Virginia of 1950, as amended.

"**Agreement**" means this Local Bond Sale and Financing Agreement dated the date first written above, between VRA and the Local Government, as modified, altered, amended or supplemented in accordance with the terms hereof.

"**Business Day**" means any day on which commercial banking institutions are generally open for business in New York, New York and Richmond, Virginia.

"**Call Date**" means November 1, 20[___].

"**Closing Date**" means November 20, 20[___], or such other date as may be determined by VRA.

ATTACHMENT C

"**Commonwealth**" means the Commonwealth of Virginia.

"**Effective Date**" means [____], 20[____].

"**Escrow Agreement**" means the Escrow Agreement dated the Closing Date between VRA and U.S. Bank National Association, as escrow agent, and such other local governments as may be specified therein.

"**Event of Default**" has the meaning set forth in Section 10.1.

"**Financing Parameters**" means the parameters established by the governing body of the Local Government regarding the terms and conditions of the Local Bond, which may include a maximum par amount, maximum "true" interest cost or targeted savings.

"**Fiscal Year**" means the 12-month period beginning July 1 of one year and ending on June 30 of the following year, or if the Local Government has established another 12-month period as its annual accounting period such other 12-month period.

"**Government Obligations**" means direct obligations of, or obligations the payment of the principal of and interest on which is unconditionally guaranteed by, the United States of America.

"**Local Account**" means the local account established for the Local Bond within the 20[____]C Acquisition Fund.

"**Local Authorization**" means the resolution adopted on July 16, 20[____], by a majority of the members of the governing body of the Local Government approving (i) the transactions contemplated by and authorizing the execution and delivery of this Agreement and (ii) the execution, issuance and sale of the Local Bond subject to the Financing Parameters.

"**Local Bond**" means the Local Government's General Obligation Refunding Bond, Series 20[____]B, issued in the original principal amount set forth in Schedule 1.1, as such bond may be amended or modified.

"**Local Engineer**" means an officer or employee of the Local Government so designated in writing by a Local Representative, which officer or employee (i) is licensed as a professional engineer in Virginia, (ii) has recognized standing and experience in the design and construction of facilities similar to the Project and (iii) is subject to VRA's reasonable approval.

"**Local Government**" means the County of [____], Virginia.

"**Local Representative**" means (i) the Mayor or Vice Mayor of the Local Government, (ii) the chief executive officer of the Local Government and (iii) any other official or employee of the Local Government authorized by resolution of the governing body of the Local Government to perform the act or sign the document in question.

ATTACHMENT C

"Master Indenture" means the Master Indenture of Trust dated as of December 1, 2003, between VRA and the Trustee, as modified, altered, amended and supplemented in accordance with its terms.

"Proceeds Requested" means an amount necessary to provide for the escrow related to the Refunded 20[]A VRA Bonds, subject to the Financing Parameters, plus local costs of issuance, or such other amount requested in writing by the Local Government and approved by VRA prior to the Sale Date.

"Project" means the project described in Exhibit B.

"Project Budget" means the budget for the Project set forth in Schedule 1.1.

"Project Costs" means the costs of the Project to the extent such costs are included in the definition of "cost" set forth in Section 62.1-199 of the Act, and includes the refunding of obligations of VRA or the Local Government issued to finance or refinance "costs" set forth in Section 62.1-199 of the Act.

"Purchase Price" has the meaning set forth in Schedule 1.1 and represents the amount received by the Local Government from the sale of the Local Bond to VRA. The Purchase Price of the Local Bond will be determined by adding to or subtracting from the portion of the par amount of the Related Portion of VRA Bonds the Local Government's share of the net original issue premium or discount on the Related Series of VRA Bonds and by subtracting from the par amount of the Related Portion of VRA Bonds the Local Government's share of VRA's expenses as set forth in Section 3.2 and the Local Government's share of the deposit on the Closing Date to any applicable VRA Reserve. It is acknowledged that the Purchase Price does not include any accrued interest on the Local Bond from its dated date to the Closing Date.

"Qualified Independent Consultant" means an independent professional consultant having the skill and experience necessary to provide the particular certificate, report or approval required by the provision of this Agreement in which such requirement appears, including without limitation a financial advisory firm and a firm of independent certified public accountants; provided, however, that all Qualified Independent Consultants shall be subject to the reasonable approval of VRA.

"Refunded 20[]A VRA Bonds" means the portion of the 20[]A VRA Bonds allocated to the principal installments of the 20[] Local Bond to be refunded as agreed to in writing by the Local Government and VRA prior to the Sale Date.

"Registrar" means the officer or employee of the Local Government designated under the Local Authorization to maintain the registration books for the Local Bond.

"Related Financed Property" means the land, building, equipment and other property, the acquisition, construction, renovation, or equipping of which was refinanced by the Local Bond as part of the Project.

ATTACHMENT C

"Related Portion of VRA Bonds" means the portion of the Related Series of VRA Bonds allocable to the Local Bond (as determined by VRA), including any bonds issued by VRA to refund such Related Series of VRA Bonds in whole or in part.

"Related Series of VRA Bonds" means the Virginia Resources Authority Infrastructure and State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program), Series 20[]C (Taxable) (or such other series of Infrastructure and State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program that is specified in Schedule 1.1), in the original aggregate principal amount set forth in Schedule 1.1, and, unless the Local Government receives notice to the contrary from VRA, any bonds issued by VRA to refund the Related Series of VRA Bonds in whole or in part.

"Related Supplemental Series Indenture" means the [] Supplemental Series Indenture of Trust dated as of [], 20[], between VRA and the Trustee, as modified, altered, amended and supplemented in accordance with its terms and those of the Master Indenture.

"Revenue Fund" has the meaning set forth in the Master Indenture.

"Sale Date" means [], 20[], or such other date specified in Schedule 1.1.

"Supplemental Interest" has the meaning set forth in Section 6.1.

"Trustee" means U.S. Bank National Association, Richmond, Virginia, as trustee under the Master Indenture and the Related Supplemental Series Indenture, or its successors serving in such capacity.

"Verification Agent" means a firm or individual engaged by VRA to provide the Verification Report.

"Verification Report" means the report of the Verification Agent.

"Virginia SNAP" means the Commonwealth of Virginia State Non-Arbitrage Program.

"VRA" means the Virginia Resources Authority, a public body corporate and a political subdivision of the Commonwealth.

"VRA Bonds" means the Related Series of VRA Bonds and any additional bonds issued under the Master Indenture.

"VRA Reserve" means any one or more of the Capital Reserve Fund, the Infrastructure Debt Service Reserve Fund, the Operating Reserve Fund, a CRF Credit Facility or an Infrastructure Revenue DSRF Facility, each as defined in the Master Indenture.

Section 1.2 Rules of Construction. The following rules apply to the construction of this Agreement unless the context requires otherwise:

ATTACHMENT C

- (a) Singular words connote the plural number as well as the singular and vice versa.
- (b) Words importing the redemption or calling for redemption of the Local Bond do not refer to or connote the payment of the Local Bond at its stated maturity.
- (c) All references in this Agreement to particular Articles, Sections or Exhibits are references to Articles, Sections or Exhibits of this Agreement unless otherwise indicated.
- (d) The headings and table of contents as used in this Agreement are solely for convenience of reference and do not constitute a part of this Agreement and do not affect its meaning, construction or effect.

ARTICLE II REPRESENTATIONS

Section 2.1 Representations by VRA. VRA represents to the Local Government as follows:

- (a) VRA is a duly created and validly existing public body corporate and political subdivision of the Commonwealth vested with the rights and powers conferred upon it under the Act.
- (b) VRA has full right, power and authority to (i) issue, sell and deliver the Related Series of VRA Bonds, (ii) direct the Trustee to use a portion of the proceeds of the Related Series of VRA Bonds to purchase the Local Bond from the Local Government as contemplated under the Related Supplemental Series Indenture and this Agreement and (iii) carry out and consummate all other transactions contemplated by this Agreement.
- (c) VRA has duly authorized, executed and delivered this Agreement, and this Agreement constitutes a legal, valid and binding obligation of VRA enforceable against VRA in accordance with its terms.

Section 2.2 Representations by Local Government. The Local Government represents to VRA as follows:

- (a) The Local Government is a duly created and validly existing Virginia "local government" (as defined in Section 62.1-199 of the Act) and is vested with the rights and powers conferred upon it by Virginia law.
- (b) The Local Government has full right, power and authority to (i) adopt the Local Authorization and execute and deliver this Agreement and all related documents, (ii) issue, sell and deliver its Local Bond to the Trustee, (iii) own and operate the Related Financed Property, (iv) undertake the Project and (v) carry out and consummate all of the transactions contemplated by the Local Authorization, the Local Bond and this Agreement.

ATTACHMENT C

(c) The Local Authorization authorized the execution and delivery of this Agreement and this Agreement is in substantially the same form as presented to the Local Government's governing body at its meeting at which the Local Authorization was adopted.

(d) The Local Government has obtained all governmental permits, licenses, registrations, certificates, authorizations and approvals required to have been obtained as of the Effective Date for the Local Government's (i) adoption of the Local Authorization, (ii) execution and delivery of this Agreement and the Local Bond, (iii) performance of its obligations under this Agreement and the Local Bond, (iv) the undertaking of the Project and (v) the operation and use of the Related Financed Property. The Local Government knows of no reason why any such required governmental permits, licenses, registrations, certificates, authorizations or approvals not required to be obtained by the Effective Date cannot be obtained as required in the future.

(e) The Local Government has executed and delivered this Agreement, and this Agreement constitutes a legal, valid and binding obligation of the Local Government enforceable against the Local Government in accordance with its terms.

(f) When executed and delivered in accordance with the Local Authorization and this Agreement, the Local Bond will have been executed and delivered by duly authorized officials of the Local Government and will constitute a legal, valid and binding general obligation of the Local Government enforceable against the Local Government in accordance with its terms.

(g) The issuance of the Local Bond and the execution and delivery of this Agreement and the performance by the Local Government of its obligations thereunder are within the powers of the Local Government and will not conflict with, or constitute a breach or result in a violation of (i) to the best of the Local Government's knowledge, any federal, or Virginia constitutional or statutory provision, including the Local Government's charter or articles of incorporation, if any, (ii) any agreement or other instrument to which the Local Government is a party or by which it is bound or (iii) any order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Local Government or its property.

(h) The Local Government is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and is not in default under any instrument under and subject to which any indebtedness for borrowed money has been incurred. No event or condition has happened or existed, or is happening or existing, under the provisions of any such instrument, including but not limited to this Agreement, which constitutes, or which, with notice or lapse of time, or both, would constitute an event of default thereunder.

(i) The Local Government (i) to the best of the Local Government's knowledge, is not in violation of any existing law, rule or regulation applicable to it in any way that would have a material adverse effect on its financial condition or its ability to perform its obligations under the Local Bond or this Agreement and (ii) is not in default under any indenture, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the Local Government is a party or by which it is bound or to which any of its assets is subject that would have a material adverse effect

ATTACHMENT C

on its financial condition or its ability to perform its obligations under the Local Bond and this Agreement. The Local Government's execution and delivery of the Local Bond and this Agreement and its compliance with the terms and conditions thereof will not conflict with or result in a breach of or constitute a default under any of the foregoing.

(j) The Local Government reasonably expects that, unless otherwise permitted by the terms of this Agreement or approved by VRA, the Local Government will own, operate and control the Related Financed Property at all times during the term of the Local Bond.

(k) Except as set forth in Exhibit C, there has been no litigation served upon the Local Government nor, to the best of the Local Government's knowledge, are there against the Local Government, any threatened or pending actions, suits, proceedings or investigations of a legal, equitable, regulatory, administrative or legislative nature (i) affecting the creation, organization or existence of the Local Government or the title of its officers to their respective offices, (ii) seeking to prohibit, restrain or enjoin the approval, execution, delivery or performance of the Local Authorization or this Agreement or the issuance or delivery of the Local Bond, (iii) in any way contesting or affecting the validity or enforceability of the Local Bond, the Local Authorization, this Agreement or any agreement or instrument relating to any of the foregoing, (iv) in which a judgment, order or resolution may have a material adverse effect on the Local Government or its business, assets, condition (financial or otherwise), operations or prospects or on its ability to perform its obligations under the Local Authorization, this Agreement or the Local Bond or (v) affecting the Project.

(l) The financial statements, applications and other information that the Local Government furnished to VRA in connection with this Agreement fairly and accurately portray the Local Government's financial condition, as of their dates, and there has been no material adverse change in the financial condition of the Local Government since the date of the financial statements provided to VRA in connection with this Agreement.

(m) Nothing that would constitute an Event of Default hereunder has occurred and is continuing, and no event or condition exists that with the passage of time or the giving of notice, or both, would constitute an Event of Default hereunder.

Section 2.3 Representations Remade as of the Sale Date. (a) It shall be a condition precedent of VRA's obligation to sell the Related Series of VRA Bonds that the Local Government's representations and warranties set forth in Section 2.2 be true and accurate in all respects on the Sale Date.

(b) If prior to the Sale Date, any representation or warranty set forth in Section 2.2 becomes untrue or inaccurate, then the Local Government shall notify VRA within one Business Day of becoming aware of such facts, and VRA, in its sole and absolute discretion, shall determine whether to sell VRA Bonds on behalf of the Local Government, which series of VRA Bonds (if any) to sell on behalf of the Local Government and any additional conditions precedent to the sale of such VRA Bonds or the purchase of the Local Bond.

**ARTICLE III
PURCHASE OF THE LOCAL BOND**

Section 3.1 Purchase of the Local Bond. (a) Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth or incorporated herein, VRA shall purchase, solely from the proceeds of the Related Series of VRA Bonds, all, but not less than all, of the Local Bond from the Local Government, and the Local Government shall, subject to the Financing Parameters, sell and deliver to VRA the Local Bond for the Purchase Price. The Local Government acknowledges that the Purchase Price is determined by VRA, is subject to VRA's Purchase Price Objective (as defined below) and market conditions as described below, and is expected to be substantially equal to the Proceeds Requested. The Local Government shall issue the Local Bond pursuant to the Local Authorization and in substantially the form of Exhibit A to this Agreement. As a condition of VRA entering into this Agreement, the Local Government shall deliver to VRA a copy of the Local Authorization as adopted prior to the date hereof.

(b) The Local Government acknowledges that VRA has advised the Local Government that its objective is to pay the Local Government the Purchase Price for its Local Bond which in VRA's judgment reflects the market value of the Local Bond ("Purchase Price Objective"), taking into consideration the Financing Parameters, the purchase price received by VRA for the Related Series of VRA Bonds, the underwriters' discount and other issuance costs of the Related Series of VRA Bonds and other market conditions relating to the sale of the Related Series of VRA Bonds. The Local Government further acknowledges that VRA has advised it that such factors may result in the Local Bond having a value other than par and that in order to receive an amount of proceeds that is substantially equal to the Proceeds Requested, the Local Government may need to issue the Local Bond with a par amount that is greater or less than the Proceeds Requested. The Local Government shall not issue the Local Bond if doing so would violate any Financing Parameter. The Local Government shall issue the Local Bond at a par amount that provides, to the fullest extent practicable given VRA's Purchase Price Objective, a Purchase Price at least equal to the Proceeds Requested, all in accordance with the Local Authorization. The Local Government acknowledges that the Purchase Price will be less than the Proceeds Requested if any Financing Parameter prevents VRA from generating a Purchase Price substantially equal to the Proceeds Requested, based upon VRA's Purchase Price Objective.

Section 3.2 Issuance Expenses. VRA shall pay, or cause to be paid, from the proceeds of the Related Series of VRA Bonds all expenses incident to the performance of VRA's obligations under and the fulfillment of the conditions imposed by this Agreement in connection with the issuance, sale and delivery of the Related Series of VRA Bonds and the purchase of the Local Bond on the Closing Date, including, but not limited to: (i) the cost, if any, of preparing and delivering the Related Series of VRA Bonds; (ii) the cost of preparing, printing and delivering the Preliminary Official Statement and the Official Statement for the Related Series of VRA Bonds and any amendment or supplement thereto; (iii) the fees and expenses of the financial advisor(s) and bond counsel to VRA; and (iv) all other costs and expenses incurred by VRA. The Local Government shall pay all expenses of the Local Government incident to the issuance, sale and delivery of the Local Bond, including, but not limited to the fees and disbursements of the financial advisor, counsel and bond counsel to the Local Government, from the Purchase Price or other funds of the Local Government.

ATTACHMENT C

Section 3.3 Schedule 1.1. VRA shall complete Schedule 1.1, which shall set forth, among other things, the principal amount, interest rates, payment schedule and Purchase Price with respect to the Local Bond and the principal amount of the Related Series of VRA Bonds on or after the Sale Date. VRA shall deliver the completed Schedule 1.1 to the Local Government and shall attach Schedule 1.1 to this Agreement. Upon delivery to the Local Government, the completed Schedule 1.1 shall become a part of this Agreement the same as if it were a part hereof on the Effective Date.

Section 3.4 Conditions Precedent to Purchase of the Local Bond. VRA shall not be required to cause the Trustee to purchase the Local Bond unless:

(a) VRA has received the following, all in form and substance satisfactory to VRA:

(1) Certified copies of the Local Authorization and all other ordinances and resolutions of the Local Government relating to this Agreement and the Local Bond, if any.

(2) A certificate of the appropriate officials of the Local Government dated the Closing Date as to the matters set forth in Section 2.2 and Section 2.3 (to the extent applicable), including appropriate certifications regarding this Agreement, and such other matters as VRA may reasonably require.

(3) Evidence that the Local Government has performed and satisfied all of the terms and conditions contained in this Agreement to be performed and satisfied by it as of such date.

(4) An opinion of counsel to the Local Government in substantially the form attached as Exhibit F.

(5) An opinion of bond counsel to the Local Government in form and substance reasonably satisfactory to VRA.

(6) Evidence that the Local Government has complied with the insurance provisions set forth in Section 8.1 and Section 8.2.

(7) The executed Local Bond.

(8) A copy of a Verification Report that verifies the sufficiency of the funds deposited under the Escrow Agreement to pay the principal of and premium, if any, and interest on the Refunded 20[]A VRA Bonds to and including the Call Date.

(9) Such other documentation, certificates and opinions as VRA may reasonably require as set forth in Schedule 1.1.

(b) The initial purchasers of the Related Series of VRA Bonds have paid in full and VRA has accepted the purchase price for the Related Series of VRA Bonds on the

Closing Date. It is understood that the sole source of funds to pay the Purchase Price is a portion of the proceeds of the Related Series of VRA Bonds.

**ARTICLE IV
USE OF PURCHASE PRICE**

Section 4.1 Deposit of Purchase Price; Investment of Amounts in Local Account.

(a) On the Closing Date, VRA shall cause the Trustee to deposit the Purchase Price into the Local Account and to apply the Purchase Price and the earnings thereon as set forth in the Related Supplemental Series Indenture and this Agreement.

(b) The Local Government acknowledges and consents to the investment of the Purchase Price and the earnings thereon allocable to pay the Local Government's related costs of issuance, if any, in Virginia SNAP.

Section 4.2 Agreement to Accomplish Project. (a) The Local Government shall undertake the Project as described in Exhibit B and in accordance with the Project Budget. The Local Government shall maintain complete and accurate books and records of the Project Costs and permit VRA or the Trustee through their duly authorized representatives to inspect such books and records at any reasonable time.

(b) The Local Government shall cause the deposit of a portion of the proceeds of the Local Bond under the Escrow Agreement in an amount sufficient when invested to pay the principal of and premium, if any, and accrued interest on the Refunded 20[]A VRA Bonds to and including the Call Date as verified in the Verification Report.

(c) If upon payment of all related costs of issuance, there is a balance remaining in the Local Account, the Trustee, at the written direction of the Local Government, shall disburse any remaining balance to the Local Government by April 1, 2020 to pay or reimburse previously-paid interest on the Local Bond or in such other manner that is permitted under the Act and will not, in the opinion of a nationally-recognized bond counsel delivered to VRA and the Trustee, have an adverse effect on the tax status of the Related Series of VRA Bonds.

Section 4.3 Disbursement of Purchase Price and Earnings. Except as provided in Section 4.2(c), the Local Government shall apply the amounts in the Local Account solely and exclusively to the payment or reimbursement of the Local Government for the Project Costs. Not more frequently than once per calendar month, the Trustee shall disburse amounts from the Local Account to the Local Government or as directed by the Local Government upon the Trustee's receipt of the following:

(a) A requisition (upon which the Trustee and VRA shall be entitled to rely) signed by a Local Representative and containing all information called for by, and otherwise being in the form of, Exhibit D (including the Schedules thereto).

(b) Receipts, vouchers, statements, bills of sale or other evidence of payment of the related Project Costs.

ATTACHMENT C

(c) Following VRA's approval of each such requisition and accompanying invoice(s) and certificate(s), which approval will not unreasonably be withheld, the Trustee shall pay the requisition from the Local Account in accordance with the instructions in such requisition.

The Local Government agrees that any amounts disbursed to it or for its account from the Local Account pursuant to this Section 4.3 will be (i) immediately applied to reimburse the Local Government for Project Costs it has already paid or (ii) actually spent to pay Project Costs not later than five banking days after receipt.

Section 4.4 No Sufficiency Warranty by VRA; Local Government Required to Complete Project. VRA makes no warranty, either express or implied, that the Purchase Price will be sufficient to pay all or any particular portion of the Project Costs.

**ARTICLE V
PLEDGE AND SECURITY**

Section 5.1 Pledge. Under the Local Authorization, the Local Government has pledged its full faith and credit to payment of the principal of and premium, if any, and interest on the Local Bond. The Local Government covenants that this pledge shall be valid and binding from and after the Closing Date. The Local Government shall, unless other funds are lawfully available and appropriated for timely payment of the Local Bond, levy an annual tax upon all property subject to local taxation in its jurisdiction sufficient to pay the principal of and premium, if any, and interest on the Local Bond. Notwithstanding anything herein to the contrary, all of the obligations for the payment of money set forth in this Agreement (with the exception of principal of and premium, if any, and interest on the Local Bond) shall be payable only from legally available funds.

Section 5.2 Minimum General Fund Balance. (a) As of the last day of each Fiscal Year specified below, the Local Government shall maintain in its General Fund a minimum unassigned fund balance (including unassigned fund balance and balances assigned for emergencies) equal to 15% of its General Fund operating revenues for each Fiscal Year through the final maturity date of the Local Bond. For purposes of this covenant, the Local Government's unassigned fund balance will be measured as of June 30 of each Fiscal Year based on the Local Government's audited financial statements.

(b) If at the end of any Fiscal Year, the Local Government is not in compliance with the minimum unassigned fund balance covenant made by the Local Government in subsection (a) above, within two hundred ten (210) days after the end of such Fiscal Year, the Local Government shall obtain a report from the Qualified Independent Consultant giving advice and making recommendations as to the actions to be taken by the Local Government to satisfy the covenant in the then-current Fiscal Year and future Fiscal Years. The Local Government shall promptly furnish a copy of such report to VRA and, subject to subsection (c) below, take measures to implement the recommendations of the Qualified Independent Consultant within ninety (90) days of obtaining such report.

ATTACHMENT C

(c) If the Local Government determines that the Qualified Independent Consultant's recommendations are impractical or inappropriate, the Local Government may in lieu thereof adopt other procedures which the Local Government believes will bring it into compliance with the minimum unassigned fund balance covenant made by the Local Government in subsection (a) above when such measures have been implemented and become fully effective. Such alternative plan shall be filed with VRA not later than thirty (30) days after receipt of the Qualified Independent Consultant's report along with a detailed explanation of the Local Government's reason for rejecting the Qualified Independent Consultant's recommendations. Notwithstanding anything herein to the contrary, VRA reserves the right, in its sole discretion, to reject such alternate procedures and, to the extent permitted by law, require the Local Government to comply with the Qualified Independent Consultant's recommendations.

**ARTICLE VI
PAYMENT AND REDEMPTION OF LOCAL BOND**

Section 6.1 Payment of Local Bond and Related Amounts.

(a) Until the principal of and premium, if any, and interest on the Local Bond and all other amounts payable under this Agreement have been paid in full, the Local Government shall pay the Trustee or VRA, as applicable, the following amounts:

(1) to the Trustee, the amounts required by the Local Bond on such dates and in such manner as provided for in the Local Bond – the term "interest," as used in the Local Bond and this Agreement, includes Supplemental Interest, when and if payable;

(2) [Reserved];

(3) to VRA, on its demand, a late payment penalty in an amount equal to 5.0% of the payment on the Local Bond not paid within five days after its due date;

(4) to the Trustee, to the extent permitted by law, the Local Government's share (as determined by VRA) of the annual fees and expenses of the Trustee, less the Local Government's share of the net earnings on the Revenue Fund, Infrastructure Revenue Debt Service Fund and Moral Obligation Debt Service Fund established under the Master Indenture (as determined by VRA), and the Local Government shall pay such amounts no later than 15 days after VRA or the Trustee sends to the Local Government a written bill for them; and

(5) to VRA, to the extent permitted by law, the reasonable costs and expenses, including reasonable attorneys' fees, if any, incurred by VRA in connection with (i) an Event of Default or default by the Local Government under this Agreement (ii) any amendment to or discretionary action that VRA undertakes at the request of the Local Government under this Agreement, any other document related to the Related Series of VRA Bonds or the Local Bond or (iii) any claim, lawsuit or other challenge to the Local Bond, the VRA Bonds or this Agreement that arises, at least in part, out of the Local Government's authorization of its issuance of the Local Bond, and the Local

ATTACHMENT C

Government shall pay such amounts no later than 15 days after VRA or the Trustee sends to the Local Government a written bill for them.

(b) If any failure of the Local Government to pay all or any portion of any required payment of the principal of or premium, if any, or interest on the Local Bond results in a withdrawal from or a drawing on any VRA Reserve, the interest rates applicable to the Local Bond shall be increased to interest rates sufficient to reimburse the VRA Reserve for any foregone investment earnings on the funds withdrawn therefrom and pay any interest, fees or penalties assessed as a result of the withdrawal from or drawing on the VRA Reserve. The increment of interest payable pursuant to the increase in rates shall be referred to as "Supplemental Interest." The Local Government's obligation to pay Supplemental Interest shall commence on the date of the withdrawal or drawing of funds from the VRA Reserve occasioned by the Local Government's failure to pay a required payment or portion thereof as described above (the "Supplemental Interest Commencement Date"). The Local Government's obligation to pay Supplemental Interest shall terminate on the date on which the Local Government makes all payments required but outstanding since the date of the initial failure to pay (the "Supplemental Interest Termination Date"). From the Supplemental Interest Commencement Date to the Supplemental Interest Termination Date, Supplemental Interest shall be due and payable on the regularly scheduled interest payment dates provided for in the Local Bond. As soon as reasonably possible after the Supplemental Interest Commencement Date and before the next regularly scheduled interest payment date provided for in the Local Bond, VRA shall deliver to the Local Government a certificate as to the increase in interest rates and the amount of Supplemental Interest. The certificate shall set forth in reasonable detail the basis for the increase in interest rates and the manner of calculation of the increase and the amount of Supplemental Interest. Such certificate shall be conclusive (absent manifest error) as to the interest rate increase and amount of Supplemental Interest set forth therein. In determining the interest rate increase and the amount of Supplemental Interest, VRA may use any reasonable averaging and attribution methods.

(c) The Local Government shall pay the amounts described above and make payments as scheduled under the Local Bond despite any amount being withdrawn from or drawn on a VRA Reserve pursuant to the Master Indenture.

Section 6.2 Defeasance and Redemption of Local Bond.

(a) The Local Government shall not defease or redeem the Local Bond (in whole or in part), except as provided in this Section 6.2.

(b) The Local Government shall satisfy the following conditions prior to the defeasance and redemption of the Local Bond:

(1) The Local Government shall provide to VRA not less than 60 days' prior written notice of the deposit of the funds described in (2), (3) and (4) below.

(2) The Local Government shall deposit with the Trustee an amount sufficient for VRA to establish an escrow of cash and non-callable, non-prepayable Government Obligations the principal of and interest on which will be sufficient (without

ATTACHMENT C

reinvestment) to cause the defeasance under Article XII of the Master Indenture of the portion of the Related Portion of VRA Bonds corresponding to the portion of the Local Bond to be defeased or prepaid (the "Allocated Portion"). The defeasance of the Allocated Portion may be either to maturity or an earlier redemption date as determined by the Local Government.

(3) The Local Government shall deposit with VRA cash in an amount sufficient, as determined by VRA, to pay for a verification report required for the defeasance of the Allocated Portion under Article XII of the Master Indenture, any costs incurred by VRA in connection with the redemption, refunding and defeasance of the Allocated Portion, all amounts overdue or then due on the Local Bond (including, without limitation, any Supplemental Interest) and all amounts overdue, due or to become due under Section 6.1(a) of this Agreement.

(4) The Local Government shall deposit with VRA cash in an amount equal to the present value of interest that would be paid on the principal of the Allocated Portion at a rate equal to 0.125%, payable semiannually, to the maturity dates of the Allocated Portion or, if earlier, the redemption date or dates of the Allocated Portion. Present value shall be determined by using a discount rate equal to the true interest cost of the Related Portion of VRA Bonds.

(c) VRA will determine which Related Portion of VRA Bonds will be designated as the Allocated Portion and the amounts to be deposited under subsection (b)(2) and (3) above using such reasonable allocation and estimation methods as may be selected by VRA, and VRA's determinations shall be conclusive (absent manifest error).

(d) The Local Government acknowledges that no funds in any VRA Reserve will be available to the Local Government for the defeasance or redemption of the Local Bond.

Section 6.3 Payments and Rights Assigned. The Local Government hereby consents to VRA's assignment to the Trustee of VRA's rights under this Agreement and the Local Bond. The Local Government also hereby acknowledges and consents to the reservation by VRA of the right and license to enjoy and enforce VRA's rights under the Local Bond and this Agreement so long as no Event of Default (as defined in the Master Indenture) with respect to the Related Series of VRA Bonds has occurred and is continuing. Even though VRA will be the registered owner of the Local Bond, the Local Government shall pay directly to the Trustee all amounts payable by the Local Government under the Local Bond and this Agreement (except for those amounts specifically indicated as payable to VRA under Section 6.1 or Section 11.8, which the Local Government shall pay directly to VRA).

Section 6.4 Obligations Absolute and Unconditional. The obligation of the Local Government to make the payments required by the Local Bond and this Agreement from the sources pledged therefor shall be absolute and unconditional. The Local Government shall pay all such amounts without abatement, diminution or deduction (whether for taxes or otherwise) regardless of any cause or circumstance whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim that the Local Government may have or assert against VRA, the Trustee or any other person.

**ARTICLE VII
OPERATION AND USE COVENANTS**

Section 7.1 Maintenance. At its own cost and expense the Local Government shall operate the Related Financed Property in a proper, sound and economical manner in compliance with all legal requirements and shall maintain the Related Financed Property in good repair and operating condition and from time to time shall make all necessary repairs, renewals and replacements.

Section 7.2 Additions and Modifications. At its own expense the Local Government from time to time may make any renewals, replacements, additions, modifications or improvements to the Related Financed Property that the Local Government deems desirable, provided that any such renewal, replacement, addition, modification or improvement does not (i) materially reduce the value of the Related Financed Property or (ii) negatively affect the structural or operational integrity of any part of the Related Financed Property. The Local Government shall ensure that all such renewals, replacements, additions, modifications or improvements comply with all applicable federal, state and local laws, rules, regulations, orders, permits, authorizations and requirements. All such renewals, replacements, additions, modifications and improvements shall become part of the Related Financed Property.

Section 7.3 Permits. The Local Government shall, at its sole cost and expense, obtain all permits, consents and approvals required by local, state or federal laws, ordinances, rules, regulations or requirements in connection with the acquisition, construction, equipping, occupation, operation or use of the Related Financed Property. The Local Government shall, upon request, promptly furnish to VRA and the Trustee copies of all such permits, consents and approvals.

Section 7.4 Use. The Local Government shall comply with all lawful requirements of any governmental authority regarding the Related Financed Property, whether now existing or subsequently enacted, whether foreseen or unforeseen or whether involving any change in governmental policy or requiring structural, operational or other changes to the Related Financed Property, irrespective of the cost of making the same.

Section 7.5 Inspection and Local Government's Books and Records. The Local Government shall permit VRA, the Trustee and their duly authorized representatives and agents such reasonable rights of access to the Related Financed Property as may be necessary to determine whether the Local Government is in compliance with the requirements of this Agreement, and the Local Government shall permit such parties, at all reasonable times and upon reasonable prior notice to the Local Government, to examine and copy the Local Government's books and records that relate to the Related Financed Property.

**ARTICLE VIII
INSURANCE, DAMAGE AND DESTRUCTION**

Section 8.1 Insurance. The Local Government shall maintain or cause to be maintained insurance against such risks as are customarily insured against by public bodies operating municipal facilities, including, without limitation:

ATTACHMENT C

(a) Insurance in the amount of the full replacement cost of the municipal facilities' insurable portions against loss or damage by fire and lightning, with broad form extended coverage endorsements covering damage by windstorm, explosion, aircraft, smoke, sprinkler leakage, vandalism, malicious mischief and such other risks as are normally covered by such endorsements (limited only as may be provided in the standard form of such endorsements at the time in use in Virginia). The determination of replacement cost shall be made, in conjunction with representatives of the Local Government, by a recognized appraiser or insurer selected by the Local Government and reasonably acceptable to VRA.

(b) Comprehensive general liability insurance with a combined single limit of \$1,000,000 per year against liability for bodily injury, including death resulting therefrom, and for damage to property, including loss of its use, arising out of the ownership, maintenance, operation or use of the municipal facilities.

(c) Unless the Local Government qualifies as a self-insurer under Virginia law, worker's compensation insurance.

Neither VRA nor the Trustee shall have any responsibility or obligation with respect to (i) the procurement or maintenance of insurance or the amounts or the provisions with respect to policies of insurance or (ii) the application of the proceeds of insurance.

The Local Government shall provide annually to VRA a certificate or certificates of the respective insurers evidencing the fact that the insurance required by this Section is in force and effect.

Section 8.2 Requirements of Policies. The Local Government shall maintain all insurance required by Section 8.1 with generally recognized responsible insurance companies selected by the Local Government and reasonably acceptable to VRA. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other localities of like size and character to the Local Government. If the Local Government does not maintain such insurance with an insurer licensed to do business in Virginia or placed under the requirements of the Virginia Surplus Lines Insurance Law, Chapter 48, Title 38.2, Code of Virginia of 1950, as amended, or any successor statute, the Local Government shall provide evidence reasonably satisfactory to VRA that such insurance is enforceable under Virginia law.

Section 8.3 Notice of Damage, Destruction or Condemnation. In case of (i) any damage to or destruction of any material part of the Related Financed Property, (ii) a taking of all or any part of the Related Financed Property or any right in it under the exercise of the power of eminent domain, (iii) any loss of the Related Financed Property because of failure of title or (iv) the commencement of any proceedings or negotiations which might result in such a taking or loss, the Local Government shall notify VRA in writing within ten Business Days of the occurrence describing generally the nature and extent of such damage, destruction, taking, loss, proceedings or negotiations.

Section 8.4 Damage and Destruction. If all or any part of the Related Financed Property is destroyed or damaged by fire or other casualty, and the Local Government shall not have exercised its option, if such option is available, to redeem the outstanding Local Bond

ATTACHMENT C

pursuant to Section 6.2, the Local Government shall restore promptly the property damaged or destroyed to substantially the same condition as before such damage or destruction, with such alterations and additions as the Local Government may determine and which will not impair the capacity or character of the Related Financed Property for the purposes for which it then is being used or is intended to be used. The Local Government may apply so much as may be necessary of the net proceeds of insurance received on account of any such damage or destruction to payment of the cost of such restoration, either on completion or as the work progresses. If such net proceeds are not sufficient to pay in full the cost of such restoration, the Local Government shall pay so much of the cost as may be in excess of such net proceeds.

Section 8.5 Condemnation and Loss of Title. If title to or the temporary use of all or any part of the Related Financed Property shall be taken under the exercise of the power of eminent domain or lost because of failure of title, and the Local Government shall not have exercised its option, if such option is available, to redeem the outstanding Local Bond pursuant to Section 6.2, the Local Government shall cause the net proceeds from any such condemnation award or from any title insurance to be applied to the restoration of the Related Financed Property to substantially its condition before the exercise of such power of eminent domain or failure of title. If such net proceeds are not sufficient to pay in full the cost of such restoration, the Local Government shall pay so much of the cost as may be in excess of such net proceeds.

ARTICLE IX SPECIAL COVENANTS

Section 9.1 Intentionally Omitted.

Section 9.2 Maintenance of Existence. The Local Government shall maintain its existence as a municipal corporation of the Commonwealth under Virginia law, and shall not dissolve or otherwise dispose of all or substantially all of its assets or consolidate or merge with or into another entity without VRA's prior written consent, which consent will not be unreasonably withheld.

Section 9.3 Financial Records and Statements. The Local Government shall maintain proper books of record and account in which proper entries shall be made in accordance with generally accepted government accounting standards, consistently applied, of all its business and affairs. The Local Government shall have an annual audit of the financial condition of the Local Government made by an independent certified public accountant, within 180 days after the end of each Fiscal Year. The Local Government shall furnish to VRA, in an electronic format, a copy of such report immediately after it is accepted by the Local Government. Such report shall include statements in reasonable detail, certified by such accountant, reflecting the Local Government's financial position as of the end of such Fiscal Year and the results of the Local Government's operations and changes in the financial position thereof for the Fiscal Year.

Section 9.4 Certification as to No Default and Tax Compliance. The Local Government shall deliver to VRA, within 180 days after the close of each Fiscal Year, a certification in substantially the form attached as Exhibit G and signed by a Local Representative.

ATTACHMENT C

Section 9.5 Further Assurances. The Local Government shall to the fullest extent permitted by law pass, make, do, execute, acknowledge and deliver such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming the rights and collateral, if any, assigned or pledged by this Agreement, or as may be required to carry out the purposes of this Agreement. The Local Government shall at all times, to the fullest extent permitted by law, defend, preserve and protect the pledges made under this Agreement and all rights of VRA under this Agreement against all claims and demands of all persons, including without limitation the payment of certain costs of VRA as described in Section 6.1(a)(5).

Section 9.6 Assignment by Local Government. The Local Government shall not assign its rights and obligations under the Local Bond or this Agreement, or both, without the prior written consent of VRA.

Section 9.7 Continuing Disclosure. (a) For purposes of this Section 9.7, the following terms and phrases have the following meanings:

"**Annual Financial Information**" with respect to any Fiscal Year for the Local Government means the following:

(i) the financial statements (consisting of at least a balance sheet and a statement of revenues and expenses) of the Local Government, which financial statements must be (A) prepared annually in accordance with generally accepted accounting principles in effect from time to time consistently applied (provided that nothing in this clause (A) will prohibit the Local Government after the date of this Agreement from changing such other principles so as to comply with generally accepted accounting principles as then in effect or to comply with a change in applicable law) and (B) audited by an independent certified public accountant or firm of such accountants in accordance with generally accepted auditing standards as in effect from time to time (provided that if audited financial statements are not available for filing when required by this Section or the Rule (as defined herein), unaudited financial statements will be filed and audited financial statements will be filed as soon as possible thereafter); and

(ii) operating data of the type set forth in Exhibit E.

"**Dissemination Agent**" means any person, reasonably acceptable to VRA, whom the Local Government contracts in writing to perform its obligations as provided in subsection (i) of this Section.

"**Financial Obligation**" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation does not include municipal securities as to which a final official statement has been otherwise provide to the MSRB under the Rule.

"**Make Public**" or "**Made Public**" has the meaning set forth in subsection (c) of this Section.

ATTACHMENT C

"Material Local Government" means the Local Government if the aggregate outstanding principal amount of the Local Bond and any other of the Local Government's local bonds purchased with proceeds of the VRA Bonds represent 15% or more of the outstanding aggregate principal amount of the local bonds purchased with proceeds of the VRA Bonds.

"Rule" means Rule 15c2-12, as it may be amended from time to time, under the Securities Exchange Act of 1934 and any similar rules of the SEC relating to disclosure requirements in the offering and sale of municipal securities, all as in effect from time to time.

"SEC" means the U.S. Securities and Exchange Commission.

(b) The Local Government shall Make Public or cause to be Made Public:

(1) Within seven months after the end of the Local Government's Fiscal Year (commencing with the Fiscal Year in which the Closing Date occurs), Annual Financial Information for such Fiscal Year as of the end of which the Local Government constitutes a Material Local Government. Annual Financial Information may be set forth in the documents Made Public or may be included in a document Made Public by specific reference to any document available to the public on the internet website of the Municipal Securities Rulemaking Board ("MSRB") or filed with the SEC. If the document referred to is a final official statement, then it must be available from the MSRB.

(2) In a timely manner, notice of any failure by the Local Government to Make Public or cause to be Made Public Annual Financial Information pursuant to the terms of part (1) of this subsection.

(c) For purposes of this Section, information and notices shall be deemed to have been "Made Public" if transmitted to VRA, to the Trustee and to the MSRB in an electronic format as prescribed by the MSRB.

(d) The Local Government shall also notify VRA of the occurrence of any of the following events that may from time to time occur with respect to the Local Bond, such notice to be given in a timely manner not in excess of five Business Days after the occurrence of the event:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on any credit enhancement maintained with respect to the Local Bond reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;

ATTACHMENT C

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 – TEB) or other notices or determinations with respect to the Local Bond that could affect the tax status of the Related Series of VRA Bonds, or other events with respect to the Local Bond that could affect the tax status of the Related Series of VRA Bonds;

(7) modifications to rights of holders;

(8) bond calls and tender offers;

(9) defeasances;

(10) release, substitution, or sale of property securing repayment of the Local Bond;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the Local Government;

(13) the consummation of a merger, consolidation, or acquisition involving the Local Government or the sale of all or substantially all of the assets of the Local Government, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such action, other than pursuant to its terms;

(14) appointment of a successor or additional trustee for the Local Bond, if any, or the change of name of a trustee;

(15) the failure of the Local Government on or before the date required by this Agreement to provide Annual Financial Information to the persons and in the manner required by this Agreement;

(16) incurrence of a Financial Obligation of the Local Government, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Local Government, any of which affect security holders, if material; and

(17) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Local Government, any of which reflect financial difficulties.

(e) Additionally, upon request of VRA, the Local Government shall certify in writing that it has made all filings and disclosures required under this Section or any similar undertaking pursuant to the Rule.

(f) Notwithstanding anything in this Agreement to the contrary, the Local Government need not comply with the provisions of subsections (a) through (d) above unless and

ATTACHMENT C

until VRA has notified the Local Government that it satisfied the objective criteria for a Material Local Government as of the end of VRA's immediately preceding fiscal year.

(g) (1) If the Local Government fails to comply with any covenant or obligation set forth in this Section, any holder (within the meaning of the Rule) of VRA Bonds then Outstanding may, by notice to the Local Government, proceed to protect and enforce its rights and the rights of the other holders by an action for specific performance of the Local Government's covenants or obligations set forth in this Section.

(2) Notwithstanding anything herein to the contrary, any failure of the Local Government to comply with any disclosure obligation specified in this Agreement (i) shall not be deemed to constitute an Event of Default under this Agreement and (ii) shall not give rise to any right or remedy other than that described in part (1) of this subsection.

(h) The Local Government may from time to time disclose certain information and data in addition to that required under this Section. Notwithstanding anything in this Agreement to the contrary, the Local Government shall not incur any obligation to continue to provide, or to update, such additional information or data.

(i) The Local Government may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligation to cause to be Made Public the information described in this Section and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. It is not necessary for purposes of this Article that the Dissemination Agent have any agency relationship with the Local Government for purposes of state law.

(j) All documents Made Public under this Section shall be accompanied by identifying information as prescribed by the MSRB.

Section 9.8 Other Indebtedness. The Local Government shall pay when due all amounts required by any other indebtedness of the Local Government and perform all of its obligations in connection with all other indebtedness of the Local Government.

Section 9.9 Reserved.

Section 9.10 Litigation; Material Change. The Local Government shall promptly notify VRA of (i) the existence and status of any litigation that County Attorney to the Local Government determines is not reasonably certain to have a favorable outcome and which individually or in the aggregate could have a material adverse effect on the financial condition or operations of the Local Government or its ability to perform its payment and other obligations under this Agreement or the Local Bond or (ii) any change in any material fact or circumstance represented or warranted in this Agreement.

ARTICLE X DEFAULTS AND REMEDIES

Section 10.1 Events of Default. Each of the following events is an "Event of Default":

ATTACHMENT C

(a) The failure to pay any installment of principal of or premium, if any, on the Local Bond when due (whether at maturity, by mandatory or optional redemption, by acceleration or otherwise).

(b) The failure to pay any installment of interest (including Supplemental Interest) on the Local Bond when due.

(c) The failure to make any other payment or deposit required by this Agreement within 15 days after its due date.

(d) The Local Government's failure to perform or observe any of the other covenants, agreements or conditions of the Local Bond or this Agreement and the continuation of such failure for a period of 60 days after written notice specifying such failure and requesting that it be cured is given to the Local Government by VRA, or, in the case of any such failure which cannot with diligence be cured within such 60-day period, the Local Government's failure to proceed promptly to commence to cure the failure and thereafter to prosecute the curing of the failure with diligence.

(e) Any warranty, representation or other statement by or on behalf of the Local Government contained in this Agreement or in any instrument furnished in compliance with or in reference to this Agreement or in connection with the issuance and sale of the Local Bond is false and misleading in any material respect.

(f) Any bankruptcy, insolvency or other similar proceeding shall be instituted by or against the Local Government under any federal or state bankruptcy or insolvency law and, if instituted against the Local Government, is not dismissed within 60 days after filing.

Section 10.2 Acceleration. Upon the occurrence and continuation of an Event of Default, VRA may, by notice in writing delivered to the Local Government, declare the entire unpaid principal of and interest on the Local Bond due and payable. Upon any such declaration, the Local Government shall immediately pay to the Trustee the entire unpaid principal of and accrued interest on the Local Bond. VRA may in its discretion waive an Event of Default and its consequences and rescind any acceleration of maturity of principal of and interest on the Local Bond.

Section 10.3 Other Remedies. Upon the occurrence and continuation of an Event of Default, VRA may proceed to protect and enforce its rights by mandamus or other action, suit or proceeding at law or in equity for specific performance of any agreement contained in the Local Bond or this Agreement. No remedy conferred by this Agreement upon or reserved to the registered owners of the Local Bond is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and shall be in addition to any other remedy given to VRA under this Agreement or now or hereafter existing at law or in equity or by statute.

Section 10.4 Delay and Waiver. No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence in it, and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any default or Event of Default under this Agreement shall extend to or

ATTACHMENT C

shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent to it.

ARTICLE XI MISCELLANEOUS

Section 11.1 State Aid Intercept. The Local Government acknowledges that VRA is treating the Local Bond as a "local obligation" within the meaning of Section 62.1-199 of the Act, including amendments thereto taking effect as of July 1, 2011, which in the event of a nonpayment thereunder authorizes VRA or the Trustee to file an affidavit with the Governor that such nonpayment has occurred pursuant to Section 62.1-216.1 of the Act. In purchasing the Local Bond, VRA is further relying on Section 62.1-216.1 of the Act, providing that if the Governor is satisfied that such nonpayment has occurred, the Governor will immediately make an order directing the Comptroller to withhold all further payment to the Local Government of all funds, or of any part of them, appropriated and payable by the Commonwealth to the Local Government for any and all purposes, and the Governor will, while the nonpayment continues, direct in writing the payment of all sums withheld by the Comptroller, or as much of them as is necessary, to VRA, so as to cure, or cure insofar as possible, such nonpayment.

Section 11.2 Successors and Assigns. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 11.3 Amendments. VRA and the Local Government shall have the right to amend from time to time any of this Agreement's terms and conditions, provided that all amendments shall be in writing and shall be signed by or on behalf of VRA and the Local Government.

Section 11.4 Limitation of Local Government's Liability. In the absence of fraud or intentional misconduct, no present or future director, official, officer, employee or agent of the Local Government shall be liable personally to VRA in respect of this Agreement or the Local Bond or for any other action taken by such individual pursuant to or in connection with the financing provided for in this Agreement or the Local Bond.

Section 11.5 Applicable Law. This Agreement shall be governed by Virginia law.

Section 11.6 Severability. If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the illegality or invalidity of such clause, provision or section shall not affect the remainder of this Agreement which shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained in this Agreement. If any agreement or obligation contained in this Agreement is held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of VRA and the Local Government, as the case may be, only to the extent permitted by law.

Section 11.7 Notices. Unless otherwise provided for herein, all demands, notices, approvals, consents, requests, opinions and other communications under the Local Bond or this Agreement shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class registered or certified mail, postage prepaid, addressed (a) if to the Local Government, at the address specified for notices on the signature page; (b) if to VRA, at 1111

ATTACHMENT C

East Main Street, Suite 1920, Richmond, Virginia 23219, Attention: Executive Director; or (c) if to the Trustee, at 1021 East Cary Street, 18th Floor, Richmond, Virginia 23219, Attention: Corporate Trust Department. A duplicate copy of each demand, notice, approval, consent, request, opinion or other communication given by any party named in this Section shall also be given to each of the other parties named. VRA, the Local Government and the Trustee may designate, by notice given hereunder, any further or different addresses to which subsequent demands, notices, approvals, consents, requests, opinions or other communications shall be sent or persons to whose attention the same shall be directed.

Section 11.8 Right to Cure Default. If the Local Government fails to make any payment or to perform any act required by it under the Local Bond or this Agreement, VRA or the Trustee, without prior notice to or demand upon the Local Government and without waiving or releasing any obligation or default, may (but shall be under no obligation to) make such payment or perform such act. All amounts so paid by VRA or the Trustee and all costs, fees and expenses so incurred shall be payable by the Local Government as an additional obligation under this Agreement, together with interest thereon at the rate of 15% per year until paid. The Local Government's obligation under this Section shall survive the payment of the Local Bond.

Section 11.9 Term of Agreement. This Agreement is effective as of the Effective Date. Except as otherwise specified, the Local Government's obligations under the Local Bond and this Agreement shall expire upon payment in full of the Local Bond and all other amounts payable by the Local Government under this Agreement.

Section 11.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

[Signature Pages Follow]

ATTACHMENT C

WITNESS the following signatures, all duly authorized.

VIRGINIA RESOURCES AUTHORITY

By: _____
Stephanie L. Hamlett, Executive Director

ATTACHMENT C

COUNTY OF [____], VIRGINIA

By: _____
Name: [____]
Title: County Manager

Address for Notices:

[____]
Attention: [____], County Manager

ATTACHMENT C

The Trustee, by the execution hereof, accepts the duties imposed on it by this Agreement.

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____
Monique Green, Vice President

ATTACHMENT C

EXHIBIT A
FORM OF LOCAL BOND

[To be provided]

ATTACHMENT C

EXHIBIT B

DESCRIPTION OF THE PROJECT

[To be provided]

ATTACHMENT C

EXHIBIT C

**PENDING OR THREATENED ACTIONS, SUITS, PROCEEDINGS, OR
INVESTIGATIONS**

[To be provided]

ATTACHMENT C

EXHIBIT D

FORM OF REQUISITION

Requisition No.

Date:

U.S. Bank National Association, as Trustee
Attention: Corporate Trust Department
1021 East Cary Street
18th Floor
Richmond, Virginia 23219

Virginia Resources Authority
1111 East Main Street
Suite 1920
Richmond, Virginia 23219
Attention: Executive Director

This Requisition, including Schedule 1 and Schedule 2 hereto, is submitted in connection with the Local Bond Sale and Financing Agreement dated as of [____], 20[] (the "Financing Agreement") between the Virginia Resources Authority and the County of [____], Virginia (the "Local Government"). Unless otherwise defined in this Requisition, each capitalized term used herein has the meaning given it under Article I of the Financing Agreement. The undersigned Local Representative hereby requests payment of the following amounts from the Local Account established for the Local Government in the 20[]C Acquisition Fund established under the [____] Supplemental Series Indenture.

Payee (including wiring instructions if receiving electronic payment):

Address:

Amount to be paid:

Purpose (in reasonable detail) for which obligations(s) to be paid were incurred:

ATTACHMENT C

Attached on Schedule 2 are the wire instructions for this requisition, and also attached hereto is an invoice (or invoices) relating to the items for which payment is requested.

The undersigned certifies that the amounts requested by this Requisition will be applied solely and exclusively to the payment, or the reimbursement of the Local Government for its payment, of Project Costs.

The Local Government has agreed in the Financing Agreement that any amounts it receives pursuant to this Requisition will be (i) immediately applied to reimburse the Local Government for Project Costs it has already paid or (ii) actually spent to pay Project Costs not later than five banking days after receipt.

Local Representative

ATTACHMENT C

SCHEDULE 1

Form to Accompany Requisition

Requisition # _____

Recipient: County of [____], Virginia – VRA 20[]C

Local Representative: _____

Title: _____

Date: _____

<u>Cost Category</u>	<u>Total Project Cost</u>	<u>Previous Disbursements</u>	<u>Disbursement This Period</u>	<u>Disbursements to Date</u>	<u>Remaining Balance</u>
	\$	\$	\$	\$	\$
TOTALS	\$	\$	\$	\$	\$

ATTACHMENT C

SCHEDULE 2

Wire Instructions for Requisition

[To be provided by the Local Government]

ATTACHMENT C

EXHIBIT E

OPERATING DATA

Description of Local Government. A description of the Local Government including a summary of its form of government and budgetary processes.

Debt. A description of the terms of the Local Government's outstanding tax-supported and revenue debt including a historical summary of such outstanding debt; a summary of authorized but unissued debt; a summary of legal debt margin (if any); a summary of overlapping debt; and a summary of annual debt service on outstanding debt as of the end of the preceding fiscal year. The annual disclosure should also include (to the extent not shown in the latest audited financial statements) a description of contingent obligations as well as pension plans administered by the Local Government and any unfunded pension liabilities.

Financial Information and Operating Data. Financial information and operating data respecting the Local Government including a description of revenues and expenditures for its major funds and a summary of its tax policy, structure and collections as of the end of the preceding fiscal year.

ATTACHMENT C

EXHIBIT F

FORM OF OPINION OF COUNSEL TO THE LOCAL GOVERNMENT

[Print on the Letterhead of Counsel for the Local Government]

November 20, 20[]

Mayor and County Council
County of [], Virginia

Virginia Resources Authority
Richmond, Virginia

\$[]
County of [], Virginia
General Obligation Refunding Bond,
Series 20[]B

Ladies and Gentlemen:

I have acted as counsel to the County of [], Virginia (the "Local Government"), in connection with the issuance and sale by the Local Government of its \$[] Bond, Series 20[]B (the "Local Bond"), the net proceeds of which will be applied to finance the Project (as defined in the hereafter defined Financing Agreement) and in such capacity, I have examined, among other things, the following documents:

- (a) a certified copy of the Local Authorization, authorizing the issuance and sale of the Local Bond to Virginia Resources Authority ("VRA") to finance the Project; and
- (b) a copy of the Local Bond Sale and Financing Agreement (the "Financing Agreement") dated as of [], 20[], and between the Local Government and VRA.

I have also examined such other records and proceedings of the Local Government and conducted such investigations as I deemed appropriate and necessary for purposes of this opinion.

Unless otherwise defined, each capitalized term used in this opinion has the same meaning given to such term in the Financing Agreement.

As to questions of fact material to the opinions and statements set forth herein, I have relied upon representations of the Local Government set forth in the Financing Agreement and other certificates and representations by persons including representatives of the Local Government. Whenever an opinion or statement set forth herein with respect to the existence or

ATTACHMENT C

absence of facts is qualified by the phrase "to the best of my knowledge" or a phrase of similar import, it is intended to indicate that during the course of my representation of the Local Government in connection with the Financing Agreement no information has come to my attention that should give me current actual knowledge of the existence or absence of such facts. Except to the extent expressly set forth herein, I have not undertaken any independent investigation of the existence or absence of such facts, and no inference as to my knowledge or the existence or absence of such facts should be drawn from the fact of my representation or any other matter.

Based upon such examination and assuming the authorization, execution, delivery and enforceability of all documents by parties other than the Local Government, I am of the opinion that:

1. The Local Government is a duly created and validly existing municipal corporation and political subdivision of the Commonwealth and is vested with the rights and powers conferred upon it by Virginia law.

2. The Local Government has full right, power and authority to (i) adopt the Local Authorization and execute and deliver the Financing Agreement and all related documents, (ii) undertake the Project and (iii) carry out and consummate all of the transactions contemplated by the Local Authorization and the Financing Agreement.

3. The Financing Agreement was duly authorized by the Local Authorization and the Financing Agreement is in substantially the same form as presented to the Governing Body at its meeting at which the Local Authorization was adopted.

4. All governmental permits, licenses, registrations, certificates, authorizations and approvals required to have been obtained as of the date hereof have been obtained for (i) the Local Government's adoption of the Local Authorization, (ii) the execution and delivery of the Financing Agreement and the Local Bond, (iii) the Local Government's performance of its obligations under the Financing Agreement and the Local Bond, and (iv) to the best of my knowledge, the operation and use of the Related Financed Property. I know of no reason why any such required governmental permits, licenses, registrations, certificates, authorizations or approvals cannot be obtained as required in the future.

5. The Financing Agreement has been executed and delivered by duly authorized officials of the Local Government and constitutes a legal, valid and binding general obligation of the Local Government enforceable against the Local Government in accordance with its terms. The Local Bond has been executed and delivered by duly authorized officials of the Local Government and will constitute a legal, valid and binding general obligation of the Local Government enforceable against the Local Government in accordance with its terms.

The obligations of the Local Government under the Financing Agreement and the Local Bond, and the enforceability of such obligations, may be limited or otherwise affected by (i) bankruptcy, insolvency, reorganization, moratorium and other laws affecting the rights of creditors generally, (ii) principles of equity, whether considered at law or in equity, (iii) the exercise of sovereign police powers of the Commonwealth, and (iv) rules of law which may limit

ATTACHMENT C

the enforceability on public policy grounds of any obligations of indemnification undertaken by the Local Government.

6. The issuance of the Local Bond and the execution and delivery of the Financing Agreement and the performance by the Local Government of its obligations thereunder are within the powers of the Local Government and will not conflict with, or constitute a breach or result in a violation of (i) any federal or Virginia constitutional or statutory provision, (ii) to the best of my knowledge, any agreement or other instrument to which the Local Government is a party or by which it is bound or (iii) any order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Local Government or its property.

7. The Local Government, to the best of my knowledge, is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and is not in default under any instrument under and subject to which any indebtedness for borrowed money has been incurred. To the best of my knowledge, no event or condition has happened or existed, or is happening or existing, under the provisions of any such instrument, including but not limited to the Financing Agreement, which constitutes, or which, with notice or lapse of time, or both, would constitute an event of default thereunder.

8. The Local Government to the best of my knowledge (i) is not in violation of any existing law, rule or regulation applicable to it in any way which would have a material adverse effect on its financial condition or its ability to perform its obligations under the Local Bond or the Financing Agreement and (ii) is not in default under any indenture, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the Local Government is a party or by which it is bound or to which any of its assets is subject, which would have a material adverse effect on its financial condition or its ability to perform its obligations under the Local Bond and the Financing Agreement. The execution and delivery by the Local Government of the Local Bond and the Financing Agreement and the compliance with the terms and conditions thereof will not conflict with, result in a breach of or constitute a default under any of the foregoing.

9. Except as set forth in the Financing Agreement, no litigation has been served upon the Local Government nor, to the best of my knowledge, are there pending or threatened against the Local Government, any actions, suits, proceedings or investigations of a legal, equitable, regulatory, administrative or legislative nature (i) affecting the creation, organization or existence of the Local Government or the title of its officers to their respective offices, (ii) seeking to prohibit, restrain or enjoin the approval, execution, delivery or performance of the Local Authorization or the Financing Agreement or the issuance or delivery of the Local Bond, (iii) in any way contesting or affecting the validity or enforceability of the Local Bond, the Local Authorization, the Financing Agreement or any agreement or instrument relating to any of the foregoing, (iv) in which a judgment, order or resolution may have a material adverse effect on the Local Government or its business, assets, condition (financial or otherwise), operations or prospects or on its ability to perform its obligations under the Local Authorization, the Financing Agreement or the Local Bond, or (v) affecting the undertaking of the Project.

Very truly yours,

ATTACHMENT C

EXHIBIT G

FORM OF CERTIFICATION AS TO NO DEFAULT AND TAX COMPLIANCE

[DATE]

[Insert Name]
Compliance & Financial Analyst
Virginia Resources Authority
1111 East Main Street, Suite 1920
Richmond, VA 23219

Dear [Mr./Ms.] _____:

In accordance with Section 9.4 of the Local Bond Sale and Financing Agreement dated as of _____, 20[] (the "Financing Agreement") between Virginia Resources Authority and the County of _____, Virginia (the "Local Government"), I hereby certify that, during the fiscal year that ended June 30, _____, and through the date of this letter:

1. [No event or condition has happened or existed, or is happening or existing, which constitutes, or which, with notice or lapse of time, or both, would constitute, an Event of Default as defined in Section 10.1 of the Financing Agreement.] [If an Event of Default has occurred, please specify the nature and period of such Event of Default and what action the Local Government has taken, is taking or proposes to take to rectify it].
2. [The ownership and status of all or a portion of the Related Financed Property has not changed since the Closing Date.] [If untrue, please describe.]

Sincerely,

[Insert Name]
Local Representative

ATTACHMENT C

EXHIBIT H

DESCRIPTION OF SPECIAL USE ARRANGEMENTS

[To be provided]

ATTACHMENT C

SCHEDULE 1.1

FINAL TERMS

[To be provided]

ATTACHMENT C

ADDITIONAL CONDITIONS PRECEDENT TO PURCHASE OF LOCAL BOND:

[To be provided]

**ADDITIONAL CONDITIONS PRECEDENT TO FIRST REQUISITION OF PROCEEDS
OF LOCAL BOND:**

[To be provided]

ATTACHMENT C

PROJECT BUDGET

**County of [_____], Virginia
Sources and Uses of Funds**

Sources

ATTACHMENT C

INTEREST RATES AND PAYMENT SCHEDULE FOR LOCAL BOND

[To be provided]

RESOLUTION SELECTING OPTION [VRA OR COUNTY BOND ISSUANCE]
RESOLUTION 1

R-20-

Board of Supervisors
County of Prince George, Virginia

Resolution

At a regular meeting of the Board of Supervisors of the County of Prince George held in the Boardroom, Third Floor, County Administration Building, 6602 Courts Drive, Prince George, Virginia this 22th day of September, 2020:

Present:

Vote:

Donald R. Hunter, Chairman
Alan R. Carmichael, Vice-Chairman
Floyd M. Brown, Jr
Marlene J. Waymack
T. J. Webb

T-1

On motion of _____, seconded by _____, which carried by a vote of _____, the following Resolution was adopted:

RESOLUTION AUTHORIZING THE PURSUIT OF A DEBT REFUNDING THROUGH A DIRECT PUBLIC BOND ISSUANCE BY THE COUNTY OF PRINCE GEORGE

WHEREAS, lower borrowing rates in the municipal finance market have created a potential opportunity for the Board of Supervisors (the “**Board**”) of the County of Prince George, Virginia (the “**County**”) to reduce annual debt service payments of the County if certain outstanding debt obligations are refunded; and

WHEREAS, on September 1, 2020 and September 8, 2020 Davenport & Company, LLC, the County’s contracted financial advisor (“**Davenport**”), presented the Board with a list of outstanding bond issues that are candidates for refunding and two possible methods to refund the existing debt:

- 1) Refunding through the Virginia Resources Authority’s (“**VRA**”) Series 2020C Virginia Pooled Financing Program (the “**VPFP**”); or
- 2) Refunding through the direct issuance by the County of debt and the sale of its bonds in the public market.

WHEREAS, no action was taken by the Board as to the issuance of refunding bonds through either the VRA VPFP program or through the direct issuance of County bonds in the public market at its September 8, 2020 Board meeting; and

WHEREAS, after evaluating and discussing the potential risks and potential savings from each method further, the Board hereby elects to refund all or a portion of the refunding bond candidates identified by Davenport through the direct issuance by the County of refunding bonds in the public market.

RESOLUTION SELECTING OPTION [VRA OR COUNTY BOND ISSUANCE]
RESOLUTION 1

NOW, THEREFORE, BE IT RESOLVED THAT:

1. **Financing Option Selected.** The Board on this 22nd day of September, 2020, hereby elects to pursue the refunding of certain existing debt obligations through the direct issuance by the County of its refunding bonds for sale in the public market.
2. **Actions Authorized.** The Board hereby authorizes and directs County staff to work with Williams Mullen, Bond Counsel, and Davenport, to move forward with necessary tasks to refund eligible debt from the candidates identified by Davenport through a direct issuance and sale of refunding bonds in the public marketplace.
3. **Subsequent Board Action Required.** Final approval of any refunding bond issue will occur through future Board action, and any resolutions associated with the refunding bonds will include guaranteed savings parameters that make such refunding beneficial to the County.
4. **Ratification and Affirmation of Prior Actions.** All actions previously undertaken by the County and its agents related to the direct issuance and sale of its refunding bonds is hereby ratified and affirmed.
5. **Effective Date.** This Resolution shall go into effect immediately.

A Copy Teste:

Percy C. Ashcraft
County Administrator

43366398_2

CONSIDER AND ADOPT ONLY IF VRA IS SELECTED AS REFUNDING OPTION
RESOLUTION 2

R-20-___

Board of Supervisors
County of Prince George, Virginia

Resolution

At a monthly meeting of the Board of Supervisors of the County of Prince George, Virginia held in the Boardroom, Third Floor, County Administration Building, 6602 Courts Drive, Prince George, Virginia this 22nd day of September, 2020.

Present:

Donald R. Hunter, Chairman
Alan R. Carmichael, Vice-Chairman
Floyd M. Brown, Jr.
Marlene J. Waymack
T.J. Webb

Vote:

T-1

On motion of _____, seconded by _____, which was approved with a _____ vote, with all members of the Board of Supervisors present and voting, the following Resolution was adopted:

**RESOLUTION OF THE COUNTY OF
PRINCE GEORGE, VIRGINIA AUTHORIZING
THE ISSUANCE OF GENERAL OBLIGATION BONDS
THROUGH THE FINANCING PROGRAM OF
THE VIRGINIA RESOURCES AUTHORITY**

WHEREAS, the County of Prince George, Virginia (**the "County"**) 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 Board of Supervisors of the County (**the "Board of Supervisors"**) is authorized to contract debts on behalf of the County and to issue, as evidence thereof, notes, bonds or other obligations, either directly on its own behalf or through the Virginia Resources Authority ("**VRA**") and its Series 2020C Virginia Pooled Financing Program ("**VFPF**"); and

WHEREAS, following the approval of the affirmative vote of the qualified voters of the County in an election on the question, the County elected on September 19, 1985 to be treated as a city for the purpose of issuing its bonds or notes under the Act, and to therefore be able to secure certain indebtedness on a general obligation basis whereby the full faith and credit of the County is pledged to secure payment of bonds or notes without a referendum; and

WHEREAS, pursuant to the Constitution and laws of the Commonwealth of Virginia, the County is authorized by law to issue bonds, notes or other instruments of indebtedness payable from pledges of the full faith and credit of the County; and

WHEREAS, the County has previously issued tax-exempt and taxable bonds and notes to finance and refinance a variety of capital projects for governmental purposes (the “**Projects**”) that are currently outstanding (the “**Outstanding Obligations**”); and

WHEREAS, as set forth in the Refunding Analysis prepared by Davenport & Company, LLC, the County’s Financial Advisor (“Davenport”) distributed to the Board in connection with this meeting, the County has identified up to thirteen (13) prior debt instruments that the County is considering refinancing, in whole or in part (the “**Refunded Bond Candidates**”); and

WHEREAS, all or a portion of the maturity dates of the Refunded Bond Candidates may be financed, along with related costs of issuance, through the issuance of a local general obligation refunding bond for a potential sale to VRA (the “**Local Refunding Bond**”) in conjunction with the County’s participation in the VPPF; and

WHEREAS, the Board has determined that economic benefits exist for the County to refund certain of its Outstanding Obligations to achieve debt service cost savings; and

WHEREAS, the Local Refunding Bond shall be issued under the provisions of Article VII, Section 10(a) of the Constitution of Virginia and shall be a general obligation of the County, the principal of and interest on which are payable from ad valorem taxes to be levied without limitation as to rate or amount on all property in the County subject to taxation and a pledge of the full faith and credit of the County; and in each year while any amount payable with respect to the Local Refunding Bond 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, together with all other funds lawfully appropriated and available therefore, to provide for the payment of the principal of and premium, if any, and the interest on the Local Refunding Bond as such principal, premium, if any, and interest shall become due; and

WHEREAS, the Board has been advised that VRA, a public body corporate and political subdivision of the Commonwealth of Virginia, may be willing to purchase the Local Refunding Bond and refinance all or a portion of the Refunded Bond Candidates through the VPPF;

WHEREAS, to assist in providing for the refunding of the Refunded Bond Candidates, VRA intends to (a) issue its Series 2020 VRA Fall Pool Bonds (as more particularly described in the Local Bond Sale and Financing Agreement, as hereinafter referenced, the “**VRA Bonds**”) and, subject to final VRA credit approval, to make available a portion of the VPPF proceeds to the County to finance all or a portion of the costs of refinancing the Outstanding Obligations that the County elects to refinance with the Local Refunding Bond (the “**Refunded Bonds**”), resulting in an aggregate amount sufficient to refinance the Refunded Bonds and pay for costs of issuance

related to such refunding or such other amount as requested by the County in writing and approved by VRA prior to the VRA Sale Date, as defined below (the **“Proceeds Requested”**); and

WHEREAS, the County has submitted its application to VRA to refund certain Outstanding Obligations that are Refunded Bond Candidates which are eligible for redemption without penalty and the refinancing of which shall result in cost savings for the County, and VRA has responded with an outline of its proposed terms and conditions dated September 11, 2020 (the **“VRA Proposal”**); and

WHEREAS, the Basic Documents (as defined below) will indicate that the County agrees to sell the Local Refunding Bond on terms, determined by VRA to be fair and reasonable and accepted by the County that, subject to market conditions, achieves an aggregate net present value debt service savings of not less than approximately [3.00%] of the refunded principal portion of the Refunded Bonds (the **“Targeted Savings”**); and

WHEREAS, VRA has advised the County that the sale date of the VRA Bonds is tentatively scheduled for October 28, 2020 but may occur, subject to market conditions, at any time between October 26, 2020 and November 30, 2020 (the **“VRA Sale Date”**), and that VRA’s objective is to pay the County an amount which, in VRA’s reasonable judgment, reflects the market value of the Local Refunding Bond to be issued by the County and sold to the VRA (the **“Purchase Price Objective”**), taking into consideration such factors as the purchase price received by VRA for the VRA Bonds, the underwriters’ discount and other issuance costs of the VRA Bonds, and other market conditions relating to the sale of the VRA Bonds; and

WHEREAS, the Local Refunding Bond shall provide that the aggregate total principal components of the Local Refunding Bond will not exceed the parameters set forth herein; and

WHEREAS, there have been, or will be, presented to the Board drafts of the following documents (together, the **“Basic Documents”**) in connection with the transactions described above, copies of which shall be filed with the records of the Board:

- A. The Local Refunding Bond; and
- B. The VRA Proposal; and
- C. The Local Bond Sale and Financing Agreement (the **“Bond Sale Agreement”**); and
- D. The Tax Compliance Agreement.

NOW, THEREFORE, BE IT RESOLVED, THAT:

1. **Authorization of the Local Refunding Bond.** The Board hereby finds and determines that it is advisable and in the best interests of the County to incur debt and issue its Local Refunding Bond for the purpose of refinancing all or a portion of the Refunded Bonds, along with the costs of issuing the Local Refunding Bond. The County previously authorized the solicitation by Davenport of preliminary interest in the Local Refunding Bond and the submission of a financing application to the VRA for participation in the VPPF. The Board now hereby authorizes the issuance of the Local Refunding Bond and for the County seal to be affixed on such instrument by the Clerk of the Board.

2. **Description of Local Refunding Bond.** The Local Refunding Bond shall evidence the County's obligation to repay a loan in an aggregate principal amount not to exceed \$48,000,000. The terms of the VRA Proposal are hereby acknowledged and approved, and Bond Counsel is hereby directed to incorporate such details and the final pricing provisions provided by VRA and as described herein into the Local Refunding Bond and the other Basic Documents as appropriate.

3. **Board Findings Regarding the Basic Documents.** It is hereby found and determined that the terms of the Basic Documents in the respective forms referenced in this Resolution are in the best interests of the County in connection with the refinancing of the Refunded Bonds.

4. **Approval of Basic Documents.** The Basic Documents, including but not limited to the Local Refunding Bond, along with related financing documents are hereby approved. The Chairman, Vice Chairman, County Administrator (each, a "**Delegate**") and any officer of the Board who shall have power generally to execute contracts on behalf of the Board be, and each of them hereby is, authorized to execute, acknowledge, consent to and deliver, as appropriate, the Local Refunding Bonds, the Basic Documents, any other documents required in connection with the refinancing of the Refunded Bonds, and any other related financing documents, with any changes, insertions and omissions therein as may be approved by the individuals executing them, such approval to be conclusively evidenced by the execution and delivery thereof. The actions of the Chairman, the Vice Chairman and the County Administrator, each of whom is authorized to act, shall be conclusive, and no further action shall be necessary on the part of the County.

5. **Final Pricing Terms for Local Refunding Bond.** The final pricing terms of the Local Refunding Bond will be determined by VRA, subject to VRA's Purchase Price Objective and market conditions described in the Recitals hereof; provided, however that (i) the Local Refunding Bonds shall be composed of principal components having a maximum aggregate principal amount not to exceed \$48,000,000 (the "**Maximum Authorized Principal Amount**") and (ii) the aggregate net present value debt service savings resulting from the refinancing of the Refunded Bond shall not be less than the Targeted Savings and (iii) the Local Refunding Bonds shall be payable over a term expiring not later than January 15, 2051. Each Delegate is hereby authorized and directed to select the particular portion or portions of the Refunded Bonds (if any) to be refinanced and direct VRA to provide a Proceeds Requested amount that achieves the refunding of the selected portion or portions (if any) provided that the refinancing of the Refunded Bonds selected shall result in an aggregate net present value debt service savings of not less than the Targeted Savings. It is understood and agreed that the County will be responsible for all reasonable

out-of-pocket fees and expenses incurred by VRA in connection with the proposed refinancing of the Refunded Bonds in the event that the Targeted Savings can be achieved through the issuance of the VRA Bonds, but the County opts not to move forward with the financing. Such VRA costs have a not to exceed amount of \$5,000. Subject to the preceding terms, the Board further authorizes VRA to determine the aggregate total of principal and interest components of the Local Refunding Bond, establish a payment schedule for the Local Refunding Bond including the dates and amounts and the optional and extraordinary prepayment provisions, if any, of the Local Refunding Bond, all in accordance with the provisions hereof.

Given the Purchase Price Objective and market conditions, it may become necessary to issue the Local Refunding Bond with aggregate principal components of the Local Refunding Bond greater than the Proceeds Requested. If the limitation on the maximum aggregate principal components of the Local Refunding Bond set forth in this Section 5 restricts VRA's ability to generate the Proceeds Requested, the Local Refunding Bond may be required to be issued for an amount less than the Proceeds Requested.

As set forth in the Local Refunding Bond, the County agrees to pay any such "supplemental interest" and other charges as provided therein, including such amounts as may be necessary to maintain or replenish any VRA Reserve (as defined in the Local Refunding Bond).

6. **Authorization and Direction of County Actions.** The same officers of the Board and the County Administrator shall be, and each of them hereby is, authorized and directed to take all actions and procure, execute and deliver any and all other agreements, financing statements, papers, instruments, opinions, certificates, affidavits and other documents, and to do or cause to be done any and all other acts and things necessary or proper for carrying out the purposes and intent of this resolution, and the Basic Documents, including but not limited to the redemption and refinancing of the Refunded Bonds. The same officers are authorized and directed to work with the County's bond counsel, Williams Mullen, and representatives of VRA, including without limitation McGuireWoods LLP, Bond Counsel to VRA, to perform all services and prepare all documentation necessary or appropriate for the execution, delivery and recording, as appropriate, of the Basic Documents.

7. **Arbitrage Bond Covenants.** The County represents and covenants that it shall not take or omit to take any action the taking or omission of which would (a) cause the VRA Bonds issued as tax-exempt to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") or (b) otherwise cause interest on any VRA Bonds issued as tax-exempt to be includable in the gross income for Federal income tax purposes of the registered owners thereof under existing law. Without limiting the generality of the foregoing, the County shall comply with any provision of law that may require it at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds of the VRA Bonds. The County shall pay any such required rebate from legally available funds.

8. **Private Use Covenants.** The County covenants that it shall not permit any proceeds derived from the Local Refunding Bond to be used in any manner that would result in (a) 10% or

more of such proceeds being used in a trade or business carried on by any person other than a governmental unit, as provided in Section 141(b) of the Code, provided that no more than 5% of such proceeds may be used in a trade or business unrelated to the County's use of the Projects, (b) 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) 5% or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit, as provided in Section 141(c) of the Code; provided, however, that if the County receives an opinion of nationally recognized bond counsel that compliance with any such covenant is not required or is no longer required in order to prevent the interest on the VRA Bonds issued as tax-exempt from being includable in the gross income for Federal income tax purposes of the registered owner thereof under existing law, the County need not comply with such covenant to the extent provided in such opinion.

9. **Tax Compliance Agreement.** Such officers of the County as may be requested are authorized and directed to execute and deliver a tax compliance agreement in relation to the Local Refunding Bond (**the "Tax Compliance Agreement"**) in the form approved by the Chairman or Vice-Chairman of the Board or the County Administrator, or any of them, in collaboration with the County's bond counsel, with such completions, omissions, insertions and changes as may be approved by the officers of the County executing such Tax Compliance Agreement, whose approval shall be evidenced conclusively by the execution and delivery thereof.

10. **Federal Securities Law Matters.** The County authorizes and consents to the inclusion of information with respect to the County to be contained in VRA's Preliminary Official Statement and VRA's Official Statement in final form, both prepared in connection with the sale of the VRA Bonds, a portion of the proceeds of which will be used to purchase the Local Refunding Bond. If appropriate, such disclosure documents shall be distributed in such manner and at such times as the Chairman of the Board, the Vice-Chairman of the Board or the County Administrator, each of whom is authorized to act, shall determine. The Chairman of the Board, the Vice-Chairman of the Board or the County Administrator, each of whom is authorized to act, are authorized and directed to take whatever actions are necessary and/or appropriate to aid VRA in ensuring compliance with Securities and Exchange Commission Rule 15c2-12.

11. **Recitals.** The recitals to this resolution are hereby incorporated by reference and are declared to be findings of the Board in connection with its decision to refinance the Refunded Bond.

12. **Responsibilities as to Refunded Bonds.** The County Administrator is authorized and directed to select the portion of the Refunded Bonds to be refinanced and redeemed and to take all proper steps to call for redemption all or the portion of the Refunded Bonds designated for redemption and cause such portion or all of the Refunded Bonds to be prepaid and refunded in full upon the purchase of the Local Refunding Bond by VRA.

13. **SNAP Program Covenant.** The Board hereby determines that it is in the best interests of the County to authorize the County Treasurer to participate in the Virginia State Non-Arbitrage Program in connection with the Local Refunding Bond if requested by VRA.

14. **Affirmation and Ratification of County Actions**. All acts of the officers, agents and representatives of the County that are in conformity with the purposes and intent of this resolution and in furtherance of the issuance of the Local Refunding Bond by the County, the refinancing or redemption of the Outstanding Obligations, are hereby approved, ratified and confirmed.

15. **Filing of Resolution**. The Clerk or any Deputy Clerk of the Board of Supervisors or other agent or employee of the County, is hereby authorized and directed to cause a certified copy of this Resolution to be filed with the Circuit Court of the County of Prince George, Virginia.

16. **Effective Date**. This Resolution shall be effective immediately upon its adoption.

Adopted: September 22, 2020

CERTIFICATE

The undersigned Clerk of the Board of Supervisors of the County of Prince George, Virginia hereby certifies that the foregoing is a true, correct and complete copy of a resolution duly adopted by a majority of the members of the Board of Supervisors of the County of Prince George, Virginia present and voting during the meeting duly called and held on September 22, 2020, and that such resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect on the date hereof. A summary of the members present or absent at such meeting, and the recorded vote with respect to the foregoing resolution, is set forth below:

Member Name	Attendance		Voting		
	Present	Absent	Yes	No	Abstaining
Donald R. Hunter, Chairman					
Alan R. Carmichael, Vice-Chairman					
Floyd M. Brown, Jr.					
Marlene J. Waymack					
T. J. Webb					

WITNESS my hand and seal of the County this _____ day of September, 2020.

Clerk, Board of Supervisors of the
County of Prince George, Virginia

(SEAL)