

**Richmond County Industrial Development Authority – Meeting Minutes
June 18, 2019**

Members Present:

E. Peyton Motley, Jr.
Meredith M. Smith
Deborah G. Bass
Russell G. Brown
J. Paul Welch

Also Present

R. Morgan Quicke, County Administrator
Hope Mothershead, Director of Planning/Zoning
Robert B. Pemberton, Board of Supervisor Member
R. T. Taylor - Davenport & Co.
Ben Emerson – Sands Anderson

Absent

Stan Terhune

Chairperson Smith called the meeting to order at 7:00 P.M.

Chairperson Smith asked for approval of the minutes from the June 29, 2017 meeting.

“On a motion made by Russell G. Brown and seconded by J. Paul Welch, the Members voted: E. Peyton Motley, Jr. - aye; Meredith M. Smith – aye; Deborah G. Bass – aye; Russell G. Brown – aye; J. Paul Welch - aye: to approve the minutes from the June 29, 2017 meeting.”

OVERVIEW OF PROJECT AND DOCUMENTS

Mr. Quicke thanked the members for making themselves available for a meeting and noted that the purpose of the meeting was to consider approval of a Lease/Revenue Financing in order for the County to purchase 46 acres of land within the Town of Warsaw for Economic Development purposes.

The Board of Supervisors voted at their regular meeting on June 13, 2019 on the approval of the Lease/Revenue Bond to the IDA and adopted a resolution (**Attachment C**), recommending the Lease/Revenue.

Mr. Quicke continued to note that the County has a signed purchase agreement to buy 46 acres along the Route 3 Bypass for \$692,000, or \$15,000 acre. See **Attachment A**.

Parcel 1 – Parcel 1 is a 13-acre tract situated along Main Street, Hamilton Boulevard and Route 3, in the Town of Warsaw. This acreage will be for the purpose of Economic Development.

Parcel 2 – Parcel 2 is a 30-acre tract situated along Route 360, Route 3, Hamilton Boulevard and Scott Town Road in the Town of Warsaw. This acreage will be for the purpose of Economic Development.

Parcel 3 – Parcel 3 is a 3-acre tract, situated along Route 3 and Community Park Road in the Town of Warsaw. This acreage is adjacent to the newly constructed EMS facility, and will be joined with the Community Park for the future.

Richmond County, with the help of Davenport and Company and Sands Anderson released an RFP in May for proposals for financing. Three proposals were submitted: Atlantic Union Bank, BB&T and First Internet Bank.

The request asked for bids on a Lease Revenue Bond, in the amount of up to \$750,000 for the purpose of economic development, tax exempt and bank qualified. The two options requested were for a seven-year maturity as well as a ten-year maturity, with annual principal payments and semi-annual interest payments.

Please see **Attachment B** with the results of the proposals.

Mr. Quicke added that the recommended funding option to proceed is Atlantic Union Bank for 10 years at 3.05%. Although the BB&T presented a lesser rate at 2.87%, their fees and pre-payment options were not favorable to the County, primarily their pre-payment terms. Richmond County anticipates disposing of this loan within five to seven years.

Annual debt payments on this loan will equal \$87,932, of which the County is prepared for. The County anticipates paying off additional principal from time to time. Collateral on this loan will be the County's new Animal Shelter facility, valued at \$750,000 located along Route 3.

R. T. Taylor from Davenport and Co. discussed the EDA Lease Financing options as noted in Attachment B. BB&T and Atlantic Union Bank provided the lowest interest rates. However, Atlantic Union Bank provided more flexible prepayment provisions. Given the prepayment flexibility and small difference between total interest and bank costs between the two proposals, the 10-year maturity at 3.05% with Atlantic Union Bank is the staff's preferred approach.

Mr. Brown asked who owned the three parcels to be purchased. Mr. Quicke noted that all would be purchased from Mr. Lamb. Mr. Motley inquired if others were looking to buy the property. Mr. Quicke added that Mr. Lamb offered the property to the County prior to listing with any service. Also, Mr. Quicke noted that Mr. Lamb is interested in purchasing the home at BelleVille and other property from the County.

Ben Emerson from Sands Anderson explained to the members how the Lease Purchase would work for the IDA. The property will be leased to the IDA as collateral and the IDA leases it back to the County for the amount of payments due on the bond. Both leases are assigned to be the security for the IDA. All agreements terminate as soon as the bond is paid.

*“On a motion made by E. Peyton Motley, Jr. and seconded by Deborah G. Bass, the Members voted: E. Peyton Motley, Jr. - aye; Meredith M. Smith – aye; Deborah G. Bass – aye; Russell G. Brown – abstain; J. Paul Welch - aye: to adopt and approve the resolution attached as **Attachment D**, including all documents mentioned therein (**Attachment E** – Lease/Revenue Bond, **Attachment F** – Bond Purchase Agreement, **Attachment G** – Ground Lease, **Attachment H** – Lease Agreement, **Attachment I** – Assignment Agreement).”*

REVIEW OF FINANCIALS

Mr. Quicke reviewed County finances to update the IDA members. As to the IDA building, he noted that the Head Start is paying \$1,200 per month in rent for their space. The increased expenses at the IDA Building are associated to HVAC repair costs. Mr. Quicke also added that repairs to the parking lot at the IDA building are being discussed.

Ms. Bass commended Mr. Quicke for the positive happenings in the County. Mr. Quicke added that the current Board has worked hard to continue being a success.

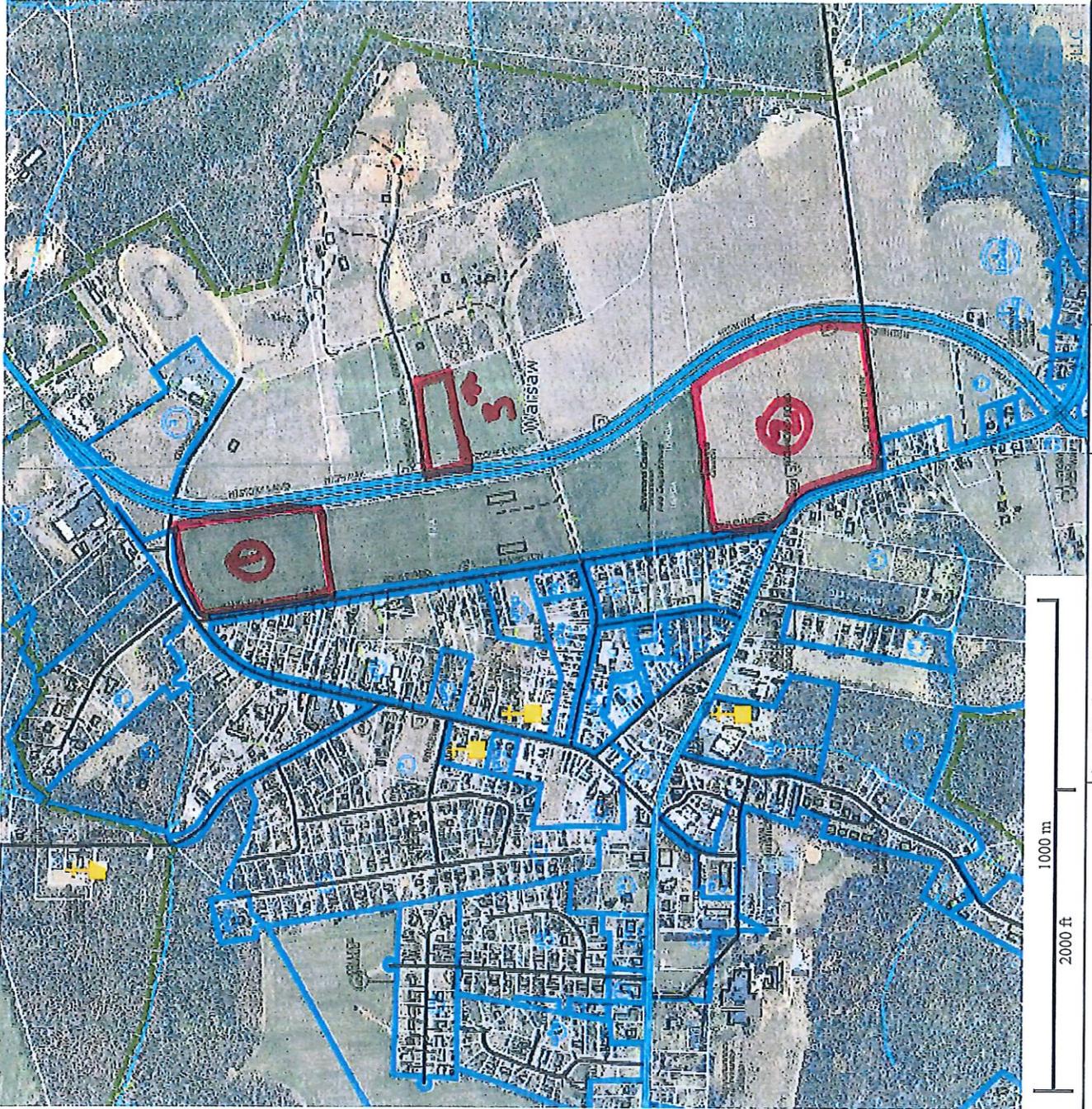
Meeting was adjourned at 7:45 P.M.



RICHMOND COUNTY VIRGINIA

Hide Layers

- Map Markups
- Map Annotation**
 - Misc Annotation
 - Address Annotation
 - Road Annotation
- Transportation**
 - Roads
 - Secondary
 - Private
 - Highway
 - Driveway
 - Bridge
- Boundaries**
 - Town Boundary
 - County Boundary
- Address
- Place Names
- Building
- Utility Lines
- School
- Church
- Tax Parcels





Discussion Materials

Richmond County, Virginia



June 13, 2019



Bank RFP Results | 2019 EDA Lease (Land Acquisition)



Overview of Bank RFP Results | 2019 EDA Lease (Land Acquisition)

- On May 2, 2019, on behalf of the County, Davenport distributed an RFP to national, regional, and local financing institutions in order to assess current market interest rates for viable financing options.
- RFP Proposals were due by 11am, Richmond, Virginia Time on May 30, 2019.
- This RFP was related to the following:

2019 EDA Lease (Land Acquisition)

- Obtain financing for the County's Economic Development Authority ("EDA") Lease Revenue Bond (the "2019 EDA Lease") in an approximate amount of \$750,000 to fund the purchase of land for the purposes of economic development.
 - The 2019 EDA Lease will not carry the general obligation pledge of the County or any other political subdivision of the Commonwealth of Virginia.
- The RFP requested Tax-Exempt, Bank Qualified and Taxable interest rates on two options:
 - Option 1 – 7 Year Maturity:
Semi-Annual interest commencing 1/15/20; Annual Principal commencing 7/15/20; and Final Maturity on 7/15/2026 (FY'27).
 - Option 2 – 10 Year Maturity:
Semi-Annual interest commencing 1/15/20; Annual Principal commencing 7/15/20; and Final Maturity on 7/15/2029 (FY'30).
- The County received proposals from three (3) banks (in alphabetical order):
 - Atlantic Union Bank;
 - BB&T; and
 - First Internet Bank.

DAVENPORT & COMPANY

June 13, 2019



Summary of Proposals | 2019 EDA Lease (Land Acquisition)

- The County received both Tax-Exempt, Bank Qualified and Taxable interest rate proposals.
 - Utilizing the subject land as collateral would potentially require the County to finance the land acquisition on a taxable basis due to the land's intended purpose of Economic Development. Additional costs and complexities would be associated with this approach.
 - With that said, the County could pursue the more favorable and cost effective approach based upon the Tax-Exempt, Bank Qualified proposals, which allowed for "substitute collateral". The County's Animal Shelter is contemplated for this purpose.
- The 2019 EDA Lease summaries for the 7 Year and 10 Year maturities below assume the Par Amount of \$750,000 and illustrate the average annual debt service as well as the full interest and bank costs through their respective maturities. To the extent the County were to prepay the loan under either option, the interest expense could potentially be reduced.

7 Year Maturity | Semi-annual Interest commencing 1/15/20 | Annual Principal commencing 7/15/20 | Final Maturity 7/15/26 (FY27)

Proposer	Interest Rate	Avg. Ann. Debt Service	Prepayment Provisions		Other Costs		Total Interest & Bank Costs
			Whole Only	Any Time	Lender's Counsel Bank Fees	Bank Costs	
1 BB&T	2.75%	\$119,538	Whole Only	Any Time	1% first half; par thereafter	\$5,000	\$91,082
2 Atlantic Union Bank	3.05%	\$120,114	Whole or Part	Any Time	No Penalty	\$0	\$95,132
3 First Internet Bank	3.40%	\$121,699	Whole or Part	After 2023	No Penalty	\$0	\$106,287

10 Year Maturity | Semi-annual Interest commencing 1/15/20 | Annual Principal commencing 7/15/20 | Final Maturity 7/15/29 (FY30)

Proposer	Interest Rate	Avg. Ann. Debt Service	Prepayment Provisions		Other Costs		Total Interest & Bank Costs
			Whole Only	Any Time	Lender's Counsel Bank Fees	Bank Costs	
1 BB&T	2.87%	\$87,700	Whole Only	Any Time	1% first half; par thereafter	\$5,000	\$130,168
2 Atlantic Union Bank	3.05%	\$87,932	Whole or Part	Any Time	No Penalty	\$0	\$132,495
3 First Internet Bank	3.40%	\$89,508	Whole or Part	After 2023	No Penalty	\$0	\$148,311

- BB&T and Atlantic Union Bank provided the lowest interest rates.
- However, Atlantic Union Bank provided more flexible prepayment provisions.
 - Given the prepayment flexibility and small difference between total interest and bank costs between these two (2) proposals, the 10 Year Maturity at 3.05% with Atlantic Union Bank is highlighted yellow indicating that this would be Staff's preferred approach.

* The information above represents preliminary estimates as of 5/30/2019 and is subject to change until the timing of funding and costs are finalized; Closing Date is assumed to be July 2, 2019 based on guidance from Bond Counsel.

Recommendation | 2019 EDA Lease (Land Acquisition)



- Based on our discussions with County Staff and Bond Counsel, Davenport recommends pursuing the 2019 EDA Lease financing with Atlantic Union Bank under the 10 Year maturity option (i.e., Final Maturity on 7/15/2029).
- Atlantic Union Bank Proposal Summary – *10 Year Maturity*
 - Allows the County to obtain one of the lowest Tax-Exempt, Bank Qualified interest rates provided through the proposal process at 3.05% fixed for 10 Years.
 - Atlantic Union Bank’s proposal compares favorably to BB&T after lender’s counsel costs are factored into the analysis and is only incrementally different as follows:
 - Average Annual Debt Service slightly higher by \$232; and
 - All-in Debt Service (over 10 years) slightly higher by \$2,326.
 - However, BB&T’s proposal would require a prepayment penalty of 1%, should the County decide to prepay the loan within the first 5 years. If this option were exercised by the County, the prepayment costs would potentially negate the differences reflected above.
 - Through the Atlantic Union Bank proposal, the County would preserve the flexibility to prepay the loan:
 - In whole or part;
 - At any time; and
 - Without penalty.

Next Steps / Timeline



Date	Task
June 13 9am	Board of Supervisors Meeting. <ul style="list-style-type: none">▪ Davenport presents RFP results.▪ Board considers selecting winning proposer.▪ Board considers approving (parameters) resolution and form of financing documents.
June 18 7pm	IDA Board Meeting. <ul style="list-style-type: none">▪ Board considers approving resolution(s) and form of documents.
Balance of June	Working Group finalizes numbers and documents.
July 2	Close on Direct Bank Loan financing.



**RESOLUTION OF THE BOARD OF SUPERVISORS OF
THE COUNTY OF RICHMOND, VIRGINIA**

WHEREAS, the Board of Supervisors (the **“Board of Supervisors”**) of the County of Richmond, Virginia (the **“County”**) directed Davenport & Company LLC (the **“Financial Advisor”**) to prepare a Request for Proposals (the **“RFP”**) to obtain financing proposals to finance a portion of the costs of the acquisition and improvement of real estate by the County for economic development purposes (the **“Project”**) to be located in the County;

WHEREAS, the Financial Advisor reviewed responses to the RFP for the financing of the Project and along with the County’s Bond Counsel, Sands Anderson PC, Richmond, Virginia (**“Bond Counsel”**) and the County Administrator recommends to the Board of Supervisors acceptance of the proposal (the **“Proposal”**) from UBT Municipal Finance, Inc., a wholly owned subsidiary of Atlantic Union Bank (the **“Lender”**) for such financing with a fixed interest rate of not to exceed 3.05%, with an amortization of approximately 10 years from the date of issuance and subject to such other terms as set forth therein;

WHEREAS, the Board of Supervisors now requests the Industrial Development Authority of Richmond County, Virginia (the **“Authority”**) to issue, offer and sell its lease revenue bond in an amount not to exceed \$750,000 (the **“Bond”**) to (a) provide for the financing of a portion of the cost of the Project, including cost of issuing the Bond, (b) lease the County animal shelter property (the **“Leased Property”**) from the County for an approximately fifteen year term under a ground lease, and in turn, lease the Leased Property to the County for a term not to exceed the term of the Bond under a lease agreement with the Authority and, (c) secure the Bond by an assignment of its rights under such lease agreement (except the right to receive indemnification, to receive notices and to give consents and to receive its administrative expenses) and ground lease under an assignment agreement, which is to be acknowledged and consented to by the Lender and the County, all in accordance with a bond purchase agreement;

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

- a. a Ground Lease, dated as of July 1, 2019, between the County and the Authority conveying to the Authority a leasehold interest in the Leased Property described therein (the **“Ground Lease”**);
- b. a Lease Agreement, dated as of July 1, 2019, between the Authority and the County (the **“Lease Agreement”**) conveying to the County a leasehold interest in such Leased Property;
- c. a Bond Purchase Agreement, dated as of July 1, 2019 among the Authority, the County and the Lender, pursuant to which the Bond is to be issued (the **“Bond Purchase Agreement”**);
- d. an Assignment Agreement, dated as of July 1, 2019 between the Authority and the Lender, assigning to the Lender certain of the Authority’s rights under the Lease Agreement and the Ground Lease, which is to be acknowledged and

consented to by the County (the "Assignment Agreement");

e. a Specimen Bond.

NOW THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Richmond, Virginia:

1. All costs and expenses in connection with the undertaking of the cost of the Project, and the issuance of the Bond, including the Authority's expenses, the fees and expenses of the County, and the fees and expenses of Bond Counsel, the County Attorney, the Financial Advisor and the Lender, and other fees and expenses related thereto, for the sale of the Bond, shall be paid from the proceeds therefrom or other funds of the County. If for any reason the Bond is not issued, it is understood that all such expenses shall be paid by the County and that the Authority shall have no responsibility therefor.
2. The Board of Supervisors hereby instructs the Financial Advisor and Bond Counsel to take all such action as necessary or appropriate to conclude the purchase of the Bond by the Lender.
3. The following plan for financing a portion of the cost of the Project is approved. The Authority shall use the proceeds from the issuance of the Bond to provide for the financing on behalf of the County of a portion of the cost of the Project and to lease the Leased Property from the County for a lease term of approximately fifteen years and to lease the Leased Property to the County for a lease term not less than the term of the Bond at a rent sufficient to pay when due the interest and principal on the Bond. The obligation of the Authority to pay principal and interest on the Bond will be limited to rent payments received from the County under the Lease Agreement. The obligation of the County to pay rent under the Lease Agreement will be subject to the Board of Supervisors of the County making annual appropriations for such purpose. The Board of Supervisors on behalf of the County has adopted this resolution as its moral obligation to the repayment of the Bond. The Bond will be secured by an Assignment Agreement to the Lender as the holder thereof. If the Board of Supervisors exercises its right not to appropriate money for rent payments, the Lender may terminate the Lease Agreement or otherwise exclude the County from possession of the Leased Property. The issuance of the Bond on the terms set forth in a Bond Purchase Agreement is hereby approved.
4. The Board of Supervisors hereby approves the Documents and the form of the Bond in the principal amount of up to \$750,000, with a fixed interest rate not to exceed 3.05%, for an amortization of approximately 10 years from its date of issuance, subject to other terms as set forth therein with such changes, including but not limited to changes in the amounts, dates, payment dates and rates as may be approved by the officer executing them whose signatures shall be conclusive evidence of his or her approval of the same. The County Administrator or Chairman or Vice Chairman is hereby authorized to determine the final terms of the Bond, including, but not limited to the principal amount, maturity and amortization, payment dates and prepayment provisions, whose determination shall be conclusive, as evidenced by his or her execution of such Bond.

5. The Chairman or Vice Chairman of the Board of Supervisors, or either of them, and the County Administrator and Clerk of the Board of Supervisors are each hereby authorized and directed to execute the Documents and such other instruments and documents as are necessary to create and perfect a complete assignment of the rents and profits due or to become due in favor of the Lender, to issue the Bond, to finance the Project and to lease the Leased Property.
6. The County represents and covenants that it shall not take or omit to take any action the taking or omission of which will cause the Bond to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") or otherwise cause the interest on the Bond to be includable in gross income for Federal income tax purposes under existing law. Without limiting the generality of the foregoing, the County shall comply with any provision of law that may require the Authority or the County at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds from the sale of the Bond.
7. Any authorization herein to execute a document shall include authorization to deliver it to the other parties thereto and to record such document where appropriate.
8. All other acts of the officers of the County that are in conformity with the purposes and intent of this resolution and in furtherance of the plan of financing, the issuance and sale of the Bond and the undertaking of the financing of the Project, are hereby approved and ratified.
9. The County by acceptance of this financing agrees to indemnify, defend and save harmless, to the extent permitted by law, the Authority, its officers, directors, employees and agents from and against all liabilities, obligations, claims, damages, penalties, fines, losses, costs and expenses in any way connected with the Authority, the issuance of the Bond or the lease of the Leased Property.
10. Nothing in this Resolution, the Bond or any documents executed or delivered in relation thereto shall constitute a debt or a pledge of the faith and credit of the Authority or the County, and the Authority shall not be obligated to make any payments under the Bond or the Documents except from payments made by or on behalf of the County under the Lease Agreement pursuant to annual appropriation thereof in accordance with applicable law.
11. The County hereby designates, and allocates to the Authority in relation to the issuance of the Bond, such designation as a "qualified tax-exempt obligation" for the purpose of Section 265(b)(3) of the Code. The County does not reasonably anticipate (nor do any of its subordinate entities reasonably anticipate) issuing more than \$10,000,000 in qualified tax exempt obligations during calendar year 2019 for the benefit of the County and the County (and any of its subordinate entities) will not designate more than \$10,000,000 of qualified tax-exempt obligations pursuant to Section 265(b)(3) of the Code during such calendar year.
12. The Board of Supervisors on behalf of the County hereby designates to the Bond the "small issuer exception" to the rebate requirements of Section 148(f)(2) and (3) of the

Code pursuant to Section 148(f)(D)(vii) of the Code, as the Authority is a subordinate entity of the County under Section 148(f)(4)(D) of the Code and the County is a governmental unit with general taxing powers, no bond which is a part of the Bond will be a private activity bond, 95% or more of the net proceeds of the Bond are to be used for local governmental activities of the County, and the aggregate face amount of all tax-exempt bonds, excluding private activity bonds to be issued by the County and the Authority during the calendar year 2019 is not reasonably expected to exceed \$5,000,000 increased by the lesser of \$10,000,000 or so much of the aggregate face amount of the Bond as is attributable to financing the construction of public school facilities within the meaning of Section 148(f)(D)(vii). The Board of Supervisors on behalf of the County hereby allocates to the Authority a portion of its small issuer exemption limitation in the amount of the Bond for the calendar year 2019 to the Bond for purposes of Section 148(f)(4)(D) of the Code.

13. The Board of Supervisors hereby consents to Sands Anderson PC, serving as Bond Counsel, Authority Counsel, and as County Attorney and recommends such firm be appointed by the Authority as such.
14. This resolution shall take effect immediately.

ADOPTED THIS 13th DAY OF JUNE, 2019.

CERTIFICATION OF ADOPTION OF RESOLUTION

The undersigned Clerk of the Board of Supervisors of the County of Richmond, Virginia hereby certifies that the Resolution set forth above was adopted during an open meeting on June 13, 2019, by the Board of Supervisors with the following votes:

Aye:

Absent:

Nay:

Abstentions:

Signed this ___ day of June, 2019.

By: _____
Clerk, Board of Supervisors



**RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF RICHMOND COUNTY, VIRGINIA**

WHEREAS, the Board of Supervisors (**the “Board of Supervisors”**) of the County of Richmond, Virginia (**the “County”**) directed Davenport & Company LLC (**the “Financial Advisor”**) to prepare a Request for Proposals (**the “RFP”**) to obtain financing proposals to finance a portion of the costs of the acquisition of real estate by the County for economic development purposes (**together, the “Project”**) to be located in the County;

WHEREAS, the Financial Advisor reviewed responses to the RFP for the financing of the Project and along with the County’s Bond Counsel, Sands Anderson PC, Richmond, Virginia (**“Bond Counsel”**) and the County Administrator recommended to the Board of Supervisors acceptance of the proposal (**the “Proposal”**) from UBT Municipal Finance, Inc., a wholly owned subsidiary of Atlantic Union Bank (**the “Lender”**) for such financing with a fixed interest rate of not to exceed 3.05%, with an amortization of approximately 10 years from the date of issuance and subject to such other terms as set forth therein;

WHEREAS, the Board of Supervisors has requested the Industrial Development Authority of Richmond County, Virginia (**the “Authority”**) to assist the County in providing funds to pay certain costs of the Project by the issuance of the Authority’s lease revenue bond (**the “Bond”**) to accomplish certain purposes of the Virginia Industrial Development and Revenue Bond Act (**the “Act”**); and

WHEREAS, the Authority proposes to (a) use the proceeds of the Bond to pay certain costs of financing the Project, including certain costs of issuing the Bond, (b) enter into the Ground Lease (defined below) to lease the County animal shelter property (**the “Leased Property”**) from the County and, in turn, the Authority will enter into the Lease Agreement (defined below) to lease the Leased Property to the County for the benefit of the County, and (c) secure the Bond or a portion thereof by an assignment of its rights under such Lease Agreement (except the right to receive indemnification, to receive notices and to give consents and to receive its administrative expenses) and the Ground Lease to the Lender under the Assignment Agreement (defined below), and once certain obligations of the County under the Lease Agreement are satisfied, the Leased Property will be transferred to the County from the Authority; and

WHEREAS, there have been presented to this meeting drafts of the following documents (**collectively, the “Documents”**) in connection with the transactions described above, copies of which shall be filed with the records of the Authority:

- a. a Ground Lease, dated as of July 1, 2019, between the County and the Authority (**the “Ground Lease”**) conveying to the Authority a leasehold interest in the Leased Property described therein;
- b. a Lease Agreement, dated as of July 1, 2019, between the Authority and the County conveying to the County a leasehold interest in the Leased Property (**the “Lease Agreement”**);

- c. a Bond Purchase Agreement, dated as of July 1, 2019, among the Authority, the County and the Lender, pursuant to which the Bond is to be issued (**the “Bond Purchase Agreement”**);
- d. an Assignment Agreement, dated as of July 1, 2019, between the Authority and the Lender, assigning to the Lender certain of the Authority’s rights under the Lease Agreement and the Ground Lease, which is to be acknowledged and consented to by the County (**the “Assignment Agreement”**); and
- e. a Specimen Lease Revenue Bond, Series 2019 in the maximum principal amount up to of \$750,000.

NOW THEREFORE, BE IT RESOLVED by the Industrial Development Authority of Richmond County, Virginia:

1. The Authority hereby finds and determines that the undertaking of the acquisition of the Project will be consistent with the purposes of the Act and that the Project and the Leased Property are “authority facilities” within the meaning of the Act.
2. All costs and expenses in connection with the issuance of the Bond, including but not limited to the Authority’s expenses, the fees and expenses of the County, and the fees and expenses of the Bond Counsel, the Financial Advisor and the Lender for the sale of the Bond, shall be paid from the proceeds therefrom or other funds of the County. If for any reason the Bond is not issued, it is understood that all such expenses shall be paid by the County and that the Authority shall have no responsibility therefor.
3. The Authority hereby accepts the structure proposed by the Lender in the Proposal and as requested by the Board of Supervisors and instructs the Financial Advisor and Bond Counsel to take all such action as necessary or appropriate to conclude the financing by the issuance of the Bond of the Authority at the request of the Board of Supervisors.
4. The following plan for financing a portion of the cost of the Project is approved. The Authority shall use the proceeds from the issuance of the Bond to provide for the financing on behalf of the County of a portion of the cost of the Project and to lease the Leased Property from the County for a lease term of approximately fifteen years and to lease the Leased Property to the County for a lease term not less than the term of the Bond at a rent sufficient to pay when due the interest and principal on the Bond. The obligation of the Authority to pay principal and interest on the Bond will be limited to rent payments received from the County under the Lease Agreement. The obligation of the County to pay rent under the Lease Agreement will be subject to the Board of Supervisors of the County making annual appropriations for such purpose. The Bond will be secured by an Assignment Agreement to the Lender as the holder thereof. If the Board of Supervisors exercises its right not to appropriate money for rent payments, the Lender may terminate the Lease Agreement or otherwise exclude the County from

possession of the Leased Property. The issuance of the Bond on the terms set forth in a Bond Purchase Agreement is hereby approved.

5. The Authority hereby approves the Documents, the Proposal and the form of the Bond in the principal amount of up to \$750,000 with the Bond amortizing over 10 years, payable as to interest semiannually with a fixed interest rate not to exceed 3.05%, and payable as to principal annually, as set forth in the form of Bond, with such changes, including but not limited to changes in the amounts, dates, payment dates and rates as may be approved by the officer executing them whose signature or signatures shall be conclusive evidence of his or their approval of the same.
6. The Chairman or Vice Chairman of the Authority, or either of them, and Secretary of the Authority are each hereby authorized and directed to execute the Documents and such other instruments and documents as are necessary to create and perfect a complete assignment of the rents and profits due or to become due in favor of the Lender, to issue the Bond, and to lease the Leased Property.
7. The officers, agents and representatives of the Authority are hereby authorized and directed to execute, deliver and file all certificates and documents and to take all such further action as they may consider necessary or desirable in their sole and absolute discretion in connection with the issuance and sale of the Bond, including without limitation (a) execution and delivery of a certificate setting forth the expected use and investment of the proceeds of the Bond to show that such expected use and investment will not violate the provisions of Section 148 of the Internal Revenue Code of 1986, as amended (**the "Code"**), and regulations thereunder, applicable to "arbitrage bonds," (b) making any elections, at the request of the County that such officers deem desirable regarding any provision requiring rebate to the United States of "arbitrage profits" earned on investment of proceeds of the Bond, (c) providing for the County to pay any such rebate amount and (d) filing Internal Revenue Service Form 8038-G, and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Bond, the financing of the Project and the leasing of the Leased Property.
8. The Authority agrees to the recommendation of the County that Sands Anderson PC, Richmond, Virginia, serve as bond counsel and hereby appoints such firm to supervise the proceedings and approve the issuance of the Bond and consents to such firm acting in such capacity as well as County Attorney and Authority Counsel in this financing.
9. The Authority represents and covenants that it shall not take or omit to take any action the taking or omission of which will cause the Bond to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (**the "Code"**) or otherwise cause the interest on the Bond to be includable in gross income for Federal income tax purposes under existing law. Without limiting the generality of the foregoing, the Authority shall comply with any provision of law that may require the Authority at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds from the sale of the Bond; provided, however, the

Authority is relying upon all such actions and payments, if any, to be done and made by the County.

10. The Authority hereby designates the Bond as a “qualified tax-exempt obligation” for the purpose of Section 265(b)(3) of the Code. The Authority and the County do not reasonably anticipate (nor do any of its subordinate entities reasonably anticipate) issuing more than \$10,000,000 in qualified tax exempt obligations during calendar year 2019 for the benefit of the Authority or the County and the Authority and the County (and any of its subordinate entities) will not designate more than \$10,000,000 of qualified tax-exempt obligations for the benefit of the Authority and the County pursuant to Section 265(b)(3) of the Code during such calendar year.
11. The Authority, based on designation from the Board of Supervisors on behalf of the County, hereby designates to the Bond the “small issuer exception” to the rebate requirements of Section 148(f)(2) and (3) of the Code pursuant to Section 148(f)(D)(vii) of the Code, as the Authority is a subordinate entity of the County under Section 148(f)(4)(D) of the Code and the County is a governmental unit with general taxing powers, no bond which is a part of the Bond will be a private activity bond, 95% or more of the net proceeds of the Bond are to be used for local governmental activities of the County, and the aggregate face amount of all tax-exempt bonds, excluding private activity bonds to be issued by the County and the Authority during the calendar year 2019 is not reasonably expected to exceed \$5,000,000 increased by the lesser of \$10,000,000 or so much of the aggregate face amount of the Bond as are attributable to financing the construction of public school facilities within the meaning of Section 148(f)(D)(vii). The Authority, based on the allocation from the Board of Supervisors on behalf of the County, allocates its portion of the small issuer size limitation in the amount of the Bond for the calendar year 2019 to the Bond for purposes of Section 148(f)(4)(D) of the Code.
12. Any authorization herein to execute a document shall include authorization to deliver it to the other parties thereto and to record such document where appropriate.
13. All other acts of the officers of the Authority that are in conformity with the purposes and intent of this resolution and in furtherance of the issuance and sale of the Bond, the undertaking of the acquisition of the Project and the leasing of the Leased Property are hereby approved, ratified and confirmed.
14. The County by acceptance of this financing, to the extent permitted by law, will be deemed to have agreed to indemnify, defend and save harmless, to the extent permitted by law, the Authority, its officers, directors, employees and agents from and against all liabilities, obligations, claims, damages, penalties, fines, losses, costs and expenses in any way connected with the Authority and the issuance of the Bond, the financing a portion of the costs of the Project or the leasing of the Leased Property.
15. Nothing in this Resolution, the Bond, or the Documents shall constitute a debt or a pledge of the faith and credit of the Authority or the County, and the Authority shall not be obligated to make any payments under the Bond or the Documents except from payments

made by or on behalf of the County under the Lease Agreement pursuant to annual appropriation thereof in accordance with applicable law.

16. This resolution shall take effect immediately.

ADOPTED THIS 18th DAY OF JUNE, 2019.

CERTIFICATION OF ADOPTION OF RESOLUTION

The undersigned Secretary of the Industrial Development Authority of Richmond County, Virginia hereby certifies that the Resolution set forth above was adopted in an open meeting on June 18, 2019, by the Authority with the following votes:

Aye:

Absent:

Nay:

Abstentions:

Signed this ___ day of _____, 2019.

By: _____
Secretary



REGISTERED

No. R-1

**UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA**

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF RICHMOND COUNTY, VIRGINIA**

\$750,000 Lease Revenue Bond, Series 2019

INTEREST RATE	MATURITY DATE	DATED DATE	ISSUE DATE
3.05%	July 15, 2029	2019	2019

**REGISTERED OWNER: UBT MUNICIPAL FINANCE, INC., a wholly owned subsidiary
of Atlantic Union Bank**

PRINCIPAL AMOUNT: _____ AND 00/100 DOLLARS (\$750,000.00)

The **INDUSTRIAL DEVELOPMENT AUTHORITY OF RICHMOND COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the "**Authority**"), for value received hereby promises to pay, solely from the sources hereinafter provided, to the registered owner hereof, or registered assigns or legal representative, the principal sum stated above on the dates and in the amounts set forth in Schedule A attached hereto, subject to prior redemption or prepayment as hereinafter provided, and to pay, solely from the sources hereinafter provided, interest hereon from the date of this Bond semi-annually on each January 15 and July 15, beginning January 15, 2020 at the annual rate stated above. Principal is payable each July 15, commencing July 15, 2020 through and including the maturity date July 15, 2029 when all principal shall be due hereunder. The principal of and premium, if any, and interest on this Bond are payable by check or draft mailed or delivered to, or in any manner credited to the account of, the registered owner set forth above, its successors or registered assigns (the "**Bondholder**") at the address of the Bondholder as it appears on the registration books kept by the Secretary of the Authority as registrar. Interest shall be computed on the basis of a year of 360 days and twelve 30-day months. Principal, premium, if any, and interest are payable in lawful money of the United States of America. If the date of any payment due hereunder is not a Business Day (as hereinafter defined) then such payment shall be due on the next following Business Day. Business Day shall mean any day other than (1) a Saturday or Sunday or (2) a day on which commercial banks in the Commonwealth are authorized to close.

THIS BOND AND THE PREMIUM, IF ANY, AND THE INTEREST HEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE

REVENUES AND RECEIPTS DERIVED BY THE AUTHORITY UNDER THE LEASE AGREEMENT, AS HEREINAFTER DEFINED, WHICH REVENUES AND RECEIPTS HAVE BEEN PLEDGED AND ASSIGNED TO SECURE PAYMENT HEREOF. THIS BOND AND THE PREMIUM, IF ANY, AND THE INTEREST HEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE COUNTY OF RICHMOND, VIRGINIA (**THE "COUNTY"**) AND THE AUTHORITY. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE COUNTY SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT HERETO EXCEPT FROM THE REVENUES AND RECEIPTS PLEDGED AND ASSIGNED THEREFOR, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA, NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE COUNTY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT HERETO. THE AUTHORITY HAS NO TAXING POWER.

NO COVENANT, CONDITION OR AGREEMENT CONTAINED HEREIN SHALL BE DEEMED TO BE A COVENANT, AGREEMENT OR OBLIGATION OF ANY PRESENT OR FUTURE DIRECTOR, OFFICER, EMPLOYEE OR AGENT OF THE AUTHORITY IN HIS INDIVIDUAL CAPACITY, AND NEITHER THE CHAIRMAN OF THE AUTHORITY NOR ANY OFFICER THEREOF EXECUTING THIS BOND SHALL BE LIABLE PERSONALLY ON THIS BOND OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE HEREOF.

This Bond is issued pursuant to the Virginia Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (**the "Act"**), and in accordance with the terms of a Bond Purchase Agreement, dated as of July 1, 2019 (**the "Bond Purchase Agreement"**) among the County of Richmond, Virginia (**the "County"**), the Authority and UBT Municipal Finance, Inc., a wholly owned subsidiary of Atlantic Union Bank (**in such capacity, the "Lender"**). This Bond is secured by an Assignment Agreement, dated as of July 1, 2019 (**the "Assignment Agreement"**) for the purposes of (a) financing a portion of the costs of the acquisition of land by the County for economic development purposes (**the "Project"**) to be located in the County and (b) to pay certain costs and expenses incurred in connection with the issuance of this Bond.

Certain property securing this Bond (**the "Leased Property"**) has been leased to the Authority pursuant to a Ground Lease, dated as of July 1, 2019 (**the "Ground Lease"**), among the Authority and the County and, in turn, the Leased Property has been leased by the Authority to the County pursuant to a Lease Agreement, dated as of July 1, 2019 (**the "Lease Agreement"**), between the Authority and the County, wherein the County has agreed to pay Basic Rent and Additional Rent, if any, to the Authority. The Authority has assigned to the Bondholder in the Assignment Agreement its right to receive all Basic Rent and Additional Rent and certain other rights under the Lease Agreement. Reference is made to the Bond Purchase Agreement, the Assignment Agreement, the Ground Lease and the Lease Agreement for a

description of, among other things, the nature and extent of the security and the terms on which this Bond is issued. **This Bond has been designated by the County and the Authority as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the “Code”).**

The obligation of the County to make payments under the Lease Agreement does not constitute a debt of the County within the meaning of any constitutional or statutory limitation nor a liability of or a lien or charge upon funds or property of the County beyond any fiscal year for which the Board of Supervisors has appropriated moneys to make such payments. The County has covenanted in the Lease Agreement that the County Administrator shall include in the County’s annual budget the amount of payments under such Lease Agreement, but the Board of Supervisors is not obligated to make appropriations for such purpose. The Authority shall not have any obligation or liability to the registered owner hereof with respect to the County’s obligations to make payments under the Lease Agreement or with respect to the performance by the County of any other covenant contained therein.

This Bond is subject to prepayment or redemption prior to maturity at the option of the Board of Supervisors of the County, upon 5 business days' notice, at any time, in whole or in part, without any prepayment penalty and in an amount equal to the principal amount so prepaid and any interest accrued on the amount prepaid to the redemption or prepayment date.

All acts, conditions and things required to happen, exist or be performed precedent to and in the issuance of this Bond have happened, exist and have been performed.

IN WITNESS WHEREOF, the Industrial Development Authority of Richmond County, Virginia has caused this Bond to be signed by the manual signature of its Chairman or Vice Chairman, its seal to be impressed hereon and attested by the manual signature of its Secretary, and this Bond to be dated July __, 2019.

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF RICHMOND COUNTY, VIRGINIA**

By: _____ (SEAL)
Chairman

Attest:

Secretary

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s), and transfer(s)
unto

(PLEASE PRINT OR TYPE NAME AND ADDRESS, INCLUDING POSTAL ZIP
CODE OF TRANSFEREE)

PLEASE INSERT SOCIAL SECURITY NUMBER OR OTHER TAX
IDENTIFICATION NUMBER OF ASSIGNEE: [_____]

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing
_____, Attorney, to transfer said Bond on the books for the registration
thereof, with full power of substitution in the premises.

DATED: _____

Holder and Assignor

SCHEDULE A



BOND PURCHASE AGREEMENT

Dated as of July 1, 2019

Industrial Development Authority
of Richmond County, Virginia
Warsaw, Virginia

County of Richmond, Virginia
Warsaw, Virginia

Industrial Development Authority of Richmond County, Virginia \$750,000 Lease Revenue Bond, Series 2019

Ladies and Gentlemen:

Acceptance and execution of this letter will confirm the agreement between the INDUSTRIAL DEVELOPMENT AUTHORITY OF RICHMOND COUNTY, VIRGINIA a political subdivision of the Commonwealth of Virginia (**the "Authority"**), THE COUNTY OF RICHMOND, VIRGINIA, a county and political subdivision of the Commonwealth of Virginia (**the "County"**), and UBT MUNICIPAL FINANCE, INC., a wholly owned subsidiary of Atlantic Union Bank (**the "Lender"**), concerning the loan to the County evidenced by the sale by the Authority and the purchase by the Lender of the Authority's \$750,000 Lease Revenue Bond, Series 2019 (**the "Bond"**), dated its date of issuance, such Bond maturing in the years and amounts, subject to optional redemption, and bearing interest at the rates, subject to adjustment, as set forth in the form of Bond attached as Exhibit A. Interest on the Bond shall be due on the dates set forth in Exhibit A (each, a **"Payment Date"**). The Bond will be "bank-qualified."

Section 1. PURPOSE OF FINANCING; TERMS AND CONDITIONS.

The proceeds of the Bond will be utilized for financing a portion of the acquisition of real estate by the County for economic development purposes (**together, the "Project"**) as described and issued pursuant to an authorizing resolution of the Board of Supervisors adopted on June 13, 2019 and an authorizing resolution of the Authority adopted on June 18, 2019 and to pay certain costs and expenses incurred in connection with the issuance of the Bond.

The Bond will be secured by an Assignment Agreement, dated as of July 1, 2019 (**the "Assignment Agreement"**), whereby the Authority as assignor assigns to the Lender as assignee, the rights of the Authority under the Ground Lease (as defined below) and the Lease Agreement (as defined below) (except the right to receive payment of expenses, if any, and to receive indemnification, to receive notices and to give consents) and shall be payable, to the extent moneys are not otherwise available therefor, solely from revenues to be derived by the Authority from the leasing of the Leased Property (as defined in the Lease Agreement), pursuant to a Lease Agreement, dated as of July 1, 2019 (**the "Lease Agreement"**). The Authority and the County will enter into a Ground Lease, dated as of July 1, 2019 (**the "Ground Lease"**) providing for the lease to the Authority of the Leased Property. The Bond, the Lease Agreement, the Ground Lease and the

Assignment Agreement will be in the forms previously supplied to us, with only such subsequent modifications as may be approved by you and us. **Hereinafter the Lease Agreement, the Ground Lease, the Assignment Agreement and this Bond Purchase Agreement shall be referred to as the "Documents"**.

Upon the terms and conditions and upon the basis of the representations set forth herein, the Lender hereby agrees to make the loan to the County as evidenced by the purchase from the Authority, and the Authority hereby agrees to sell to the Lender, the Bond at the purchase price of 100% of the aggregate principal amount thereof **(the "Purchase Price")**. The Bond shall be as described in, and shall have the terms and conditions, including but not limited to the payment dates for interest, principal and redemption or prepayment provisions, set forth in the form of the Bond attached as **Exhibit A** hereto and incorporated by this reference. The Bond shall be subject to prepayment or redemption prior to maturity at the option of the County at any time, in whole or in part, at a price equal to 100% of the principal amount to be redeemed, plus interest accrued thereon to the date of prepayment, all as set forth in the form of Bond.

The Authority and County acknowledge and agree Lender has not acted and is not acting as an advisor to the Authority or County and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act, or otherwise, to the Authority or County with respect to the sale and purchase of the Bond.

Section 2. REPRESENTATIONS AND WARRANTIES OF THE AUTHORITY.

The Authority represents, warrants and agrees with the Lender that:

(a) The Authority is, and will be at Closing (as defined below) duly organized, validly existing and in good standing as a political subdivision of the Commonwealth of Virginia vested with the rights and power conferred upon it pursuant to the Industrial Development and Revenue Bond Act (Chapter 49, Title 15.2 of the Code of Virginia of 1950, as amended) **(the "Act")**. The Authority further has the power to enter into this Bond Purchase Agreement, the Lease Agreement, the Ground Lease and the Assignment Agreement **(collectively, the "Authority Documents")**, and the transactions contemplated thereby and to perform its obligations thereunder. The Authority further has the power to issue the Bond for the purpose of financing costs of the Project and to lease the Leased Property as an "authority facility" each as authorized to be financed under the Act, such financing being in furtherance of the purposes for which the Authority was organized. The Authority has taken or will take all action required by the Authority Documents and the Act and other applicable laws in connection herewith.

(b) By proper corporate action the Authority (i) has duly authorized the execution and delivery of the Authority Documents, (ii) has duly authorized (A) the assignment of the rights of the Authority (other than its rights to enforce compliance with rebate requirements, indemnification, payment of fees and expenses and receipt of notices) under the Lease Agreement and the Ground Lease and all receipts derived by the Authority therefrom and thereunder and (B) the issuance, sale and delivery of the Bond, and (iii), has taken all further action necessary or appropriate to carry out the issuance, sale and delivery of the Bond to the Lender.

(c) The execution and delivery of the Authority Documents, the assignment of the Authority's rights under the Lease Agreement and the Ground Lease, the financing of the Project, the lease of the Leased Property and the performance by the Authority of its obligations hereunder and thereunder are within the corporate powers of the Authority and will not conflict with, or constitute a breach or result in a violation of, (i) the Act or the bylaws of the Authority, (ii) any federal or Virginia constitutional or statutory provisions, (iii) any agreement or other instrument to which the Authority is a party or by which it is bound, or (iv) any order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Authority or its property.

(d) No further approval, consent or withholding of objection on the part of any regulatory body, federal, state or local, is required in connection with (i) the issuance and delivery of the Bond by the Authority, (ii) the execution or delivery of or compliance by the Authority with the terms and conditions of the Authority Documents, or (iii) the assignment and pledge by the Authority of its rights under the Ground Lease and the Lease Agreement and the receipts derived from the rental payments thereunder from the County, as security for payment of the principal of and premium, if any, and interest on the Bond. The consummation by the Authority of the transactions set forth in the manner and under the terms and conditions as provided in the Authority Documents will comply with all applicable state, local or federal laws and any rules and regulations promulgated thereunder by any regulatory authority or agency **(provided no representation or warranty is expressed as to any action required under federal or state securities or Blue Sky laws in connection with the purchase or distribution of the Bond by the Lender).**

(e) There is no litigation at law or in equity, or any proceeding before any governmental agency, pending or, to the knowledge of the Authority, threatened with respect to (i) the organization and existence of the Authority, (ii) its authority to execute and deliver the Authority Documents and the Bond, to finance the Project, or to lease the Lease Property, (iii) the validity or enforceability of any such instruments or the transactions contemplated thereby (iv) the titles of the officers who executed or will execute such instruments, or (v) any authority or proceedings relating to the execution and delivery of such instruments by the Authority. No such authority or proceedings have been repealed, revoked, rescinded or amended and all are in full force and effect.

(f) when delivered to, and paid for by the Lender at the Closing, as defined herein, in accordance with the provisions of this Bond Purchase Agreement, the Bond will have been duly authorized, executed and issued and (i) will constitute valid and binding limited obligations of the Authority enforceable against the Authority in accordance with their respective terms, except as limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and usual equity principles, and (ii) entitled to the benefit and security of the Assignment Agreement.

(g) To the best of the Authority's knowledge, the Authority is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money or under any instrument under or subject to which any indebtedness has been incurred. To the knowledge of the Authority no event has occurred or is continuing that, with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder. Notwithstanding the foregoing, this representation does not include defaults with respect to other financings in which the Authority has acted as a "conduit" issuer for other public or private entities not affiliated with the County.

(h) The Authority is not in violation of the Act or any existing law, rule or regulation applicable to it and 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 Authority is a party or by which it is bound or to which any of its assets are subject (other than as referenced in the paragraph above). The execution and delivery by the Authority of the Authority Documents, the Bond and the assignment of the Authority's rights under the Lease Agreement and the Ground Lease and the compliance with the terms and conditions thereof will not conflict with or result in the breach of or constitute a default under any of the foregoing. Notwithstanding the foregoing, this representation does not include defaults with respect to other financings in which the Authority has acted as a "conduit" issuer for other public or private entities not affiliated with the County.

Section 3. REPRESENTATIONS AND WARRANTIES OF THE COUNTY.

The County makes the following representations and warranties, all of which shall survive the delivery of the Bond:

- (a) The County is a political subdivision of the Commonwealth of Virginia.
- (b) The County has the power to enter into this Bond Purchase Agreement, the Ground Lease and the Lease Agreement (**collectively, the "County Documents"**) and, by proper corporate action, has duly authorized the execution and delivery of the County Documents.
- (c) The Project and the Leased Property each constitute an "authority facility" within the meaning of the Act. The County has obtained or will obtain all licenses, permits and consents required for the operation of the Leased Property.
- (d) The proceeds of the sale of the Bond will be applied as described in Section 1 above.
- (e) The execution and delivery of the County Documents, the performance by the County of its obligations thereunder will not conflict with or constitute a breach or result in a default under (i) any federal or Virginia constitutional or statutory provision, (ii) any agreement or other instrument to which the County is a party or by which it is bound, or (iv) any order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the County or its property.
- (f) No consent, approval, authorization or order of any governmental or regulatory authority is required to be obtained by the County as a condition precedent to the execution and delivery by the County of the County Documents or the performance by the County of its obligations thereunder.
- (g) The County is not a party to any contract or agreement or subject to any other provision not disclosed to the Lender, the performance or breach of which would have a material adverse effect on the financial condition or operations of the County.

(h) The County is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money or under any instrument under or subject to which any indebtedness has been incurred. No event has occurred or is continuing that, with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder.

(i) The County is not in violation in any material respect of any existing law, rule or regulation applicable to it and 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 County is a party or by which it is bound or to which any of its assets are subject, and the execution and delivery by the County of the County Documents and the compliance with the terms and conditions thereof will not conflict with or result in the breach of or constitute a default under any of the foregoing.

(j) There is no litigation at law or in equity, or any proceeding before any governmental agency, pending or, to the knowledge of the County, threatened, in which any liability of the County is not adequately covered by insurance or in which any judgment or order directed to the County would have a material adverse effect upon the operations or assets of the County or affect the validity of (i) the organization and existence of the County, (ii) its authority to execute and deliver the County Documents, (iii) the validity or enforceability of any such instruments or the transactions contemplated thereby, (iv) the titles of the officers who executed or will execute such instruments, or (v) any authority or proceedings relating to the execution and delivery of such instruments by the County.

(k) The audited financial statements of the County fairly present the County's financial condition as of the dates indicated and the results of its operations for the periods specified, and the County has no reason to believe that such summary and financial statements have not been prepared in accordance with generally accepted accounting principles consistently applied. There has been no material adverse change in the condition, financial or otherwise, of the County since June 30, 2018.

Section 4. CLOSING.

(a) At 1:00 p.m., Richmond, Virginia time, on July 2, 2019 (**the "Closing Date"**) or at such other time or date as the Authority and the Lender shall mutually agree upon, the Authority will deliver or cause to be delivered to the Lender, at the offices of Sands Anderson PC, Richmond, Virginia (**"Bond Counsel"**), or at such other place as the Authority and the Lender may mutually agree upon, the Bond in registered form, duly executed by the Authority and the documents and instruments as required by subsection 5(b) hereof. Concurrently with the notification to the Lender that delivery of the Bond has been made (**the "Closing"**), the Lender will accept such delivery and will cause the payment to the County on behalf of the Authority, by immediately available funds of the Purchase Price of the Bond to be advanced on the Closing Date all pursuant to the Closing Memorandum prepared by the County's financial advisor, Davenport & Company LLC (**the "Financial Advisor"**) as approved by the County (**the "Closing Memorandum"**).

Section 5. CONDITIONS PRECEDENT TO CLOSING.

The Lender has entered into this Bond Purchase Agreement in reliance upon the Authority's representations and agreements herein and the performance by the Authority of its obligations hereunder, both as of the date hereof and as of the Closing Date. The Lender's obligations under this Bond Purchase Agreement are and shall be subject to the following further conditions:

(a) at the time of Closing, the Documents and the Bond shall have been duly adopted or executed and delivered by the parties thereto and shall be in full force and effect and the Documents and the Bond shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Lender, and the Authority and the County shall have duly adopted and there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby and thereby;

(b) at the Closing, the Lender shall receive in addition to the Bond and the Documents, the following:

(1) (A) the approving opinion, dated the Closing Date, in form and substance satisfactory to the Lender, of Bond Counsel in the form attached hereto as **Exhibit B**; and (B) the opinion of the County Attorney and of Authority Counsel, in the forms attached hereto as **Exhibits C and D**, with such changes in such opinion as Bond Counsel and the Lender shall approve;

(2) a certified copy of a resolution of the Board of Supervisors reflecting its moral obligation to pay the debt service on the Bond pursuant to its payments under the Lease Agreement, and approving the Assignment Agreement and the Ground Lease;

(3) a certified copy of the approving resolution of the Authority;

(4) recording receipts or other evidence satisfactory to the Lender showing recordation of the Lease Agreement, Assignment Agreement and the Ground Lease in the land records of the Circuit Court of the County; and

(5) such additional legal opinions, certificates, proceedings, instruments, and other documents, as the Lender or Bond Counsel may reasonably request to evidence (A) compliance by the Authority with legal requirements relating to the issuance of the Bond, or the representations set forth in the Authority's tax and non-arbitrage certificate, (B) the truth and accuracy, as of the Closing Date, of all representations herein contained, and (C) the due performance or satisfaction by the Authority at or prior to such date of all agreements then to be performed and all conditions then to be satisfied as contemplated under this Bond Purchase Agreement.

If the Authority shall be unable to satisfy the conditions to the Lender's obligations contained in this Bond Purchase Agreement or if the Lender's obligations shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate, and neither the Authority, nor the Lender shall have any further obligations hereunder, except that (i) the representations and warranties of the Authority and the County set forth in Section 2 and Section 3, respectively, herein (as of the date made) will continue in full force and effect; and (ii) the obligations of the County to pay the expenses and costs set forth in Section 6 shall continue.

Section 6. EXPENSES AND COSTS.

The expenses and costs incident to the issuance of the Bond, including the fees and expenses of Bond Counsel and the fees and expenses of the Financial Advisor and the Lender shall be paid from the proceeds of the Bond or other monies received by the Authority on behalf of the County, in accordance with the Closing Memorandum.

Section 7. BOND PROCEEDS.

Net proceeds of the Bond, after payment of the expenses and costs in accordance with Section 6 above, shall be transferred to an account held by the County (the "Project Account") as directed in the Closing Memorandum, and the County shall spend such net proceeds, and the investment earnings thereon, to pay the costs of the Project in accordance with the Documents and the Tax and Non-Arbitrage Certificate entered into by the County and the Authority on the Closing Date. The County agrees that funds in the Project Account, including investment earnings thereon, shall be kept separate from other funds and accounts of the County.

Section 8. OPTIONAL PREPAYMENT.

The Bond shall be subject to prepayment or redemption prior to maturity at the option of the Authority at the direction of the County at any time, in whole or in part, at a price equal to 100% of the principal amount to be redeemed, plus interest accrued thereon to the date of prepayment, all as set forth in the form of Bond upon five Business Days (as defined in the Lease Agreement) prior written notice to the Lender by the Authority as directed by the County, which notice shall specify the amount of principal to be prepaid. Any partial prepayment shall be applied as determined by the Lender in its sole discretion.

Section 9. FINANCIAL STATEMENTS AND BUDGET.

The County must furnish to the Lender, annually during the term of the Bond, audited financial statements of the County and its comprehensive annual financial report as soon as available but no later than 180 days after the end of the County's fiscal year, commencing with the fiscal year ending June 30, 2019. Such financial statements must be in a form and degree acceptable to the Lender and prepared in accordance with generally accepted accounting principles. The County will prepare its annual budget in accordance with Virginia law, and will provide the Lender (i) a copy of its final annual budget within 30 days of its approval and (ii)

annual internally prepared statement presenting actual performance to budget within 120 days of the fiscal year end and (iii) such other public information as the Lender may reasonably request.

Section 10. NOTICES.

All communications hereunder shall be in writing and shall be deemed delivered, if delivered in person, by FedEx, UPS or other express courier service, or sent by certified mail, return receipt requested, to the respective parties as follows: (i) if to the County, Richmond County Administrator's Office, P.O. Box 1000, 101 Court Circle, Warsaw, Virginia 22572 Attention: County Administrator, (ii) if to the Authority, c/o County Administration Building, P.O. Box 1000, 101 Court Circle, Warsaw, Virginia 22572, Attention: Chairman and (iii) if to the Lender, at 603 Pilot House Drive, Suite 100, Newport News, Virginia 23606 (Attn: P. Craig Moore, Senior Vice President). Any telegraphic notice shall be confirmed promptly by letter in the manner provided by this paragraph.

Section 11. LIMITED BENEFIT; SURVIVABILITY.

This Bond Purchase Agreement is made solely for the benefit of the Authority and the Lender and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. All representations and agreements by the Authority and the Lender in this Bond Purchase Agreement shall survive the delivery of and payment for the Bond.

Section 12. COUNTERPARTS.

This Bond Purchase Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

Section 13. APPLICABLE LAW.

The rights and obligations of the parties to this Bond Purchase Agreement shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Virginia, exclusive of its conflicts of laws provisions.

Section 14. ENTIRE UNDERSTANDING AND AMENDMENTS.

This Bond Purchase Agreement expresses the entire understanding and agreement of the parties with respect to the Bond, superseding all prior agreements, whether oral or written, and may not be modified, except in writing, signed by the Lender, the County and the Authority. This Bond Purchase Agreement may be executed in any number of counterparts, each of which shall be an original, together shall constitute but one and the same Bond Purchase Agreement.

[Signature Page to Follow]

Very truly yours,

**UBT MUNICIPAL FINANCE, INC., a wholly
owned subsidiary of Atlantic Union Bank**

By: _____

Its: _____

Confirmed and Accepted:

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF RICHMOND COUNTY, VIRGINIA**

By: _____
Chairman

COUNTY OF RICHMOND, VIRGINIA

By: _____
Chairman of the Board of Supervisors

[Signature Page to Bond Purchase Agreement]

EXHIBIT A

Form of Bond

EXHIBIT B

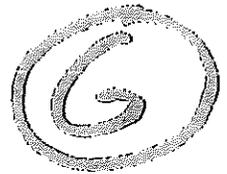
Opinion of Sands Anderson PC, Bond Counsel

EXHIBIT C

Opinion of Authority Counsel

EXHIBIT D

Opinion of County Attorney



EXEMPT FROM CLERK'S FEE PURSUANT TO VIRGINIA CODE SECTION 17.1-266

**EXEMPT FROM RECORDATION TAXES PURSUANT
TO VIRGINIA CODE SECTION 58.1-811.E**

GROUND LEASE

THIS GROUND LEASE, dated as of the 1st day of July, 2019, between the **COUNTY OF RICHMOND, VIRGINIA (the "County")**, as lessor and grantor for indexing purposes, and the **INDUSTRIAL DEVELOPMENT AUTHORITY OF RICHMOND COUNTY, VIRGINIA** a political subdivision of the Commonwealth of Virginia (**the "Authority"**), as lessee and grantee for indexing purposes.

W I T N E S S E T H:

WHEREAS, the Authority desires to acquire a leasehold interest in certain real property and building improvements thereon located in the County known as the County Animal Shelter located at 12941 History Land Highway as more fully described in **Exhibit A** hereto (**the "Leased Property"**), in connection with the acquisition of certain real estate development purposes (**the "Project"**); and

WHEREAS, the Authority, the County and UBT Municipal Finance, Inc., a wholly owned subsidiary of Atlantic Union Bank (**the "Bank"**) have entered into a Bond Purchase Agreement, dated as of July 1, 2019 (**the "Bond Purchase Agreement"**), to provide the terms for the issuance of the Authority's lease revenue bond in the principal amount of \$750,000 (**the "Bond"**), to finance the Project and to provide funds for costs of issuing the Bond; and

WHEREAS, the County holds fee simple title to the property on which the Leased Property is located.

WHEREAS, the County desires to lease the Leased Property to the Authority to accomplish the financing of the Project, and, in turn, such Leased Property will be leased to the County pursuant to a Lease Agreement, between the Authority and the County, dated as of the date hereof (**the "Lease Agreement"**); and

WHEREAS the Authority desires to enter into this Ground Lease with the County in order to accomplish the financing of the Project; and

NOW, THEREFORE, for and in consideration of the mutual covenants hereinafter contained and other valuable consideration, the parties hereto covenant and agree as follows:

Prepared by and return to:
Daniel M. Siegel, Esquire
Sands Anderson, PC
P.O. Box 1998
Richmond, Virginia 23219
(804) 648-1636
VSB # 20523

Section 1. Lease of Leased Property. The County hereby demises and leases to the Authority, and the Authority hereby leases from the County, the Leased Property, together with all improvements now or hereafter located thereon or situated thereon, subject to the terms and provisions of this Ground Lease.

Section 2. Term. The term of this Lease shall commence on the execution hereof and shall expire at 11:59 p.m., July 15, 2034 as to the Leased Property, unless such term is sooner terminated as hereinafter provided.

Section 3. Rental. The Authority shall pay to the County, upon the execution hereof, as and for rental hereunder the sum of \$10.00 and other valuable consideration upon the execution of this Ground Lease, receipt of which is hereby acknowledged, representing rental of the Leased Property in advance for the term of this Ground Lease.

Section 4. Purpose. The Authority shall use the Leased Property for leasing to the County in connection with the financing of the Project pursuant to the terms of the Lease Agreement, as well as for such purposes as may be incidental thereto; provided, however that if any default by the County (which is not cured within any applicable notice and cure period) or an event of non-appropriation by the County occurs under the Lease Agreement, then the Bank shall be entitled to use the Leased Property for any use in accordance with all applicable laws for the remainder of the term hereof.

Section 5. Title to Leased Property. The County represents and warrants that it is the owner in fee simple of the Leased Property and that its title thereto is good and marketable.

Section 6. Assignment and Sublease. The Authority may assign its rights under this Ground Lease or encumber its rights hereunder or sublet the Leased Property without the consent of the County, only (a) in connection with any assignment of its rights under the Lease Agreement, (b) if the Lease Agreement is terminated for any reason, including, without limitation, because of a failure of appropriation, or (c) if an Event of Default, as defined in the Lease Agreement, has occurred and is continuing.

Section 7. Fees and Expenses. The County has agreed under the Lease Agreement to pay, subject to appropriation by the Board of Supervisors of the County, all reasonable expenses of the Authority arising out of the transactions contemplated by the Basic Agreements (as defined in the Lease Agreement).

Section 8. Termination.

(a) In the event the County makes all of the payments of Basic Rent and Additional Rent (each as defined in and provided for in the Lease Agreement) or upon the expiration of the term hereof, the leasehold estate of the Authority hereunder shall be transferred, conveyed and assigned by the Authority to the County. The Authority agrees, upon such transfer, conveyance, assignment and termination, to surrender the Leased Property to the County, or as instructed by the County after taking all actions necessary by law to permit such transfer, conveyance and assignment and, upon the request of the County to execute an appropriate instrument evidencing such transfer, conveyance and assignment.

(b) The County shall not have the right to exclude the Authority from the Leased Property or take possession of the Leased Property (other than pursuant to the Lease Agreement) or to terminate this Ground Lease prior to the expiration of its term upon any default by the Authority of its obligations hereunder, except that if, upon payment by the County of all amounts specified in Section 4.12 of the Lease Agreement, the Authority fails to convey its leasehold estate hereunder to the County, then the County shall have the right to terminate this Ground Lease, such termination to be effective 30 days after giving notice of such termination to the Authority. However, in the event of a default by the Authority hereunder, the County may maintain an action for specific performance.

Section 9. Quiet Enjoyment. Subject to the Lease Agreement, the Authority at all times during the term of this Ground Lease shall peaceably and quietly have, hold and enjoy the entire leasehold estate created hereunder.

Section 10. Notices. All notices to be given under this Ground Lease shall be in writing and shall be deemed to have been given when delivered in person or when mailed by first class registered or certified mail, postage prepaid, addressed (a) if to the Authority, c/o Richmond County Administrator's Office, P.O. Box 1000, 101 Court Circle, Warsaw, Virginia 22572 (Attention: Chairman), or (b) if to the County, c/o Richmond County Administrator's Office, P.O. Box 1000, 101 Court Circle, Warsaw, Virginia 22572 (Attention: County Administrator).

Section 11. Severability. If any provision of this Ground Lease shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof.

Section 12. Additional Provisions. All costs and expenses in connection with the undertaking of the financing of the Project, the leasing of the Leased Property and the issuance of the Bond, including the Authority's expenses, the fees and expenses of the County and its counsel, the fees and expenses of the Bond Counsel, the County's Financial Advisor and the Bank and other related costs of issuance, for the sale of the Bond, shall be paid for the proceeds therefrom as applicable, or other funds of the County. If for any reason the Bond is not issued, it is understood that all such expenses shall be paid by the County and that the Authority shall have no responsibility therefor.

Section 13. Indemnification. The County by acceptance of this financing has agreed to indemnify, defend and save harmless, to the extent permitted by law, the Authority, its officers, members, directors, employees and agents from and against all liabilities, obligations, claims, damages, penalties, fines, losses, costs and expenses in any way connected with the issuance of the Bond.

Section 14. Liability of Authority. Notwithstanding any provision of this Ground Lease to the contrary, the obligations of the Authority under this Ground Lease are not general obligations of the Authority, but are limited obligations payable solely from payments of Basic Rent and Additional Rent, if any. No director or officer of the Authority shall be personally liable on the Authority's obligations hereunder.

Section 15. Successors and Assigns. This Ground Lease shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 16. Counterparts. This Ground Lease may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute but one and the same Ground Lease.

Section 17. Governing Law. This Ground Lease shall be governed by the laws of the Commonwealth of Virginia.

Section 18. No Merger. The reversionary and leasehold estates in and to the Leased Property created by this Ground Lease shall not merge but shall always remain separate and distinct, notwithstanding the union of such estates by purchase or otherwise in the Authority, the County, the Bank, any lessee or any third party, unless the person holding both of such estates shall expressly elect in writing for them to merge.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have caused this Ground Lease to be duly executed as of the date first above written, by their duly authorized representatives.

**INDUSTRIAL DEVELOPMENT AUTHORITY OF
RICHMOND COUNTY, VIRGINIA**

By: _____
Chairman

COMMONWEALTH OF VIRGINIA)
At Large)

The foregoing instrument was acknowledged before me in the County of Richmond, Virginia, this ____ day of June, 2019, by _____, as Chairman of the Industrial Development Authority of Richmond County, Virginia.

My commission expires: __/__/__

My Notary Registration number is: _____.

Notary Public

[Signature Page to Ground Lease]

THE COUNTY OF RICHMOND, VIRGINIA

By: _____
Chairman, Board of Supervisors

COMMONWEALTH OF VIRGINIA)
At Large)

The foregoing instrument was acknowledged before me in the County of Richmond, Virginia, this _____ day of June, 2019, by _____, as Chairman of the Board of Supervisors of the County of Richmond, Virginia, on behalf of the County.

My commission expires: __/__/__

My Commission ID number is _____

Notary Public

[Signature Page to Ground Lease]

Exhibit A

Property Description

LEASE AGREEMENT

between

INDUSTRIAL DEVELOPMENT AUTHORITY OF RICHMOND COUNTY, VIRGINIA

and

COUNTY OF RICHMOND, VIRGINIA

Dated as of July 1, 2019

ALL BASIC RENT (AS DEFINED HEREIN) PAYABLE UNDER THIS LEASE HAS BEEN ABSOLUTELY ASSIGNED TO, AND IS SUBJECT TO A SECURITY INTEREST IN FAVOR OF UBT MUNICIPAL FINANCE, INC., A WHOLLY OWNED SUBSIDIARY OF ATLANTIC UNION BANK, ITS SUCCESSORS OR ASSIGNS PURSUANT TO AN ASSIGNMENT AGREEMENT WITH THE INDUSTRIAL DEVELOPMENT AUTHORITY OF RICHMOND COUNTY, VIRGINIA AND UBT MUNICIPAL FINANCE, INC., A WHOLLY OWNED SUBSIDIARY OF ATLANTIC UNION BANK, DATED AS OF JULY 1, 2019, AS AMENDED OR SUPPLEMENTED FROM TIME TO TIME.

This Lease Agreement is exempt from recording taxes under Section 58.1-807 of the Code of Virginia of 1950, as amended, pursuant to Section 58.1-811E.

This Lease Agreement is exempt from clerk's fee pursuant to Section 17.1-266 of the Code of Virginia of 1950, as amended.17.1-266

Prepared by and return to:
Daniel M. Siegel, Esquire
Sands Anderson, PC
P.O. Box 1998
Richmond, Virginia 23219
(804) 648-1636
VSB# 20523



THIS LEASE AGREEMENT, dated as of July 1, 2019, between the **INDUSTRIAL DEVELOPMENT AUTHORITY OF RICHMOND COUNTY, VIRGINIA** a political subdivision of the Commonwealth of Virginia, (the “**Authority**”) and grantor for indexing purposes and the **COUNTY OF RICHMOND, VIRGINIA**, a county and political subdivision of the Commonwealth of Virginia (the “**County**”) and grantee for indexing purposes;

W I T N E S S E T H:

WHEREAS, the Authority is a political subdivision of the Commonwealth of Virginia duly created under the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the “**Act**”);

WHEREAS, the Authority is authorized to exercise all the powers set forth in the Act, which include, among other things, the power to finance and lease facilities for use by a locality, to issue its revenue bonds, notes and other obligations from time to time for this purpose, and to pledge all or any part of the revenues to secure the payment of such obligations;

WHEREAS, pursuant to a Ground Lease entered into between the Authority and the County as of the date hereof, the Authority is acquiring simultaneously with the execution hereof a leasehold interest in the County animal shelter property located at 12941 History Land Highway (the “**Leased Property**”) located in the County, as more fully described in Exhibit A to the Ground Lease and in Exhibit B hereto; and

WHEREAS, the Authority has agreed to cause the Project to be acquired by the County, and to lease the Leased Property to the County and the County has agreed to finance a portion of the costs of the Project and in connection with such financing to lease the Leased Property from the Authority.

NOW, THEREFORE, for and in consideration of the mutual covenants hereinafter contained, the parties hereto do hereby agree as follows:

**ARTICLE I.
DEFINITIONS**

Section 1.1 Definitions. The following words as used in this Lease Agreement shall have the following meanings unless the context otherwise requires.

“**Additional Bond**” or “**Additional Note**” shall mean any bonds or notes issued to finance the completion of the Project or to refund the Bond or any Additional Bonds or Additional Notes, secured by rent from the lease of the Leased Property under a Supplemental Lease Agreement on a parity basis with the Bond and any other Additional Bonds and Additional Notes.

“**Additional Rent**” has the meaning given to it in Section 4.2(b).

“**Assignment Agreement**” shall mean the Assignment Agreement entered into as of the date hereof, by the Authority and the Bondholder, relating to the assignment by the Authority of

its rights under the Ground Lease and this Lease Agreement, and any and all amendments thereto.

“Authority” shall mean the Industrial Development Authority of Richmond County, Virginia a political subdivision of the Commonwealth of Virginia, its successors and assigns.

“Basic Agreements” shall mean the Ground Lease, the Bond Purchase Agreement, the Assignment Agreement, and this Lease Agreement.

“Basic Rent” shall mean the payments payable by the County pursuant to Section 4.2(a) during the Lease Term.

“Board of Supervisors” shall mean the Board of Supervisors of Richmond County, Virginia, as the governing body of the County.

“Bond” shall mean the Authority’s Lease Revenue Bond, Series 2019 issued pursuant to the Bond Purchase Agreement.

“Bondholder” shall initially mean UBT Municipal Finance, Inc., a wholly owned subsidiary of Atlantic Union Bank, as the purchaser of the Bond, and subsequently its successors and assigns.

“Bond Purchase Agreement” shall mean that certain Bond Purchase Agreement among the Authority, the County, and the Bondholder, dated as of July 1, 2019.

“Code” shall mean the Internal Revenue Code of 1986, as amended, including applicable regulations, rulings and revenue procedures promulgated thereunder or under the Internal Revenue Code of 1954, as amended.

“County” shall mean the County of Richmond, Virginia.

“Environmental Laws” shall mean all federal, state and local laws (including common or decisional law), statutes, ordinances and regulations relating to pollution or protection of human health or the environment (including without limitation ambient air, surface, water, ground water, wetlands, land surface or subsurface strata), including without limitation laws and regulations relating to emissions, discharges, releases or threatened releases of Hazardous Materials or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials. Environmental Laws include but are not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (**“CERCLA”**), the Federal Insecticide, Fungicide and Rodenticide Act, as amended (**“FIFRA”**), the Resource Conservation and Recovery Act, as amended (**“RCRA”**) and the Superfund Amendments and Reauthorization Act of 1986, as amended (**“TSCA”**).

“Environmental Liabilities” shall mean any and all obligations to pay the amount of any judgment or settlement, the cost of complying with any settlement, judgment or order for injunctive or other equitable relief, the cost of compliance, cleanup, remediation, response or other corrective action in response to any notice, demand or request from a governmental authority, the amount of any civil penalty or criminal fine, and any court costs and reasonable amounts for attorney’s fees, fees for witnesses and experts, and costs of investigation and

preparation for defense of any claim or proceeding, regardless of whether such proceeding is threatened, pending or completed, that have been or may be asserted against or imposed upon the Authority, the County or the Leased Property and arise out of:

(a) Failure of the County or the Leased Property to comply at any time with all Environmental Laws;

(b) Presence of any Hazardous Materials on, in, under, at or in any way affecting the Leased Property at any time;

(c) A release at any time of any Hazardous Materials on, in, at, under or in any way affecting the Leased Property or at, on, in, under or in any way affecting any adjacent site or facility;

(d) Identification of the Authority or the County as a potentially responsible party under CERCLA or under any Environmental Law similar to CERCLA;

(e) Presence of any above-ground and/or underground storage tanks, as defined in RCRA or in any applicable Environmental Law on, in, at, under or in any way affecting the Leased Property or on, in, at, under or in any way affecting any adjacent site or facility; or

(f) Any and all claims for injury or damage to persons or property arising out of exposure to Hazardous Materials originating at the Leased Property or resulting from operation thereof or located at the Leased Property or any adjoining property.

“Ground Lease” shall mean the Ground Lease between the County and the Authority, entered into as of the date hereof, and any and all amendments thereto.

“Hazardous Materials” shall mean chemicals, pollutants, contaminants, wastes and toxic substances, including without limitation:

(a) Solid or hazardous waste, as defined in RCRA or in any Environmental Law;

(b) Hazardous substances, as defined in CERCLA or in any Environmental Law;

(c) Chemical substances and mixtures, as defined in TSCA or in any Environmental Law;

(d) Pesticides, as defined in FIFRA or in any Environmental Law; and

(e) Crude oil or fractions thereof, gasoline or any other petroleum product or byproduct, polychlorinated biphenols, asbestos, urea formaldehyde, fluorinated hydrocarbons and radon.

“Lease Agreement” shall mean this Lease Agreement and any and all amendments hereto.

“Lease Term” shall mean the duration of the leasehold estate created in the Leased Property as provided in Section 4.1.

“Leased Property” shall mean the real estate and building improvements comprising the County animal shelter property in the County located at 12941 History Land Highway, as further described in Exhibit A to the Ground Lease and Exhibit B to this Lease Agreement.

“Net Proceeds” shall mean the gross proceeds from any insurance recovery or condemnation or eminent domain award in connection with the Leased Property less payments for attorney’s fees and other expenses incurred in the collection of such gross proceeds.

“Payment of Basic Rent” shall mean payment in full of all Basic Rent due and to become due to and including July 15, 2029.

“Permitted Encumbrances” shall mean, as of any particular time as to the Leased Property, (a) liens for taxes and special assessments not then delinquent, (b) liens for taxes and assessments which are delinquent but the validity of which is being contested in good faith and with respect to which the County shall have set aside adequate reserves, unless thereby any of the Leased Property or the interest of the County therein may be in danger of being lost or forfeited, (c) this Lease Agreement and any security interests or other liens created thereby, (d) mechanics’ and materialmen’s liens incident to construction or maintenance now or hereafter filed of record which are being contested in good faith and have not proceeded to judgment, provided that the County shall have set aside adequate reserves with respect thereto, (e) restrictions, mineral rights, easements, rights of way, exceptions or reservations for the purpose of utilities (including but not limited to water and gas pipelines, sanitary and storm sewers, telephone lines, telegraph lines, power lines, substations and other facilities and equipment used in connection with such utilities), roads, streets, alleys, highways, railroads, dikes, canals, laterals, ditches, and other like purposes, or for the joint or common use of real property, in each case which do not materially impair the use of the Leased Property for the purposes for which it is or may reasonably be expected to be held, (f) such defects, irregularities, encumbrances, easements, rights of way and clouds on title as normally exist with respect to property owned or leased by the County for essential governmental purposes and similar in character to the Leased Property and as will not, in an opinion of the County Attorney, impair the use of the Leased Property affected thereby for the purpose for which it is or may reasonably be expected to be held by the County (and must be in form and substance reasonably acceptable to the Bondholder), (g) present or future zoning laws and ordinances, and (h) liens, property interests and rights related to the Bond or any Additional Bonds or Additional Notes.

“Project” shall mean the acquisition of real estate by the County for economic development purposes in the County.

“Supplemental Lease Agreement” shall mean any lease on parity with this Lease Agreement, under which any Additional Bonds or Additional Notes are issued.

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

(a) Words importing the singular number shall include the plural number and vice versa.

(b) Words importing the redemption or calling for redemption of the Bond shall not be deemed to refer to or connote the payment of the Bond at its stated maturity.

(c) Unless otherwise indicated, all references herein to particular Articles or Sections are references to Articles or Sections of this Lease Agreement.

(d) The headings and Table of Contents herein are solely for convenience of reference and shall not constitute a part of this Lease Agreement nor shall they affect its meaning, construction or effect.

All references herein to payment of the Bond are references to payment of principal of and premium, if any, and interest on the Bond.

ARTICLE II. REPRESENTATIONS

Section 2.1 Representations by Authority. The Authority makes the following representations:

(a) The Authority is a political subdivision of the Commonwealth of Virginia duly created by an ordinance of the County pursuant to the Act;

(b) The undertaking by the Authority (i) to finance a portion of the costs of the Project and (ii) to lease the Leased Property to the County, has been authorized, in compliance with the Act and the Authority's Bylaws, by the affirmative vote of not less than a majority of the members of the Authority at a meeting at which a quorum was present and acting throughout;

(c) Pursuant to the Act, the Authority has full power and authority to enter into the Basic Agreements and to perform the transactions contemplated thereby and to carry out its obligations thereunder and by proper action has duly authorized, executed and delivered the Basic Agreements and has issued the Bond;

(d) The execution, delivery and compliance by the Authority with the terms and conditions of the Basic Agreements will not conflict with or constitute or result in a default under or violation of, (1) the Act, the Authority's Bylaws or the ordinance creating the Authority, (2) any existing law, rule or regulation applicable to the Authority, or (3) any indenture, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or other restriction of any kind to which the Authority or any of its assets is subject;

(e) No further approval, consent or withholding of objection on the part of any regulatory body or any official, federal, state or local, is required in connection with the execution or delivery of or compliance by the Authority with the terms and conditions of the Basic Agreements;

(f) There is no litigation at law or in equity or any proceeding before any governmental agency involving the Authority pending or, to the knowledge of the Authority, threatened with respect to (1) the creation and existence of the Authority, (2) its authority to execute and deliver the Basic Agreements or the Bond, (3) the validity or enforceability of the Basic Agreements or the Authority's performance of its obligations thereunder, (4) the title of

any officer of the Authority executing the Basic Agreements or the Bond or (5) the power to finance a portion of the costs of the Project; and

(g) The Authority is the owner of a leasehold estate in the Leased Property granted by the Ground Lease, which leasehold estate is being leased to the County pursuant to this Lease Agreement.

Section 2.2 Representations by County. The County makes the following representations:

(a) The County is a county and political subdivision of the Commonwealth of Virginia;

(b) The lease of the Leased Property to the County pursuant to this Lease Agreement will provide for the acquisition or has provided for the acquisition of real estate for economic development in the County and the Leased Property serves functions which are essential to the proper operations of the County and the welfare of its residents;

(c) The County has full power and authority to enter into the Basic Agreements to which it is a party and to perform the transactions contemplated thereby and to carry out its obligations thereunder and by proper action has duly authorized, executed and delivered such Basic Agreements;

(d) The County 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 or subject to which any indebtedness for borrowed money has been incurred, and no event has occurred and is continuing that with the lapse of time or the giving of notice, or both, would constitute or result in an event of default thereunder;

(e) The County is not in default under or in violation of, and the execution, delivery and compliance by the County with the terms and conditions of the Basic Agreements to which it is a party will not conflict with or constitute or result in a default under or violation of, (1) any existing law, rule or regulation applicable to the County, or (2) 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 County or any of its assets is subject, and no event has occurred and is continuing that with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation;

(f) No further approval, consent or withholding of objection on the part of any regulatory body or any official, federal, state or local, is required in connection with the execution or delivery of or compliance by the County with the terms and conditions of the Basic Agreements to which it is a party;

(g) There is no litigation at law or in equity or any proceeding before any governmental agency involving the County pending or, to the knowledge of the County, threatened with respect to (1) the authority of the County to execute and deliver the Basic Agreements to which it is a party, (2) the validity or enforceability of such Basic Agreements or the County's performance of its obligations thereunder, (3) the title of any officer of the County executing such Basic Agreements, (4) the power to finance a portion of the costs of the Project,

or to lease the Leased Property (5) that will materially or adversely affect the County's financial condition or ability to occupy the Leased Property;

(h) There are no present nor to the knowledge of the County, past actions, activities, circumstances, conditions, events or incidents, including without limitation, any release of any Hazardous Materials which has not been appropriated, remediated or addressed, that could form the basis for assertion of any Environmental Liability with respect to the Leased Property against the County or the Authority. The County will comply with all Environmental Laws applicable to the County and the Leased Property, as they may exist from time to time. The County has not received any communication in any form from any governmental environmental authority alleging that the County, with respect to the Leased Property is not in compliance with any Environmental Law; and

(i) Until termination of the Lease Term, the County intends to operate the Leased Property, or to cause it to be operated, as described in this Lease Agreement or for any other use which is permissible under the Act, the Code and the Code of Virginia of 1950, as amended. The County will not use or occupy the Leased Property or permit any portion thereof to be used or occupied (i) contrary to any law or regulation in effect now or in the future (and without regard to any change of government policy) or (ii) in any manner which will (a) cause structural injury to any part of the Leased Property, (b) cause the value or the usefulness of the Leased Property to diminish (ordinary wear and tear excepted), (c) constitute a public or private nuisance or (d) result in waste to the Leased Property; nor will it do or permit anything to be done on or about the Leased Property that will affect, impair or contravene any policies of insurance that may be carried on the Leased Property or with respect to its use, or adversely impact the tax-exempt status of interest on the Bond or any Additional Bonds or Additional Notes for federal income tax purposes, if applicable, or the bank qualified status of the Bond.

ARTICLE III. ACQUISITION OF THE PROJECT AND THE LEASING OF THE LEASED PROPERTY

Section 3.1 Demise of Leased Property. The Authority demises and leases to the County and the County leases from the Authority, the Leased Property, for the term set forth in Section 4.1 and the Basic Rent and Additional Rent and in accordance with the terms of this Lease Agreement. The Authority hereby agrees to perform the obligations imposed upon it as lessee under the Ground Lease. Subject to the provisions of Articles VI and VII, the County shall be entitled to possession of the Leased Property during the term of this Lease Agreement.

Section 3.2 Agreement to Finance the Project. Contemporaneously with the execution and delivery hereof, the Authority shall issue the Bond to finance a portion of the costs of the Project, which amount, together with other funds the County expects to be available, the County reasonably believes to be sufficient to complete acquisition of the Project. If the total cost of the Project exceeds current estimates, the County, subject to Section 4.5, shall be obligated to pay any excess cost to complete the acquisition of the Project, and there shall be no resulting diminution in or postponement of payments of Basic Rent required to be paid by the County pursuant to Section 4.2.

The County, as agent for the Authority, shall cause the Project to be acquired and shall obtain or cause to be obtained all permits, approvals and consents necessary for completion of

the acquisition of such Project. Upon request of the Bondholder, the County shall provide copies of such permits, approvals and consents.

The County, as agent for the Authority, shall use its best efforts to complete the acquisition of the Project by July 15, 2022. If for any reason the acquisition of the Project shall not be completed by such date, there shall be no resulting diminution in or postponement of the payments of Basic Rent required to be paid by the County by Section 4.2.

Upon completion of the acquisition of the Project, should proceeds of the Bond (including investment earnings thereon) remain unspent, such Bond proceeds may be utilized by the County to finance costs of the acquisition, design, construction, equipping, restoration and furnishing of other County capital projects, as approved by bond counsel to be in compliance with tax regulations to maintain the tax-exempt and bank qualified status of the Bond.

In order to effectuate the purposes of this Lease Agreement, the County, as agent for the Authority, has made, executed, acknowledged and delivered, or caused to be made, executed, acknowledged and delivered, all contracts, orders, receipts, writings and instructions, in the name of the County or otherwise, with or to other persons, firms or corporations, and in general has done or caused to be done all such other things as may be requisite or proper for the acquisition of the Project, the leasing of the Leased Property and fulfillment of the obligations of the County under this Lease Agreement.

THE AUTHORITY MAKES NO REPRESENTATION OR WARRANTY THAT THE COUNTY WILL HAVE QUIET AND PEACEFUL POSSESSION OF THE PROJECT OR THE LEASED PROPERTY, except that the Project and the Leased Property are each free from encumbrances done, made or knowingly suffered by the Authority or anyone claiming by, through or under it. The County recognizes that since the acquisition of the Project and the leasing of the Leased Property have been and are being undertaken at the County's request and by contractors and suppliers selected by the County in accordance with plans and specifications prepared by architects or engineers selected by the County, if any, **THE AUTHORITY MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION OR WORKMANSHIP OF ANY PART OF THE PROJECT OR THE LEASED PROPERTY OR ITS SUITABILITY FOR THE COUNTY'S PURPOSE OR NEEDS OR THE EXTENT TO WHICH PROCEEDS DERIVED FROM THE SALE OF THE BOND WILL PAY THE COST TO BE INCURRED IN CONNECTION THEREWITH.**

Section 3.3 Default in Contractor's Performance. In the event of default of any contractor or subcontractor under any construction contract in connection with the Project or the Leased Property, the County will promptly proceed, either separately or in conjunction with others, to exhaust the remedies of the Authority or the County, as agent for the Authority, against the contractor or subcontractor in default and against each surety for the performance of such contractor. The County agrees to advise the Authority and the Bondholder, in writing, of the steps it intends to take in connection with any such default. The County may, in good faith and at the expense of the County in its own name or in the name of the Authority, by notice from the County to the Authority and the Bondholder, prosecute or defend any action or proceeding or take any other action involving such contractor, subcontractor or surety which the County deems reasonably necessary, and in such event the Authority hereby agrees to cooperate fully with the County. Any amounts recovered by way of damages, refunds, adjustments or otherwise, net of

reasonable expenses related thereto, in connection with the foregoing shall be paid into a separate fund held by the County for such purpose or, if the Project is completed, paid subject to any requirements of the Code, to the County, to reimburse the County for any costs it incurred in connection with the foregoing and then to the Bondholder for repayment of the Bond or any Additional Bonds.

ARTICLE IV.
LEASE TERM; PAYMENT OF RENTALS;
MAINTENANCE; INSURANCE; CERTIFICATION AND TAXES

Section 4.1 Lease Term. The Lease Term shall commence on the date of execution hereof and, unless sooner terminated in accordance with the provisions hereof, shall terminate at the later of (a) 11:59 p.m. on July 15, 2029, or (b) if all payments required by this Lease Agreement or in respect of the Bond (including any Additional Bonds or Additional Notes) have not been made on such date, the date on which all such payments shall have been made.

Section 4.2 Rental Payments.

(a) The County shall pay the Basic Rent to the Bondholder on behalf of the Authority, subject to Section 4.5, as shown on Exhibit A. During the Lease Term, commencing on January 15, 2020, and each January 15 and July 15 thereafter during the Lease Term the County shall pay Basic Rent in the amount shown in the column "Payments" on Exhibit A hereto as it may be amended on the date such Basic Rent is due. Each Basic Rent Payment, which shall include an interest component (under the column labeled "Interest"), may include a principal component (under the column labeled "Principal") as set forth on Exhibit A, and shall be paid in lawful money of the United States of America. In the event the County fails to make any Basic Rent payments when due, interest on the principal component of such Basic Rent shall accrue from such date until paid at the rate per annum that will yield the amount necessary to pay interest due on the Bond on the date the late payment of Basic Rent is made.

(b) The County shall also pay when due any additional rent ("Additional Rent") which shall include amounts under Section 4.2(b), Section 4.2(c), Section 4.3 and Section 6.6 hereunder, as applicable, and otherwise as required by any obligations or agreements made hereunder or in connection with the Bond Purchase Agreement, including but not limited to any amounts due to the United States of America as required by the arbitrage rebate requirements of Section 148 of the Code applicable to the Bond (the "Rebate Amount"). The County shall, if necessary, calculate and timely pay as Additional Rent the Rebate Amount, if any, in amounts required by Section 148 of the Code and regulations promulgated thereunder, and the County and the Authority covenant to comply with all applicable requirements in this regard. The obligations of the County to make the payments of Basic Rent and Additional Rent, if any, and to perform and observe the other obligations and agreements contained herein shall be absolute and unconditional except as provided in Section 4.5.

(c) If the County fails to make any payment of Basic Rent or Additional Rent within 7 days after the date on which such payment(s) is due and payable hereunder, the County shall pay a late payment charge equal to five percent (5.00%) of the overdue payment(s).

Section 4.3 Prepayment of Rentals; Option To Purchase. The County may, at any time, at its option, elect by not less than five business days' notice to the Bondholder and the

Authority, make prepayments of the principal component of Basic Rent in whole or in part, without any prepayment penalty and in an amount equal to the principal component of Basic Rent so prepaid and any interest accrued on the amount prepaid to the redemption or prepayment date is so paid. The Bondholder shall apply the amounts so prepaid in such manner as shall be consistent with the provisions hereof to redeem, prepay or defease the Bond. Any such prepayments of principal components of Basic Rent paid plus interest accrued to the redemption or prepayment date and such prepayment penalty shall be considered as Additional Rent hereunder.

Section 4.4 Additional Bonds and Additional Notes. Subject to the Bondholder's reasonable approval Additional Bonds and Additional Notes may be issued pursuant to a Supplemental Lease Agreement and shall be equally and ratably secured with the Bond without preference, priority or distinction; provided, however, that any moneys in any debt service reserve account that may be established shall secure only the applicable bond or note to which it applies, and provided further that any particular bonds or notes may have other security pledged to their payment.

Section 4.5 Appropriations of Basic Rent and Additional Rent, if any; Declaration of Essentiality. The Board of Supervisors reasonably believes that funds sufficient to make all payments of Basic Rent and Additional Rent during the term of this Lease Agreement can be obtained. While recognizing that it is not empowered to make any binding commitment to make payments of Basic Rent and Additional Rent, if any, beyond the current fiscal year, the Board of Supervisors in authorizing the execution of this Lease Agreement has stated its intent to make annual appropriations sufficient to make the payments of Basic Rent and Additional Rent, if any, and it has recommended that future Boards of Supervisors continue to do so during the term of this Lease Agreement.

The Board of Supervisors hereby declares the nature of the Leased Property essential to the efficient operation of the County. The Board of Supervisors anticipates that the need for the Leased Property will not change during the term of this Lease Agreement. Notwithstanding anything in this Lease Agreement to the contrary, the County's obligations to pay the cost of performing its obligations under this Lease Agreement, including without limitation its obligations to pay all Basic Rent and Additional Rent, shall be subject to and dependent upon appropriations being made from time to time by the Board of Supervisors for such purpose; provided, however, that the County Administrator or other officer charged with the responsibility for preparing the County's annual budget shall include in the budget for each fiscal year the amount of the Basic Rent and Additional Rent, if any, due during such fiscal year. Throughout the Lease Term, the County Administrator shall deliver to the Bondholder and the Authority within ten days after the adoption of the budget for each fiscal year, but not later than July 10th, a certificate stating whether an amount equal to the Basic Rent and Additional Rent which will be due during the fiscal year beginning July 1st has been appropriated by the Board of Supervisors in such budget. If, by July 15, the Board of Supervisors has not appropriated Basic Rent for the then current Fiscal Year, the County Administrator shall give written notice to the Board of Supervisors of the consequences of such failure to appropriate, including the right of the Bondholder to terminate this Lease Agreement in accordance with Article VII.

Section 4.6 Insurance. The County shall continuously maintain insurance against such risks and in such amounts as are customary for public bodies owning similar projects, including without limitation:

(a) public liability insurance to the extent of \$1,000,000 per occurrence against liability for bodily injury, including death resulting therefrom, and for damage to property, including loss of use thereof, arising out of the ownership, operation or occupation of the Leased Property;

(b) workers' compensation insurance with respect to the Leased Property;

(c) coverage to the extent of the full replacement cost of the Leased Property against loss or damage by fire or lightning, with broad form extended coverage, including damage by windstorm, explosion, aircraft, smoke, sprinkler leakage, vandalism, malicious mischief and such other risks as are normally included within such coverage (limited only as may be provided in the standard form for such coverage at the time in use in the Commonwealth of Virginia), provided that during the period of any construction or renovation of portions of the Leased Property, the County may provide or cause to be provided in lieu of the insurance set forth above builders' risk or similar type of insurance to the full replacement cost thereof minus site work not normally insured; and

(d) comprehensive automobile liability insurance against liability for bodily injury, including death resulting therefrom, and for damage to property, including loss of use thereof, arising out of the ownership, maintenance or use of the Leased Property.

All such insurance shall be taken out and maintained with generally recognized responsible insurers selected by the County and acceptable to the Bondholder and may be written with deductible amounts comparable to those on similar policies carried by other public bodies owning and operating similar facilities. The Bondholder may request an increase of coverages on a reasonable basis. If any such insurance is not maintained with an insurer licensed to do business in Virginia or placed pursuant to the requirements of the Virginia Surplus Lines Insurance Law Article, Chapter 7.1, Title 38.1, Code of Virginia of 1950, as amended, or any successor provision of law, the County shall provide evidence reasonably satisfactory to the Bondholder that such insurance is enforceable under the laws of the Commonwealth of Virginia. In each policy, other than policies of workers' compensation insurance, the Bondholder and the Authority shall be named as additional insureds to the extent their interests may appear. The policies of insurance required by subsection (c) above shall require that all Net Proceeds resulting from any claims be paid to the Bondholder and the County. The County hereby irrevocably assigns, transfers and sets over to the Bondholder all right, title and interest of the County, in such Net Proceeds; provided, however, if the Net Proceeds payable under any one claim shall not exceed \$100,000 and no event has occurred or is continuing that constitutes or that, by notice or lapse of time, or both, would constitute an Event of Default under this Lease Agreement, such Net Proceeds shall be paid to the County to be used for purposes set forth in Section 5.1(b)(1) or (2).

All such policies shall be deposited with the Bondholder, provided that in lieu of such policies there may be deposited with the Bondholder and the Authority a certificate or certificates of the respective insurers attesting to the fact that the insurance required by this Section is in full force and effect. Prior to the expiration of any such policy, the County shall

furnish the Bondholder and the Authority evidence satisfactory to the Bondholder and the Authority that the policy has been renewed or replaced or is no longer required by this Lease Agreement. Unless a policy with such an undertaking is available only at a cost which the County, with the approval of the Bondholder, determines to be unreasonable, each policy shall contain an undertaking by the insurer (in form commercially reasonable for similar insurers) that such policy shall not be modified adversely to the interests of the Bondholder or the Authority or cancelled without at least 30 days' prior notice to the Bondholder and the Authority.

In lieu of policies of insurance written by commercial insurance companies meeting the requirements of this Section, the County may maintain a program of self-insurance or participate in group risk financing programs, risk pools, risk retention groups, purchasing groups and captive insurance companies, and in state or federal insurance programs; provided, however, that such alternative is reasonably acceptable to the Bondholder (based on a favorable written opinion of an independent insurance consultant having a favorable reputation for skill and experience in such work).

To the extent losses for any damage to the Leased Property, however caused, are paid from the Net Proceeds of any insurance required by this Section, no claim shall be made and no suit shall be brought against the County by the Bondholder or anyone else claiming by, through or under it.

Section 4.7 Maintenance; Expenses of Maintenance; Taxes. Subject to Sections 4.5, 5.1 and 5.2, the County shall maintain, preserve and keep the Leased Property, or cause the Leased Property, to be maintained, preserved and kept, in good condition. The County shall not abandon the Leased Property, during the Lease Term except pursuant to Section 7.1. Subject to Section 4.5, the County shall pay or cause to be paid, in addition to Additional Rent, all of the expenses of maintenance and operation of the Leased Property. The County shall pay or cause to be paid any and all taxes and assessments payable with respect to the Leased Property.

Section 4.8 Net Lease. This Lease Agreement shall be deemed and construed to be a net lease, and during the Lease Term, the County shall pay Basic Rent and Additional Rent, if any, free of all deductions, diminutions and set-offs, and without abatement for casualty, loss of title, condemnation or any other reason whatsoever.

Section 4.9 Proof of Payment of Taxes, etc. The County shall pay all and furnish the Bondholder or the Authority, upon request, proof of payment of any taxes, utility charges, insurance premiums, or other charges or payments required to be paid by the County under this Lease Agreement.

Section 4.10 No Encumbrances. The County shall not directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, or the rights of the County and the Authority as herein provided, other than Permitted Encumbrances. Subject to Section 4.5, the County shall promptly and duly discharge any such mortgage, pledge, lien, charge, encumbrance or claim not excepted above if the same shall arise at any time.

Section 4.11 Installation of County's Own Furnishings and Equipment. The County may from time to time, in its discretion and at its own expense, install furnishings and equipment at the Leased Property not financed with proceeds of the Bond. All furnishings and equipment

so installed by the County shall remain property of the County in which neither the Authority nor the Bondholder shall have any interest and may be modified or removed at any time while the County is not in default under this Lease Agreement, except that all such furnishings and equipment shall be subject to a landlord's lien to the extent permitted under the laws of the Commonwealth of Virginia. Nothing contained in this Section shall prevent the County from purchasing furnishings and equipment and creating purchase money security interests therein pursuant to the Uniform Commercial Code of Virginia as security for the unpaid portion of the purchase price thereof, and each such security interest with respect to furnishings and equipment purchased by it under the provisions of this Section after the delivery of the Assignment Agreement shall, if appropriate financing statements are duly filed for record simultaneously with or prior to the installation of the Leased Property, or the furnishings and equipment covered thereby, be prior and superior to such landlord's lien. The County shall pay as due the purchase price of and all costs and expenses with respect to the acquisition and installation of any furnishings and equipment installed by it pursuant to this Section.

Section 4.12 Transfer at End of Lease Term. The Authority's leasehold estate in the Leased Property shall be transferred, conveyed and assigned to the County after payment by the County of all payments then due and thereafter to become due through and including July 15, 2029 whether pursuant to Section 4.2 or 4.3, and Additional Rent, if any, subject to the taking of any actions required by law prior to such consequence, transfer or assignment.

Section 4.13 Use of Proceeds. Neither the County nor the Authority shall knowingly (a) take any action, or approve the making of any investment or use of the proceeds of the Bond (including failure to spend the same with due diligence) or taking any other action, which would cause the Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code or (b) barring unforeseen circumstances, approve the use of the proceeds from the sale of the Bond otherwise than in accordance with the Authority's "non-arbitrage" certificate given immediately prior to the issuance of the Bond.

Section 4.14 Preservation of Tax Exempt Status of Interest, Representation, Warranties and Covenants.

(a) General. The County shall not sublease the Leased Property, or any portion thereof, to any entity other than the Commonwealth of Virginia, a city, a county or a town, or any agency or political subdivision thereof, without an opinion of Bond Counsel that such sublease or other availability would not adversely affect the status of the portion of the Basic Rent representing interest as provided in Section 4.2 for federal income tax purposes. The County shall send notice to the Bondholder and the Authority of any sublease of the Leased Property or any portion thereof within 30 days of entering into such sublease. The County and the Authority covenant that the Leased Property shall not be used in a manner that would permit the proceeds of the 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 Leased Property, (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 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 any such covenants

need not be complied with to prevent the interest on the Bond from being includable in the gross income for Federal income tax purposes of the registered owner thereof under existing law, the County and the Authority need not comply with such covenants.

(b) **Incorporation of Tax and Non-Arbitrage Certificate.** Lessee hereby makes each of the representations, warranties and covenants contained in the Tax and Non-Arbitrage Certificate delivered with respect to the Bond. By this reference each such Tax and Non-Arbitrage Certificate is incorporated in and made a part of this Lease Agreement.

Section 4.15 Certification as to Environmental Liabilities. To the extent permitted by law, the County agrees to defend, indemnify and save harmless the Authority and the Bondholder from and against any and all Environmental Liabilities to which the Authority or the Leased Property is or may become subject or which may be alleged or asserted against the Bondholder.

Section 4.16. Recording and Filing. The County will, at its expense, record a counterpart of this Lease Agreement and the Assignment Agreement in the Office of the Clerk of the Circuit Court of Richmond County, Virginia, on or before the date of delivery of the Bond or as otherwise directed by the Bondholder.

Section 4.17. Subletting by County.

(a) Subject to Section 4.14, the County may sublease space in the Leased Property without the consent of the Authority and the Bondholder; provided, however, that no sublease will be made if it would (i) have any adverse effect upon or affect or reduce the County's obligations under this Lease Agreement, (ii) be to a party that could not under the Act be the lessee from the Authority of all or any portion of the Leased Property, or (iii) be contrary to law.

(b) Before any sublease is made, the County will cause to be delivered to the Authority and the Bondholder an opinion of Bond Counsel that the use of such portion of the Leased Property by the sublessee will not cause the interest on any of the Bond to be included in gross income for purposes of federal income taxation.

(c) No sublease will relieve the County from primary liability for any of its obligations under this Lease Agreement, and the County will continue to remain primarily liable for the payment of Basic Rent and for the observance and performance of all of the County's other agreements under this Lease Agreement in accordance with, and subject to, its terms, including without limitation, the non-appropriation provisions hereof.

(d) Each sublessee pursuant to this Section will, to the extent of the interest subleased to it, in writing (i) assume and agree to perform the obligations of the County under this Lease Agreement and (ii) agree to attorn to the Authority and any other successor in interest to the Authority (whether pursuant to this Lease Agreement, the Assignment Agreement or otherwise).

(e) The County will promptly deliver executed counterparts of each sublease pursuant to this Section to the Authority and the Bondholder.

**ARTICLE V.
DAMAGE, DESTRUCTION OR CONDEMNATION**

Section 5.1 Damage or Destruction.

(a) The County shall notify the Bondholder and the Authority immediately in the case of damage to or destruction from fire or other casualty of the Leased Property, or any portion thereof during the Lease Term in an amount that the County determines in good faith will cost more than \$100,000 to repair, reconstruct and restore. If the County determines in good faith that such cost will not exceed \$250,000, the County, shall (1) retain the Net Proceeds with respect to such damage or destruction, (2) forthwith repair, reconstruct and restore such portion of the Leased Property so damaged or destroyed to substantially the same condition as it had existed prior to the event causing such damage or destruction, and (3) apply Net Proceeds retained by it to the payment or reimbursement of the costs of such repair, reconstruction and restoration. If such Net Proceeds are not sufficient to pay in full the cost of such repair, reconstruction and restoration, the County shall, subject to Section 4.5, pay so much thereof as is in excess of such Net Proceeds.

(b) If the Leased Property, or any portion thereof is damaged or destroyed by fire or other casualty during the Lease Term and the County determines in good faith that the cost of repairing, reconstructing and restoring such damage or destruction will exceed \$250,000 then the County shall, upon the following conditions and within 90 days after the date such damage or destruction occurs, elect one of the following two options by giving notice of such election to the Bondholder and the Authority, and the Bondholder shall disburse such Net Proceeds in accordance with the option so elected:

(1) **Option A - Repair and Restoration.** The County may elect to repair, reconstruct and restore the Leased Property. If the County elects this Option A, then the County shall proceed forthwith to repair, reconstruct and restore the Leased Property to substantially the same condition as had existed prior to the event causing such damage or destruction, with such alterations and additions as the County may determine to be necessary or desirable and as will not impair the capacity or character of the Leased Property, for the purposes for which it had been used prior to such damage or destruction or is intended to be used. Upon any election of this Option A, the Bondholder shall deposit all Net Proceeds held by it to such damage or destruction in a special account that shall be created by the Bondholder in the Project Fund (as defined in the Bond Purchase Agreement) for the portion of the Leased Property as to which such Net Proceeds had been paid to the Bondholder. So long as the County is not in default under this Lease Agreement, the Bondholder, upon receipt of request of the County may apply so much as may be necessary of such Net Proceeds to payment of the cost of such repair, reconstruction and restoration, either on completion thereof or as the work progresses. If such Net Proceeds are not sufficient to pay in full the cost of such repair or reconstruction, the County shall pay, subject to Section 4.5, within 45 days of receipt of such Net Proceeds, so much of the cost thereof as may be in excess of such Net Proceeds to the Bondholder for deposit in the Project Fund. The County shall not by reason of the payment of such excess cost be entitled to any (A) interest in the Leased Property which it did not possess prior to such payment, (B) reimbursement from the Authority or the Bondholder, or (C) abatement or diminution of Basic Rent or additional rent.

(2) **Option B - Prepayment of Basic Rent**. The County may elect to have such Net Proceeds applied to the prepayment of all of the principal component of Basic Rent, plus interest accrued to the date of prepayment set forth in Section 4.3, and after such election the Bondholder shall (upon receiving such Net Proceeds) redeem the Bond.

Section 5.2 Condemnation and Loss of Title.

(a) In the case of a taking of all or any part of the Leased Property or any right therein under the exercise of the power of eminent domain or any loss of all or any part of the Leased Property because of loss of title thereto, or the commencement of any proceedings or negotiations which might result in such a taking or loss, the party upon whom notice of such taking is served or with whom such proceedings or negotiations are commenced or who learns of a loss of title shall give prompt notice to the other and to the Bondholder. Each such notice shall describe generally the nature and extent of such condemnation, taking, loss, proceedings or negotiations. All obligations of the County under this Lease Agreement (except obligations to pay Basic Rent when due) shall terminate as to the Leased Property or portion thereof as to which there is a loss of title or which is condemned or taken when such loss of title is finally adjudicated or when title thereto vests in the party condemning or taking the same, as the case may be (hereinafter referred to as the "**Termination Date**"). The County shall pay over to the Bondholder (and hereby irrevocably assigns, transfers and sets over to the Bondholder) all right, title and interest of the County in and to any Net Proceeds payable as to any such loss of title, condemnation or taking during the Lease Term. The Bondholder shall hold such Net Proceeds in accordance with the Bond Purchase Agreement for disbursement or use by the County in accordance with the option so elected:

(b) In the event of any such loss of title, condemnation or taking, the County shall, upon the following conditions and within 90 days after the termination date therefor, elect either or both of the following two options by giving notice of such election to the Bondholder and the Authority:

(1) **Option A - Repairs, Restoration and Improvements**. The County may elect to have the Net Proceeds as to such loss of title, condemnation or taking used to repair, restore or reconstruct the Leased Property as to which there has been a loss of title, condemnation or taking to substantially its condition prior to such loss of title, condemnation or taking. Upon any exercise of this Option A, the Bondholder shall deposit any such Net Proceeds held by it in a special account that shall be created by the Bondholder in the Project Fund for the Leased Property as to which such Net Proceeds had been paid to the Bondholder. So long as an Event of Default has not occurred and is not continuing, the Bondholder, upon receipt of request from the County shall apply so much as may be necessary of the Net Proceeds received by it on account of such loss of title, condemnation or taking to payment of such repair, reconstruction or restoration (either on completion thereof or as the work progresses). If such Net Proceeds are not sufficient to pay in full the cost of such restoration, the County shall pay, subject to Section 4.5, within 90 days of receipt of such Net Proceeds, so much of the cost thereof as may be in excess of such Net Proceeds to the Bondholder for deposit in the Project Fund. The County shall not by reason of the payment of such excess cost be entitled to any (A) interest in the Leased Property which it did not possess prior to such payment, (B) reimbursement from the Authority or the Bondholder, or (C) abatement or diminution of the Basic Rent or additional rent, if any.

(2) **Option B - Prepayment of Basic Rent.** The County may elect to have the Net Proceeds payable as to any such loss of title, condemnation or taking applied to the prepayment of all of the principal component of Basic Rent, interest accrued to the date of prepayment as provided under Section 4.3 hereof, and, after such election, the Bondholder shall (upon receiving such Net Proceeds, to the extent and in the manner provided in the Bond Purchase Agreement and to the extent of such Net Proceeds) such Net Proceeds shall be used to redeem the Bond or portion thereof available to be redeemed by such Net Proceeds.

(c) The Authority and the Bondholder shall, at the expense of the County cooperate fully with the County in the contest of any prospective or pending condemnation proceedings or in any contest over title with respect to the Leased Property, or any part thereof and shall, to the extent they may lawfully do so, permit the County to litigate, at the expense of the County in any such proceeding in the name and behalf of the Authority. In no event shall the Authority settle, or consent to the settlement of, any prospective or pending condemnation proceedings, or proceedings as to title, with respect to the Leased Property or any part thereof without the consent of the County.

Section 5.3 Application of Net Proceeds. The Authority hereby directs the Bondholder to make payments from the Project Fund to pay the costs described in Sections 5.1(b)(1) and 5.2(b)(1).

ARTICLE VI. EVENTS OF DEFAULT AND REMEDIES

Section 6.1 Events of Default.

(a) The following shall be “events of default” under this Lease Agreement, and the terms “event of default” or “default” shall mean, whenever they are used in this Lease Agreement, any one or more of the following events:

(1) Failure of the County to pay when due any payment of Basic Rent or Additional Rent;

(2) Failure of the County to pay when due any payment due under this Lease Agreement, other than payments under Sections 4.2 and 4.3, or to observe and perform any covenant, condition or agreement on its part to be observed or performed, which failure shall continue for a period of 30 days after notice is given, or in the case of any such default that cannot with due diligence be cured within such 30 day period but can be cured within the succeeding 60 days after notice is given, failure of the County to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence; or

(3) Bankruptcy or insolvency of the County, the appointment of a receiver of the Leased Property or failure by the County to lift any execution or attachment on the Leased Property, or any portion thereof, which failure shall continue for a period of 60 days after written notice is given, or in the case of any such default that cannot with due diligence be cured within such 60 days period but can be cured within the succeeding 60 days, failure of the County to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence.

(b) The provisions of the foregoing subparagraph (a)(2) are subject to the limitation that if by reason of force majeure the County is unable in whole or in part to perform any of its covenants, conditions or agreements hereunder other than those set forth in Sections 4.2, 4.5, 4.6, 4.7, 4.9 and 4.10, the County shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall include without limitation acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States of America or the Commonwealth of Virginia or any political subdivision thereof or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the County as applicable. The County shall remedy with all reasonable dispatch the cause or causes preventing the County from carrying out its covenants, conditions and agreements, provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the County, and the County shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of any opposing party when such course is in the judgment of the County, not in its best interests.

(c) Notwithstanding anything contained in this Section to the contrary, failure by the County to pay when due any payment required to be made under this Lease Agreement or failure by the County to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Lease Agreement resulting from failure of the Board of Supervisors to appropriate moneys for such purposes, as described in Section 4.5, shall not constitute an event of default. Upon any such failure to appropriate, the provisions of Article VII shall be applicable.

Section 6.2 Remedies. Whenever any event of default shall have happened and is continuing, the Authority or the Bondholder, as assignee of the Authority may take any one or more of the following remedial steps, without further demand or notice: (a) declare the entire unpaid principal balance of Basic Rent due and thereafter to become due through and including July 15, 20(29), immediately due and payable; (b) reenter and take possession of any part or all of the Leased Property, with or without terminating this Lease Agreement, exclude the County from possession and sell or lease the County's leasehold estate in the Leased Property for the account of the County holding the County liable for all Basic Rent and other payments due up to the effective date of such sale or lease and for the difference between the purchase price, rent and other amounts paid by the purchaser or lessee pursuant to such sale or lease and the rents, interest calculated pursuant to subparagraph (a) above, and the Basic Rent and other amounts payable by the County hereunder; or (c) take whatever action at law or in equity may appear necessary or desirable to collect the Basic Rent then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the County under this Lease Agreement. In any of such cases, all rights and interests created or then existing in favor of the County as against the Authority hereunder shall cease and terminate, and the right to the possession of the Leased Property and all other rights acquired by the County hereunder shall revert to and revest in the Authority without any act of re-entry, or any other act of the Authority to be performed and without any right of the County of return, reclamation or compensation for moneys paid under this Lease Agreement as absolutely, fully and perfectly as if this Lease Agreement and such payments had never been made; and in case of such default all payments theretofore made on this Lease Agreement are to be retained by and belong to the Authority as

the agreed and reasonable rent of the Leased Property up to the time of such default. Any amounts received by the Authority pursuant to the foregoing provisions shall be applied first to costs, then to any unpaid interest and then to repayment of principal, and upon payment in full of all amounts due such excess shall be deposited with the Bondholder and credited to the next required payment.

Section 6.3 Reinstatement after Event of Default. Notwithstanding the exercise by the Authority of any remedy granted by Section 6.2, unless the Authority shall have sold its leasehold estate in the Leased Property or shall have entered into an agreement providing for the re-letting of the Leased Property for at least one year, if the balance of the Basic Rent shall have been accelerated pursuant to Section 6.2(a) and all overdue Basic Rent, together with any interest thereon, and all Additional Rent shall have been paid, then the County's default under this Lease Agreement shall be waived without further action by the Authority. Upon such payment and waiver, this Lease Agreement shall be fully reinstated and all Basic Rent payments will be due and payable in accordance with Exhibit A, and the County shall be restored to the use, occupancy and possession of the Leased Property; provided, however, if all or any part of the Leased Property have been re-let for less than one year, the County shall not be restored to the use, occupancy and possession thereof until the end of such lease.

Section 6.4 No Remedy Exclusive. No remedy conferred by this Lease Agreement upon or reserved to the Authority is intended to be exclusive of any other available remedy or remedies, but every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof or acquiescence therein, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 6.5 No Additional Waiver Implied by One Waiver. Failure by the Authority at any time to require performance by the County of any provision hereof shall in no way affect the Authority's right hereunder to enforce the same, nor shall any waiver by the Authority of any breach of any provision hereof be held to be a waiver of any succeeding breach or any such provision, or as a waiver of the provision itself.

Section 6.6 Attorney's Fees and Other Expenses. The prevailing party shall be entitled to reasonable fees of attorneys and other reasonable expenses in any action involved in the enforcement of any obligations under this Agreement.

ARTICLE VII. TERMINATION OF LEASE

Section 7.1 Right to Terminate. If as a result of failure of the Board of Supervisors to appropriate moneys for such purposes, any payments of Basic Rent or Additional Rent are not made when due, either party hereto or the Bondholder as assignee of the Authority shall have the right to terminate this Lease Agreement by giving notice of the exercise of its rights pursuant to this Section to the other party and the Bondholder. If the Authority terminates this Lease Agreement, its notice to the County and the Bondholder shall specify a date not sooner than 30 days and not later than 90 days thereafter for such termination.

Section 7.2 Rights upon Termination. Upon termination of this Lease Agreement, the Authority may exclude the County from possession of the Leased Property and sell or lease the County's leasehold estate in the Leased Property, in the manner provided by and subject to Section 6.2(b) and the County must comply with its covenant contained therein.

Section 7.3 Reinstatement after Termination. Notwithstanding any termination of this Lease Agreement in accordance with Section 7.1, this Agreement shall be fully reinstated, and the County shall be restored to the use, occupancy and possession of the Leased Property if the conditions set forth in Section 6.3 are satisfied.

ARTICLE VIII. ASSIGNMENT AGREEMENT; AND AMENDMENTS

Section 8.1 Assignment Agreement. Simultaneously with the execution of this Lease Agreement, the Authority has entered into the Assignment Agreement with the Bondholder. The County shall not be obligated to take any notice of any sale, assignment, pledge, mortgage, transfer or other disposition of any interest in this Lease Agreement by the Authority, unless such sale, assignment, pledge, mortgage, transfer or other disposition is undertaken in accordance with the Assignment Agreement.

Section 8.2 Covenants of the County. The County acknowledges and confirms all covenants and representations set forth with respect to the County in the Bond Purchase Agreement and agrees to comply with all other obligations imposed upon it therein.

Section 8.3 Assignment. Simultaneously with the execution of this Lease Agreement, the Authority has entered into the Assignment Agreement by which the Authority assigns all of its rights in and to the Ground Lease and this Lease Agreement (except its rights to receive payment of its expenses, to receive notices and to give consents) to the Bondholder for its benefit as the holder of the Bond. The County hereby (a) consents to such assignments, (b) agrees to execute and deliver such further acknowledgments, agreements and other instruments as may be reasonably requested by the Authority or the Bondholder to effect such assignment, (c) agrees to make all payments due to the Authority under this Lease Agreement directly to the Bondholder (except its rights to receive payment of its expenses, to receive indemnification, to receive notices and to give consents), subject to Section 4.5, and (d) agrees to comply fully with the terms of such assignment so long as such assignment is not inconsistent with the provisions hereof. All references herein to the Authority shall include the Bondholder for its benefit as the holder of the Bond and its successors and assigns, whether or not specific reference is otherwise made to the Bondholder, unless the context requires otherwise.

Notwithstanding the foregoing, no such assignment or reassignment (other than pursuant to the Assignment Agreement) of any of the Authority's right, title or interest in this Lease Agreement or the Leased Property shall be effective unless and until the County shall have received a duplicate original counterpart of the document by which the assignment or reassignment is made, disclosing the name and address of such assignee; provided, however, that if such assignment is made to a bank or trust company as paying or escrow agent for the holder of the Bond, it shall thereafter be sufficient that a copy of the trust instrument or agency agreement is no longer in effect. During the Lease Term, the County shall keep a complete and accurate record of all such assignments in form necessary to comply with Section 149(a) of the Code.

Section 8.4 Amendments. This Lease Agreement may not be amended or modified by the County and the Authority without the consent of the Bondholder, except for purposes of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision contained in this Lease Agreement, or in regard to matters or questions arising under this Lease Agreement. Furthermore, this Lease Agreement may be amended by the County and the Authority with the reasonable approval of the Bondholder by any Supplemental Lease Agreement relating to the issuance of Additional Bonds or Additional Notes.

Section 8.5 No Merger. So long as any Basic Rent remains unpaid and unless the Bondholder otherwise consents in writing, the fee simple and the leasehold estates in and to the Leased Property shall not merge but shall always remain separate and distinct, notwithstanding the union of such estates by purchase or otherwise in the Authority, the Bondholder, the County, any lessee or any third party.

ARTICLE IX. MISCELLANEOUS

Section 9.1 Notices. Unless otherwise provided in this Lease Agreement, all demands, notices, approvals, consents, requests, opinions and other communications under this Lease Agreement must be in writing and will be deemed to have been given when delivered in person, or by FedEx or other express courier service, or when mailed by registered or certified mail, postage prepaid, addressed (i) if to the County, Richmond County Administrator's Office, P.O. Box 1000, 101 Court Circle, Warsaw, Virginia 22572 Attention: County Administrator, (ii) if to the Authority, c/o County Administrator's Office, P.O. Box 1000, 101 Court Circle, Warsaw, Virginia 22572, Attention: Chairman and (iii) if to the Bondholder, at 603 Pilot House Drive, Suite 100, Newport News, Virginia 23606 (Attn: P. Craig Moore, Senior Vice President). A duplicate copy of each demand, notice, approval, consent, request, opinion or other communication given under this Lease Agreement by either the Authority or the County to the other will also be given to the Bondholder. The Authority, the County and the Bondholder may, by notice given under this Lease Agreement, designate any additional or different addresses or persons to which subsequent demands, notices, approvals, consents, requests, opinions or other communications are to be sent.

Section 9.2 Severability. If any provision of this Lease Agreement shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof.

Section 9.3 Amounts Remaining Under Bond Purchase Agreement. It is agreed by the parties to this Lease Agreement that any amount with respect to the Bond remaining in any fund or account created under the Bond Purchase Agreement will, after payment of all amounts due from the County or the Authority pursuant to the Basic Agreements, belong to and be paid to the County.

Section 9.4 Liability of Authority. Notwithstanding any provision of the Bond or the Basic Agreements to the contrary, the obligations of the Authority under the Bond and the Basic Agreements are not general obligations of the Authority, but are limited obligations payable solely from payments of Basic Rent and Additional Rent, if any. No director or officer of the Authority shall be personally liable on the Authority's obligation hereunder. The Authority shall

not be liable for the actions of the County, as its agent, or for any actions of the County under the Basic Agreements.

Section 9.5 Successors and Assigns. This Lease Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 9.6 Counterparts. This Lease Agreement may be executed in any number of counterparts, each of which shall be an original, together shall constitute but one and the same Lease Agreement; except that as to delivery of the original executed copy of this Lease Agreement as required by the Assignment Agreement, the counterpart containing the receipt therefor executed by the Bondholder following the signatures to this Lease Agreement shall be the original.

Section 9.7 Entire Agreement. The Basic Agreements express the entire understanding and all agreements between the parties and may not be modified except in writing signed by the parties.

Section 9.8 Governing Law. This Lease Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the parties have caused this Lease Agreement to be duly executed as of the date first above written.

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF RICHMOND COUNTY, VIRGINIA**

By: _____
Chairman

COMMONWEALTH OF VIRGINIA)
At Large)

The foregoing instrument was acknowledged before me in the County of Richmond, Virginia, this _____ day of June, 2019, by _____, Chairman of the Industrial Development Authority of Richmond County, Virginia.

My commission expires: _____.

My Notary Registration number is: _____.

Notary Public

COUNTY OF RICHMOND, VIRGINIA

By: _____
Chairman, Board of Supervisors

COMMONWEALTH OF VIRGINIA)
At Large)

The foregoing instrument was acknowledged before me in the County of Richmond, Virginia, this _____ day of June, 2019, by _____, Chairman, Board of Supervisors of the County of Richmond, Virginia.

My commission expires: _____.

My Notary Registration number is: _____.

Notary Public

RECEIPT

Receipt of the foregoing original counterpart of the Lease Agreement, dated as of July 1, 2019, between the Industrial Development Authority of Richmond County, Virginia and the County of Richmond, Virginia, is hereby acknowledged.

**UBT Municipal Finance, Inc., a wholly owned
subsidiary of Atlantic Union Bank**

By: _____

Title: _____

Exhibit A

Schedule of Lease Payments

Exhibit B

Property Description

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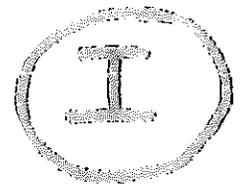
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Testimonium
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Exhibit A - Schedule of Basic Rent Payments
Exhibit B - Legal Description



EXEMPT FROM CLERK'S FEE PURSUANT TO VIRGINIA CODE SECTION 17.1-266

**EXEMPT FROM RECORDATION TAXES PURSUANT TO VIRGINIA CODE
SECTION 58.1-811.E**

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT, dated as of July 1, 2019, between the **INDUSTRIAL DEVELOPMENT AUTHORITY OF RICHMOND COUNTY, VIRGINIA** a political subdivision of the Commonwealth of Virginia, **(the "Assignor")** as grantor for indexing purposes and **UBT MUNICIPAL FINANCE, INC., a wholly owned subsidiary of Atlantic Union Bank**, its successors or assigns as bondholder of the Bond (as described below) **(the "Assignee")** as grantee for indexing purposes;

WITNESSETH:

WHEREAS, the Assignor and the County of Richmond, Virginia **(the "County")** have entered into a Ground Lease dated as of the date hereof which provides that certain Leased Property, as defined therein, is leased by the County to the Assignor;

WHEREAS, the Assignor, the County and the Assignee **(the "Assignee")** have entered into a Bond Purchase Agreement, dated as of the date hereof **(the "Bond Purchase Agreement")**, which provides for the issuance of the Assignor's \$750,000 Lease Revenue Bond, Series 2019 **(the "Bond")** payable from certain payments by the County for rent thereunder **(“Basic Rent” and, as applicable, “Additional Rent”)** for the lease of the Leased Property and as described in a Lease Agreement, dated as of the date hereof, between the Assignor and the County **(the “Lease Agreement,” together with the Ground Lease and the Bond Purchase Agreement, the “Basic Agreements”)**;

WHEREAS, the proceeds of the Bond will be used to (a) finance a portion of the costs of the acquisition of real estate by the County for economic development purposes **(the “Project”)** and (b) pay costs of issuing the Bond; and

WHEREAS, the Ground Lease, dated as of July 1, 2019 between the County and the Assignor **(the “Ground Lease”)** provides for the County to lease the County animal shelter property **(the “Leased Property”)** to the Assignor, and, the Lease Agreement provides for the Assignor to lease the Leased Property to the County and the County to lease the same from the Assignor.

NOW, THEREFORE, for and in consideration of the mutual covenants hereinafter contained and other valuable consideration, the receipt of which is acknowledged, the Assignor

Prepared by and return to:
Daniel M. Siegel, Esquire
Sands Anderson, PC
P. O. Box 1998
Richmond, VA 23218-1998
(804) 648-1636
VSB # 20523

sells, assigns and delivers to the Assignee, its successors and assigns, its rights under the Ground Lease and the Lease Agreement (except the right to receive payment of expenses, if any, and to receive indemnification, to receive notices and to give consents) as they may be amended from time to time pursuant to their terms, including, without limitation, its rights to (a) receive payments of Basic Rent and certain Additional Rent, (b) receive proceeds of condemnation of, and insurance on, the Leased Property, (c) re-enter and take possession of the Leased Property in the event of non-appropriation of Basic Rent or Additional Rent by the Board of Supervisors of the County and sell or lease the Leased Property, (d) exercise remedies of the Assignor upon default by the County under the Lease Agreement or a failure to appropriate and (e) all rights, interest and privileges which Assignor, as lessor, has and may have in oral or written leases now existing or hereafter made or affecting all or any part of the Leased Property, as such leases may have been, or from time to time hereafter, may be, modified, extended and renewed, with all rents, income and security deposits and profits due and becoming due therefrom and all rights and remedies of Assignor upon the occurrence of a default thereunder or a failure of the County to appropriate funds to make payments under the Lease Agreement. Such assignment is without recourse as to the failure of the County to make payments (due to financial inability or otherwise), or to perform any of its responsibilities or duties under the Lease Agreement or the Bond Purchase Agreement or any other documentation pertaining to the issuance of the Bond.

All moneys received by the Assignee pursuant to this Assignment Agreement shall be applied toward payment of the Bond, first to interest due and payable thereunder, then to principal due and payable thereunder. Upon repayment of the Bond, in full, and any other obligations of the County under the Lease Agreement or the Bond Purchase Agreement, all payments shall be paid to the County and this Assignment Agreement shall be terminated.

The Assignor irrevocably constitutes and appoints the Assignee, or any present or future officer or agent of the Assignee, or the successors or assigns of the Assignee, as its lawful attorney, with full power of substitution and resubstitution, in the name of the Assignor or otherwise, to collect and to sue in any court for payments due from the County under the Lease Agreement, to withdraw or settle any claims, suits or proceedings pertaining to or arising out of the Lease Agreement upon any terms, all without notice to or consent of the Assignor, and to take possession of and to endorse in the name of the Assignor any instrument for the payment of money received on account of the payments due from the County under the Lease Agreement.

The Assignee accepts such assignment as stated herein for its benefit as holder of the Bond.

The Assignor authorizes and directs the County, or its successors and assigns, to pay to the Assignee, or its successors and assigns, all Basic Rent and Additional Rent payments due or to become due under the Lease Agreement from and after the date of this Assignment Agreement by forwarding such payments to the Assignee at the following address:

UBT Municipal Finance, Inc., a wholly owned subsidiary of
Atlantic Union Bank
603 Pilot House Drive, Suite 100,
Newport News, Virginia 23606
(Attn: P. Craig Moore, Senior Vice President)

Subsequent successors and assigns of the Assignee shall notify the Assignor and the County of the appropriate address or addresses for payments of all Basic Rent due or to become due under the Lease Agreement.

The Assignor covenants that, notwithstanding this Assignment Agreement, it will perform all of the Assignor's duties and obligations under the Ground Lease and the Lease Agreement, including its obligation to provide possession of the Leased Property to the County pursuant to Section 3.1 of the Lease Agreement and to transfer, convey and assign its leasehold estate to the County upon payment by the County of all payments due and to become due under the Lease Agreement pursuant to Section 4.12 thereof.

The Assignor delivers to the Assignee the original executed Ground Lease and Lease Agreement, and the Assignee shall at all reasonable times have full access to the books and records of the Assignor relating to the Ground Lease and Lease Agreement and payments due from the County under the Lease Agreement and to make extracts from such books and records.

The Assignor will make, execute and deliver any papers, instruments and documents that may be required by the Assignee, or its successors or assigns, to effectuate the purpose intended by this Assignment Agreement.

The assignment effected is absolute and shall not be construed to create a lien on or a security interest in the Basic Rent for any indebtedness or other obligation of any person. The Assignor waives any right, legal or equitable, now existing or hereafter arising, to offset against, attach, levy upon, enjoin or otherwise delay or disrupt any Basic Rent that may be owing to the Assignee on account of any claim or obligation between the Assignor and the Assignee or the County.

Assignee shall not be obligated to perform or discharge any obligation or duty to be performed or discharged by Assignor under any of the leases hereby assigned, included but not limited to the Lease Agreement.

Assignor covenants and represents that, except as contemplated by the Basic Agreements no other assignment of any interest in the leases hereby assigned has been made, and that, except as provided for in the Lease Agreement, including but not limited to modifications relating to the Bond or any Additional Bond (as defined in the Lease Agreement), the Assignor will not hereafter amend, alter, modify, cancel, surrender or terminate any of the leases, exercise any option which might lead to any such amendment, alteration, modification, cancellation, surrender or termination or consent to the release of any party liable thereunder or to the assignment of the interest of any lessee or sublessee or to any subletting without the prior written consent of Assignee.

Assignor hereby authorizes Assignee to give notice in writing of this Assignment at any time to any lessee or sublessee under any of the leases hereby assigned.

The full performance of the Bond and the Basic Agreements according to its terms shall render this Assignment void.

The net proceeds collected by Assignee under the terms of this instrument shall be applied in reduction of the entire indebtedness from time to time outstanding.

This Assignment applies to and binds the parties hereto and their respective heirs, administrators, executors, successors and assigns.

Notwithstanding anything contained in this Assignment to the contrary, all of the obligations of the Assignor hereunder shall be nonrecourse obligations, and the owner of the Bond and the Assignee shall look solely to Assignor's interest in the Leased Property for the satisfaction of any and all remedies they may have against the Assignor upon a default under one or more of the Basic Agreements. Neither the owner of the Bond nor the Assignee shall enforce or attempt to enforce any deficiency or other personal money judgment against the Assignor with respect to the obligations of the Assignee under the Bond and the Basic Agreements.

All capitalized terms not otherwise defined herein shall have the meanings set forth in the Lease Agreement.

Upon payment of the principal and interest portion of the Bond attributable to the Leased Property by the Authority to the Assignee, the lien of the Assignee as bondholder on such Leased Property shall be released.

This Assignment Agreement shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Virginia.

The Ground Lease, the Lease Agreement, the Bond Purchase Agreement, the Bond and this Assignment Agreement express the entire understanding and all agreements between all the parties and may not be modified except in writing signed by the parties.

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

IN WITNESS WHEREOF, the Assignor and the Assignee have caused this Assignment Agreement to be duly executed as of the date first above written.

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF RICHMOND COUNTY, VIRGINIA -
ASSIGNOR**

By: _____
Chairman

COMMONWEALTH OF VIRGINIA)
AT LARGE)

The foregoing instrument was acknowledged before me in the County of Richmond, Virginia, this ____ day of June, by _____, as Chairman of the Industrial Development Authority of Richmond County, Virginia.

My commission expires: __/__/__

My Notary Registration number is: _____.

Notary Public

**UBT MUNICIPAL FINANCE, INC., a wholly
owned subsidiary of Atlantic Union Bank,
ASSIGNEE**

By: _____

Title: _____

COMMONWEALTH OF VIRGINIA)
AT LARGE)

The foregoing instrument was acknowledged before me in the County of Richmond, Virginia, this ____ day of June, 2019, by _____, as Vice President of UBT Municipal Finance, Inc., a wholly owned subsidiary of Atlantic Union Bank, as Assignee.

My commission expires: __/__/__

My Notary Registration number is: _____.

Notary Public

