

NOTE PURCHASE AND LOAN AGREEMENT

by and between

**ECONOMIC DEVELOPMENT AUTHORITY
OF ALBEMARLE COUNTY, VIRGINIA,**

**THE BOARD OF SUPERVISORS OF
THE COUNTY OF ALBEMARLE, VIRGINIA
ON BEHALF OF
THE COUNTY OF ALBEMARLE, VIRGINIA**

and

[_____]

Dated as of June [__], 2020

**Relating to
Economic Development Authority
of Albemarle County, Virginia
Revenue Note (County Projects),
Series 2020**

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THIS NOTE PURCHASE AND LOAN AGREEMENT dated as of June [___], 2020, by and between the **ECONOMIC DEVELOPMENT AUTHORITY OF ALBEMARLE COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the “Authority”), **THE BOARD OF SUPERVISORS OF THE COUNTY OF ALBEMARLE, VIRGINIA, ON BEHALF OF THE COUNTY OF ALBEMARLE, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the “County”), and [_____], a [national banking association], as lender (together with its successors and permitted assigns, the “Lender”), recites and provides as follows;

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 make loans to, among others, a locality in furtherance of the purposes of the Act, to finance facilities for use by, among others, a locality, to issue its revenue bonds, notes and other obligations from time to time for such purposes and to pledge all or any part of its revenues and receipts derived from payments received by the Authority, in connection with its loans or from any other source, as security for the payment of the principal of and interest on any such obligations;

WHEREAS, the Board of Supervisors (the “County Board”) of Albemarle County, Virginia, desires to obtain, in conjunction with the Authority, a draw-down loan to finance the costs of various projects in the County’s Capital Improvement Plan including (without limitation) capital expenditures for court and public school improvements (collectively, the “County Projects”);

WHEREAS, in furtherance of the purposes of the Act, at the request of the County, the Authority has determined to (a) issue and sell its Revenue Note (County Projects), Series 2020 (the “Note”), to provide for a draw-down loan and its repayment terms, (b) loan the proceeds of the Note to the County to finance, as needed, the costs of the County Projects and to pay the related costs of issuance, and (c) secure the repayment of the Note by an assignment of certain payments due from the County to the Authority;

WHEREAS, the Authority, the County and the Lender desire to set forth in this Agreement the terms and conditions with respect to such financing; and

WHEREAS, all acts, conditions and things required by law to happen, exist and be performed precedent to and in connection with the execution of and entering into this Agreement have happened, exist and have been performed in regular and due time and in form and manner as required by law, and the parties hereto are now duly empowered to execute and enter into this Agreement;

NOW, THEREFORE, the parties hereto agree as follows:

Section 1. Definitions.

The following capitalized terms shall have the following meanings for purposes of this Agreement unless the context otherwise requires:

“Additional Payments” shall mean (a) amounts payable to the Lender under Sections [9(d) and (e)], (b) reasonable costs and expenses of the Authority and (c) all other amounts that the County agrees to pay under the terms of this Agreement, but not including Basic Payments.

“Advances” shall have the meaning set forth in Section [8(b)].

“Agreement” shall mean this Note Purchase and Loan Agreement, including any amendments or supplements hereto.

“Authority” shall have the meaning set forth in the recitals above.

“Authorized Representative of the Authority” shall mean the Chairman and Vice-Chairman of the Authority and any person (other than a representative of the County) designated to act on behalf of the Authority by certificate signed by its Chairman or Vice-Chairman and filed with the County and the Lender.

“Authorized Representative of the County” shall mean the County Executive and any person designated to act on behalf of the County by certificate signed by the County Executive and filed with the Authority and the Lender.

“Base Rate” shall mean a per annum rate equal to the greater of (a) the Prime Rate and (b) 2.50% plus the One Month Adjusted LIBOR Rate.

“Basic Payments” shall mean the payments made by the County under this Agreement that correspond in amount to the payments of any principal and interest due on the Note in each Fiscal Year.

“Bond Counsel” shall mean a firm of attorneys nationally recognized on the subject of municipal bonds, which may be counsel to the Authority, the County or the Lender, and reasonably acceptable to the Authority and the Lender.

“Business Day” shall mean a day on which banking business is transacted, but not including a Saturday, Sunday, legal holiday or any other day on which banking institutions are authorized by law to close in the Commonwealth of Virginia.

“Closing Date” shall mean [_____, 2020].

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

“Costs of the County Projects” shall mean the following: the cost of improvements, the cost of construction or reconstruction, the cost of all labor, materials, machinery and equipment, the cost of all lands, property, rights, easements, franchises and permits acquired, financing

charges, interest prior to and during construction and for up to one year after completion of construction, start-up costs and operating capital, the cost of plans, specifications, surveys, estimates of costs, the cost of engineering, legal, financial and other professional services, including financial advisory services, the costs of issuing the Note, expenses necessary or incident to determining the feasibility or practicability of any such acquisition, construction or reconstruction, recording fees, settlement costs, printing costs, fees and charges of the Authority, fees or premiums in connection with insurance, rating agency fees, administrative expenses and such other expenses as may be necessary or incidental to the financing of the County Project. Any obligation or expense incurred by the County in connection with any of the foregoing items of "Costs of the County Projects" may be regarded as a part of such cost and reimbursed to the County out of the proceeds of the Note issued to finance the County Projects to the extent permitted by Section 1.150-2 of the Treasury Regulations of the Code.

"County" shall have the meaning set forth in the recitals above.

"County Board" shall have the meaning set forth in the recitals above.

"County Projects" shall have the meaning set forth in the recitals above.

"Date of Default" shall mean the date of the occurrence of an Event of Default.

"Date of Taxability" shall mean the earliest date as of which interest on the Note shall have been determined to be includable in the gross income of the Lender as a result of a Determination of Taxability.

"Default Rate" shall mean a per annum rate equal to 4.00% plus the Base Rate, but in no event shall such the Default Rate exceed the maximum rate permitted by law.

"Determination of Taxability" shall mean the occurrence, after the date hereof, of (a) a final ruling or judgment entered by a state or federal court of competent jurisdiction or (b) an official and final action taken or announced by the Internal Revenue Service or by a federal or state official, in each case determining that an Event of Taxability has occurred; provided, however, that no such ruling or judgment or official action of the Internal Revenue Service or state official will be considered final for this purpose unless the Authority or the Lender has been given written notice and, if it is so desired and is legally allowed, the Authority, at the direction of the County, and the Lender, as applicable, have been afforded the opportunity to contest the same, and until the conclusion of any appellate review, if sought.

"Event of Default" shall mean any one or more of the events listed in Section [14].

"Event of Taxability" shall mean the taking of any action by the Authority or the County, or the failure to take any action by the Authority or the County, or the making by the Authority or the County of any misrepresentation in any tax certificate required to be given in connection with the issuance, sale or delivery of the Note, any of which has the effect of causing interest paid or payable on the Note to become includable, in whole or in part, in the gross income of the registered owner or any prior registered owner for federal income tax purposes.

“Financing Instruments” shall mean this Agreement and the Note.

“Fiscal Year” shall mean, with respect to the County, a twelve-month period commencing July 1 and ending the following June 30.

“Lender” shall have the meaning set forth in the recitals above.

“LIBOR Reset Date” shall mean the first day of each month, commencing July 1, 2020.

[“Maximum Federal Corporate Rate” shall mean the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect from time to time or, if as a result of a change in the Code, the rate of income taxation imposed on corporations generally shall not be applicable to the Lender, the maximum statutory rate of federal income taxation which could apply to the Lender. As of the date of the Note, the Maximum Federal Corporate Tax Rate is 21%.]

“Non-Arbitrage Certificate” shall mean the Non-Arbitrage and Tax Compliance Certificate dated June [___], 2020, executed by the Authority and the County.

“Note” shall mean the Revenue Note (County Projects), Series 2020, substantially in the form of Exhibit A attached hereto, issued by the Authority pursuant to this Agreement in a principal amount equal to the sum of principal advances made thereunder not to exceed \$75,000,000, and dated June [___], 2020.

“One Month Adjusted LIBOR Rate” shall mean [TO COME FROM LENDER; ALTERNATIVE FOR LIBOR].

“Prime Rate” shall mean [TO COME FROM LENDER].

“Registrar” shall mean the Authority or any qualified bank or trust company appointed by the Authority as successor registrar.

“Taxable Period” shall mean the period of time between (a) the Date of Taxability and (b) the date of the Determination of Taxability.

“Taxable Rate” shall mean a per annum rate equal to [TO COME FROM LENDER].

“Variable Rate” shall mean a per annum rate equal to 80% of the One Month Adjusted LIBOR Rate plus 56 basis points. The Variable Rate shall be adjusted monthly on each LIBOR Reset Date.

Section 2. Representations and Findings by Authority.

The Authority makes the following representations and findings as the basis for its undertakings hereunder:

(a) The Authority is a political subdivision of the Commonwealth of Virginia, is duly organized under the Act and has the power to execute and deliver the Financing Instruments, to

issue the Note and to perform its other obligations under the Financing Instruments. By proper corporate action, the Authority has duly authorized the execution and delivery of the Financing Instruments, the performance of its obligations thereunder and the issuance of the Note. Contemporaneously with the execution and delivery of this Agreement, the Authority has issued and sold the Note to the Lender.

(b) The Authority is not (i) in violation of the Act or any other existing Virginia law, rule or regulation applicable to it or (ii) 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 any of its assets is subject, which, in either case, would have a material adverse effect on its ability to issue the Note and undertake its obligations under this Agreement; and, to its knowledge, no event has occurred and is continuing under the provisions of any such agreement that with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder.

(c) The execution and delivery of the Financing Instruments and the performance by the Authority of its obligations thereunder do not and will not conflict with, constitute a breach of or result in a violation of any agreement or other instrument to which the Authority is a party or by which it is bound or, to its knowledge, any constitutional or statutory provision or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Authority or any of 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 Note by the Authority or (ii) the execution or delivery of or performance by the Authority of its obligations under the Financing Instruments.

(e) There is no litigation at law or in equity or any proceeding before any governmental agency involving the Authority pending or, to its knowledge, threatened against the Authority that would affect (i) the organization and existence of the Authority, (ii) its authority to execute or deliver the Financing Instruments, (iii) the validity or enforceability of any of the Financing Instruments or the performance of its obligations thereunder, (iv) the title of any officer of the Authority executing the Financing Instruments or (v) any authority or proceedings related to the execution and delivery of the Financing Instruments on behalf of the Authority. No such authority or proceedings have been repealed, revoked, rescinded or amended, and all such authority and proceedings are in full force and effect.

(f) The financing of the County Projects is in furtherance of the purposes for which the Authority was organized and will serve the purposes of the Act. If requested by the County, the financing of interest on the Note for a period of up to one year after completion of the County Projects is hereby approved.

(g) Until termination of this Agreement, the Authority will not use any facilities or equipment financed with proceeds of the Note, or permit them to be used, other than as “authority facilities” within the meaning of the Act.

(h) Notwithstanding anything herein to the contrary, any obligation the Authority may incur hereunder in connection with the financing of the County Project shall not be deemed to constitute a general obligation of the Authority but shall be payable solely from payments appropriated and received from time to time by the County Board and payable to the Authority pursuant to Section [6(a)].

Section 3. Representations by County.

The County makes the following representations as the basis for its undertakings hereunder:

(a) The County is a political subdivision of the Commonwealth of Virginia and has the power to enter into this Agreement and perform its obligations hereunder. By proper action, the County has duly authorized the execution and delivery of this Agreement and the performance of its obligations hereunder.

(b) There is no litigation at law or in equity or any proceeding before any governmental agency involving the County pending or, to its knowledge, threatened against the County that would affect (i) its authority to execute and deliver this Agreement, (ii) the validity or enforceability of this Agreement or the performance of its obligations hereunder, (iii) the title of the County officer executing such instrument, (iv) any authority or proceedings related to the execution and delivery of this Agreement on behalf of the County, (v) the power to undertake the County Projects or (vi) the financial condition of County or its ability to make payments, subject to the provisions of Section [9], pursuant to Section [6(a)] in any material respect. No such authority or proceedings have been repealed, revoked, rescinded or amended, and all such authority and proceedings are in full force and effect.

(c) The County is not (i) in default in the payment of the principal of or interest on any of its indebtedness for borrowed money, (ii) in material violation of any existing Virginia law, rule or regulation applicable to it, or (iii) to its knowledge, 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 is subject; and, to its knowledge, no event has occurred and is continuing under the provisions of any such agreement that with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder.

(d) The execution and delivery of this Agreement and the performance by the County of its obligations hereunder do not and will not, in any material manner, conflict with, constitute a breach of or result in a violation of any agreement or other instrument to which the County is a party or by which it is bound or any constitutional or statutory provision or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the County or any of its property.

(e) No further approval, consent or withholding of objection on the part of any regulatory body, federal, state or local, is required in connection with the execution or delivery of or performance by the County of its obligations under this Agreement.

(f) Until termination of this Agreement, the Authority will not use any facilities or equipment financed with proceeds of the Note, or permit them to be used, other than as “authority facilities” within the meaning of the Act.

(g) The County Board has included in its budget for the Fiscal Year ending June 30, 2021, and has appropriated funds sufficient to make the Basic Payments due in such Fiscal Year.

(h) The financial statements and other information that the County furnished to the Lender in connection with this Agreement fairly and accurately portray the County’s financial condition, as of their dates, and, other than the known and unknown risks associated with the ongoing COVID-19 Pandemic, there has been no material adverse change in the financial condition of the County since the date of the financial statements provided to the Lender in connection with this Agreement.

Section 4. Representations by Lender.

The Lender makes the following representations as the basis for its undertakings hereunder:

(a) The Lender is a [_____].

(b) The Lender has full power and authority to (i) enter into this Agreement, (ii) make the loan under this Agreement and acquire the Note as evidence of such loan, (iii) perform the transactions contemplated hereby and (iv) carry out its obligations hereunder, and by proper action has duly authorized, executed and delivered this Agreement.

(c) The Lender understands and acknowledges (i) that the scope of engagement of Hunton Andrews Kurth LLP, Richmond, Virginia, as Bond Counsel with respect to this Agreement and the Note, will be limited to matters set forth in their opinion based on their review of such proceedings and documents as they deem necessary to approve the validity of the Note and this Agreement and (ii) that Bond Counsel has not been engaged and will not undertake to prepare or express an opinion as to the accuracy or completeness of any information that may have been furnished to the Lender or relied upon by it in making the decision to enter into this Agreement and acquire the Note.

(d) The Lender acknowledges that (i) the Note (A) has not been registered under the Securities Act of 1933, as amended, (B) has not been registered or otherwise qualified for sale under the securities laws of any state or (C) will not be listed on any securities exchange and (ii) there is no established market for the Note and none is likely to develop. The Lender understands and acknowledges that (x) its acquisition of the Note is not intended to be subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, and (y) in connection with its acquisition of the Note, neither the County nor the Authority has prepared or caused to be prepared any official statement, private placement memorandum or other offering document.

(e) The Lender understands and acknowledges that the Authority makes no representation, covenant or agreement as to the financial position or business condition of the County and does not represent or warrant as to any statements, materials, representations or

certifications furnished by the County in connection with the sale of the Note, or as to the correctness, completeness or accuracy thereof.

The representations and certifications of the Lender contained in the Investment Letter dated June [___], 2020, and delivered in connection with this Agreement are hereby incorporated by reference and supplement the representations set forth above.

Section 5. Loan to Authority; Issuance and Sale of Note; Information Provided to Lender.

(a) The Lender agrees, based on the terms and conditions set forth in this Agreement, to make a loan to the Authority in a principal amount equal to the sum of the principal advances made pursuant to Section [8(b)], provided that such advances shall not to exceed \$75,000,000 in aggregate.

(b) The Authority agrees to borrow from the Lender a principal amount equal to the sum of the principal advances made pursuant to Section [8(b)], provided that such advances shall not exceed \$75,000,000 in aggregate, and to issue and sell the Note to the Lender as evidence of such loan from the Lender to the Authority. The terms of the Note, including payment and prepayment provisions, shall be as set forth herein and in the form of the Note attached hereto as Exhibit A.

Section 6. Loan to County; Application of Note Proceeds.

(a) Upon the terms and conditions of this Agreement, the Authority hereby loans the proceeds of the Note to the County. In evidence of its obligation to repay such loan and in accordance with the terms of this Agreement (including Section [9]), the County agrees to make Basic Payments and Additional Payments in accordance with the requirements set forth in Section [8(d)].

(b) On the Closing Date, \$[_____] of the proceeds of the Note shall be advanced to the County, on behalf of the Authority, for the payment of costs of issuance of the Note [and reimbursement of the County for payment of the Costs of the County Projects], as set forth in the Closing Memorandum attached hereto as Exhibit C.

(c) All other proceeds of the Note shall be advanced to the County, on behalf of the Authority, from time to time pursuant to and subject to the terms and conditions of Section [8(b)] below. Such proceeds shall be applied solely and exclusively to pay or to reimburse Costs of the County Projects.

Section 7. Conditions Precedent to Making Loan and Acquisition of Note.

The Lender shall make the loan and acquire the Note only upon delivery to it in form and substance satisfactory to it of the following:

(a) Executed copies of the Financing Instruments;

(b) (i) Evidence of the due authorization, execution and delivery of the Financing Instruments by the parties thereto and (ii) closing certificates covering litigation, compliance with all applicable federal, state and local laws, restrictions and requirements, and prior agreements;

(c) An opinion of the County Attorney as to (i) the due authorization, execution and delivery of this Agreement by the County and (ii) pending or threatened litigation as well as compliance with all applicable federal, state and local laws, restrictions and requirements, and prior agreements;

(d) An opinion of the Counsel to the Authority as to (i) the due authorization, execution and delivery of the Financing Instruments by the Authority and (ii) pending or threatened litigation as well as compliance with all applicable federal, state and local laws, restrictions and requirements, and prior agreements;

(e) An opinion of Bond Counsel satisfactory to the Lender that (i) the Note has been duly authorized, executed and delivered and is a binding limited obligation of the Authority enforceable in accordance with its terms and (ii) the interest on the Note is not included in gross income for federal income tax purposes;

(f) Evidence of the completion and appropriate filing of Internal Revenue Service Form 8038-G with respect to the issuance of the Note together with the Non-Arbitrage Certificate; and

(g) Such other documentation, certificates and opinions as may be reasonably required by the Lender or Bond Counsel.

Section 8. Amounts Payable; Principal Advances; Adjustment of Interest Rate; Prepayment.

(a) The Authority shall make all payments required under the Note as and when the same become due, but only from amounts appropriated by the County Board for such purpose. All payments shall be made in lawful money of the United States by wire transfer in immediately available funds to an account within the United States designated by the Lender or any other place that the Lender may designate in writing to the Authority. Subject to the provisions of Section [9] and in accordance with the assignment made by the Authority pursuant to Section [10(a)], the County shall make Basic Payments to the Lender on the dates and in the amounts payable by the Authority pursuant to paragraph [(c)] below. Any amount at any time paid by the County to the Lender as a Basic Payment shall be credited by the Lender against the Authority's obligation to pay principal of and interest due under the Note as of the date such payment is due. Subject to Section [9], the County shall also make any Additional Payments when due.

(b) Advances of principal under the Note (each, an "Advance" and collectively, the "Advances") shall be in the minimum amount of \$100,000 and shall be made no more than once per calendar month, without the consent of the Lender; provided, however, that no Advances shall be made after March 31, 2022, without the consent of the Lender. Such Advances shall be made by the Lender directly to or for the account of the County, but each such Advance shall be deemed to have been made to the Authority under the Note and then advanced by the Authority

to the County under this Agreement to pay or reimburse the County for the Costs of the County Projects. Before any Advance shall be made under the Note, the County, on behalf of the Authority, shall file with the Lender at least two (2) Business Days before the requested date of such Advance a disbursement request, completed and signed by either the County Executive or the chief financial officer of the County, substantially in the form attached as Exhibit B. The amount and date of each Advance shall be noted on a ledger maintained by the Lender for such purpose. In the absence of manifest error, all entries made in such ledger shall be prima facie evidence of the existence and amounts of the Advances therein recorded; provided that the failure or delay of the Lender in maintaining or making entries into such ledger or any error therein shall not in any manner affect the obligation of the Authority to repay any portion of the loan in accordance with the terms of this Agreement and the Note. The outstanding principal amount of the Note shall be the sum of all Advances thereunder, less the aggregate amount of all principal payments that have been made thereon (whether by prepayment or otherwise).

(c) Interest shall accrue monthly on the outstanding Advances made under the Note and shall initially be calculated at the Variable Rate on the basis of actual days elapsed over a 360-day year. Interest shall be payable on the first day of each month, commencing ~~July~~August 1, 2020, and ~~principal~~provided that the first interest payment shall include interest accrued from the Closing Date through July 31, 2020. Principal shall be payable in full at final maturity on [July 1, 2022].

(d) Upon a Determination of Taxability, then from the Date of Taxability and for as long as the Note remains outstanding, the interest rate used to calculate interest on the Note shall be the Taxable Rate. Subject to appropriation by the Board of Supervisors of sufficient moneys therefor and to the extent permitted by law, the County shall also pay to the Lender (a) an additional amount equal to the difference between (i) the amount of interest actually paid on the Note during the Taxable Period and (ii) the amount of interest that would have been paid during the Taxable Period had the Note borne interest at the Taxable Rate, ~~and~~ (b) an amount equal to any interest, penalties on overdue interest and other amounts owed under the Code by the Lender as a result of the Determination of Taxability and (c) any and all expenses that may be incurred by the Lender in connection with the Authority's exercise of its right to contest any ruling, judgment or action determining that an Event of Taxability has occurred.

(e) Upon the occurrence of an Event of Default, then from the Date of Default and for so long as the Event of Default is continuing, the interest rate used to calculate the interest on the Note shall be the Default Rate. If the Event of Default has been cured and this Agreement has been reinstated pursuant to Section [16], the interest rate used to calculate interest on the Note shall be reset to the Variable Rate on the date of such reinstatement.

(f) The Note is subject to prepayment prior to maturity at the option of the Authority upon the direction of the County on any LIBOR Reset Date, in whole or in part, upon payment of 100% of the principal amount of the Note to be prepaid plus interest accrued and unpaid to the date fixed for prepayment.

(g) This Agreement shall terminate upon the prepayment or payment in full of the Note.

Section 9. Subject to Appropriation.

(a) The County reasonably believes that funds sufficient to make all Basic Payments and Additional Payments during the term of this Agreement can be obtained. While recognizing that it is not empowered to make any binding commitment to make Basic Payments and Additional Payments beyond the current Fiscal Year, the County Board in authorizing the execution of this Agreement has stated its intent to make annual appropriations sufficient to make Basic Payments and Additional Payments.

(b) The County declares the County Projects to be essential to the proper operations of the County. The County anticipates that the need for such projects will not change during the term of this Agreement. **Notwithstanding anything in this Agreement to the contrary, the County's undertakings to pay the cost of performing its obligations under this Agreement, including its undertakings to make all Basic Payments and Additional Payments, shall be subject to and dependent upon appropriations being made from time to time by the County Board for such purpose.** The County Executive or other officer charged with the responsibility for preparing the County's annual budget shall include in the budget for each Fiscal Year as a single appropriation the amount of all Basic Payments and estimated Additional Payments during such Fiscal Year. So long as the Note is outstanding, the County Executive or other officer charged with the responsibility for preparing the County's annual budget shall deliver to the Authority and the Lender within 10 days after the adoption of the annual budget for each Fiscal Year, but not later than 10 days after the beginning of each Fiscal Year, a certificate stating whether an amount equal to or credited to the payment of the Basic Payments and estimated Additional Payments that will be due during such Fiscal Year has been budgeted by the County Board in such budget and appropriated in a related appropriation resolution. If, by 15 days after the beginning of the Fiscal Year, the County Board has not appropriated funds for the payment of both Basic Payments and estimated Additional Payments for the then current Fiscal Year, the County Executive or other officer charged with the responsibility for preparing the annual budget shall give written notice to the County Board of the consequences of such failure to appropriate and request the County Board consider a supplemental appropriation for such purposes.

(c) If at any time during a Fiscal Year the amount appropriated in the budget for such Fiscal Year is insufficient to pay when due the Basic Payments and the Additional Payments due from the County under this Agreement, the County Executive or such other officer charged with the responsibility for preparing the County's budget shall submit to the County Board at its next regularly scheduled meeting or as promptly as practicable, but in any event within 45 days of the occasion of such insufficiency, a request for a supplemental appropriation sufficient to cover the deficit. The County Executive or such other officer as designated shall deliver to the Authority and the Lender within five (5) days after such meeting of the County Board a certificate stating whether an amount equal to or credited to the payment of such deficit has been appropriated by the County Board.

Section 10. Pledge and Assignment.

(a) The Authority hereby pledges to the repayment of the Note and all other amounts due and payable to the Lender under this Agreement all Basic Payments and Additional Payments (other than with respect to the fees and expenses of the Authority) paid by the County

under this Agreement. As further security for the repayment of the Note and all other amounts due and payable to the Lender under this Agreement, the Authority hereby assigns to the Lender all of the rights under this Agreement (except the rights of the Authority to receive payment of its fees and expenses, to receive notices and to give consents with respect to the aforementioned rights to payment of its fees and expenses and to receive notices), including, without limitation, the rights of the Authority to (A) receive Basic Payments and Additional Payments (other than with respect to the fees and expenses of the Authority) and (B) exercise remedies of the Authority upon an Event of Default; provided, however, that such assignment is without recourse as to the failure of the County to make payments (due to financial inability or otherwise) or the County or the Authority to perform any of their responsibilities or duties under this Agreement or any other documentation pertaining to the issuance of the Note. Except for amounts that have been appropriated by the County Board in the then current Fiscal Year to make Basic Payments and Additional Payments, the Lender shall not enforce or attempt to enforce any deficiency or other personal money judgment against the Authority or the County with respect to their obligations under the Financing Instruments to which they are a party.

(b) The County (i) consents to such assignment, (ii) agrees to execute and deliver such further acknowledgments, agreements and other instruments as may be reasonably requested by the Authority or the Lender to effect such assignment, (iii) agrees to make all payments due to the Authority under this Agreement directly to the Lender (except the Authority's fees and expenses), subject to Section [9], and (iv) agrees to comply fully with the terms of such assignment so long as such assignment is not inconsistent with the provisions hereof. All references in this Agreement to the Authority (except references to the Authority in Section 2) shall include the Lender, whether or not specific reference is otherwise made to the Lender, unless the context requires otherwise.

Section 11. Registration of Note.

(a) The Note shall be issued in registered form without coupons, payable to the registered holders or registered assigns. The Authority's Secretary-Treasurer is hereby appointed paying agent and registrar for the Note. The Authority may in its discretion appoint at any time a qualified bank or trust company as successor Registrar. The Registrar shall maintain registration books for the registration of the Note and transfers thereof. The person in whose name the Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of and interest on the Note shall be made only to or upon the order of the registered owner thereof or its legal representative. Upon presentation and surrender of the Note at the office of the Registrar, or its corporate trust office if the Registrar is a bank or trust company, together with an assignment duly executed by the registered owner or its duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar and the County, the Authority shall execute, and the Registrar shall deliver in exchange, a new Note or Notes having an equal aggregate principal amount, in authorized denominations, of the same form and maturity, bearing interest at the same rate, and registered in names as requested by the then registered owner or its duly authorized attorney or legal representative. Any such exchange shall be at the expense of the County, except that the Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

(b) The Registrar shall treat the registered owner of the Note as the person exclusively entitled to payment of principal and interest and the exercise of all other rights and powers of the owner of the Note, except that interest payments shall be made to the person shown as the owner of the Note on the registration books.

Section 12. Mutilated, Lost or Destroyed Note.

If the Note has been mutilated, lost or destroyed, the Chairman or Vice-Chairman of the Authority shall execute and deliver, and the Secretary-Treasury or Assistant Secretary-Treasurer of the Authority shall affix the seal of the Authority to or print a facsimile of the seal on (and attest the same by manual or facsimile signature), a new Note of like date and tenor in exchange and substitution for, and upon cancellation of, such mutilated Note or in lieu of and in substitution for such lost or destroyed Note; provided, however, that the Authority shall so execute and deliver only if the Lender has paid the reasonable expenses and charges of the Authority in connection therewith and, in the case of a lost or destroyed Note, (a) has filed with the Authority evidence satisfactory to the Authority that such Note was lost or destroyed and (b) has furnished to the Authority satisfactory indemnity.

Section 13. Covenants.

(a) Neither the Authority nor the County shall cause any proceeds of the Note to be expended except pursuant to this Agreement. Neither the County nor the Authority shall (i) take any action or approve any investment or use of the proceeds of this Agreement or the Note or any other moneys within their respective control or taking any other action that would cause the Note to be an “arbitrage bond” within the meaning of Section 148 of the Code or otherwise cause the interest due on the Note to be includable in the gross income of the Lender under existing law or (ii) approve the use of any proceeds from the sale of the Note otherwise than in accordance with the Non-Arbitrage Certificate and shall otherwise comply therewith.

(b) Within nine (9) months of the end of each Fiscal Year, the County shall make its Comprehensive Annual Financial Report for such Fiscal Year available on the County’s website or the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System.

(c) As promptly as practicable, the County shall provide to the Lender such regularly prepared information concerning its financial or business affairs as may be reasonably requested by the Lender from time to time, subject to proprietary and other confidential restrictions required by law.

Section 14. Events of Default.

(a) Subject to the provisions of Section [9], each of the following events shall be an “Event of Default” under this Agreement:

(i) Failure of the County to pay when due the full amount of Basic Payments or any Additional Payment and the continuation of such failure for a period of ten (10) days;

(ii) Failure of the County 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 60 days after the date on which (A) notice is given or (B) the County was required to give notice of such event pursuant to paragraph (d) below, or in the case of any such default that cannot with due diligence be cured within such 60-day period but can be cured within the succeeding 30 days, failure of the County to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence; provided, however, that in no event shall such ability to cure exceed 90 days, except with the written consent of the Lender; or

(iii) Bankruptcy or insolvency of the County.

(b) The provisions of the foregoing subparagraph (a)(ii) 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 [13(b) and (c)], 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. 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 Agreement or the Note or (ii) failure by the County to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Agreement, in either event under (i) or (ii), resulting from the failure of the County Board to appropriate moneys for such purposes, as described in Section [9], shall not constitute an Event of Default.

(d) The County within ten (10) days of acquiring knowledge thereof (i) shall notify the Lender in writing of (A) the happening, occurrence or existence of any Event of Default and (B) any event or condition that with the passage of time or giving of notice, or both, would constitute an Event of Default and (ii) shall provide the Lender, together with such written notice, a detailed statement by a responsible officer of the County of all relevant facts and the action being taken or proposed to be taken by the County with respect thereto. Regardless of the date of receipt of such notice by the Lender, such date shall not in any way modify the date of occurrence of the actual Event of Default.

Section 15. Remedies.

Whenever any Event of Default shall have happened and is continuing, the Lender may, without further demand or notice, take whatever action at law or in equity may appear necessary or desirable (a) to collect the Basic Payments and Additional Payments then due or (b) to enforce performance and observance of any obligation, agreement or covenant of the Authority or the County under the Financing Instruments, including pursuing any other remedy permitted to the Lender under the Financing Instruments.

Section 16. Reinstatement after Event of Default.

Notwithstanding the exercise by the Lender of any remedy granted by Section [15], if all overdue Basic Payments and Additional Payments shall have been paid, then the Authority's default under this Agreement shall be waived without further action by the Lender. Upon such payment and waiver, this Agreement shall be fully reinstated and all payments due under the Note will be due and payable in accordance with the terms of the Note.

Section 17. No Remedy Exclusive.

No remedy conferred by this Agreement upon or reserved to the Lender 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 18. No Additional Waiver Implied by One Waiver.

Failure by the Lender at any time to require performance by the County of any provision hereof shall in no way affect the Lender's right hereunder to enforce the same, and no waiver by the Lender of any breach of any provision hereof shall be held to be a waiver of any succeeding breach of any such provision or as a waiver of the provision itself.

Section 19. Attorney's Fees and Other Expenses.

Subject to the provisions of Section [9], the County shall on demand pay to the Authority and the Lender the reasonable fees of attorneys and other reasonable expenses incurred by either of them in the collection of appropriated, but unpaid, Basic Payments or Additional Payments, or the enforcement of any other obligation of the County or its agents upon an Event of Default.

Section 20. Limitation of Authority's Liability.

No covenant, agreement or obligation contained in any Financing Instrument 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 or her individual capacity, and neither the directors of the Authority nor any officer, employee or agent thereof executing any Financing Instrument shall be liable personally on such Financing Instrument or be subject to any personal liability or

accountability by reason of the issuance thereof. No director, officer, employee or agent of the Authority shall incur any personal liability with respect to any other action taken by him or her pursuant to the Financing Instruments or the Act or any of the transactions contemplated thereby provided he or she acts in good faith.

THE OBLIGATIONS OF THE AUTHORITY UNDER THE FINANCING INSTRUMENTS ARE NOT GENERAL OBLIGATIONS OF THE AUTHORITY BUT ARE LIMITED OBLIGATIONS PAYABLE SOLELY FROM THE REVENUES AND RECEIPTS DERIVED BY THE AUTHORITY PURSUANT TO THIS AGREEMENT, WHICH REVENUES AND RECEIPTS HAVE BEEN PLEDGED AND ASSIGNED TO SUCH PURPOSES. THE OBLIGATIONS OF THE AUTHORITY HEREUNDER 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 AUTHORITY AND THE COUNTY. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE COUNTY, SHALL BE OBLIGATED TO PAY THE OBLIGATIONS HEREUNDER OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE REVENUES, RECEIPTS AND PAYMENTS PLEDGED THEREFOR, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE COUNTY, IS PLEDGED TO THE PAYMENT OF THE NOTE.

Section 21. Notices.

All demands, notices, approvals, consents, requests and other communications hereunder shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class registered or certified mail, postage prepaid, addressed:

(a) if to the **County**, at 401 McIntire Road, Charlottesville, Virginia 22902 (Attention: County Executive);

(b) if to the **Authority**, at [401 McIntire Road, Charlottesville, Virginia 22902] (Attention: Chairman); or

(c) if to the **Lender**, at [_____] (Attention: [_____]).

A duplicate copy of each notice, approval, consent, request or other communication given hereunder by the Authority to the County or by the County or the Authority shall also be given to the Lender. The Authority, the County and the Lender may, by notice given hereunder, designate any further or different addresses to which subsequent notices, approvals, consents, requests or other communications shall be sent or persons to whose attention the same shall be directed.

Section 22. Counterparts.

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

Section 23. Miscellaneous.

(a) To the extent not paid from proceeds of the Note, the County agrees to pay from legally available funds (i) the reasonable fees and expenses of the Authority, counsel to the Authority, Bond Counsel and counsel to the Lender and all other costs, fees and expenses incidental to the financing hereunder, the issuance of the Note and the costs of producing the documents referred to herein and (ii) all costs of collection (including reasonable counsel fees) in the event of a default in the payment of the principal of or interest on the Note or other charges payable under the Financing Instruments.

(b) The Lender shall furnish to the Authority and the County upon request (i) a statement of the amount of principal of the Note outstanding and unpaid as of the date of such request and (ii) such information as may be necessary to complete the annual audit of the Authority as required by the Act or any other law, now or hereafter in effect.

(c) This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties hereto and the subsequent holders of the Note and their respective successors and assigns. The representations, covenants and agreements contained herein shall continue notwithstanding the delivery of the Note to the Lender.

(d) If any provision of this Agreement shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof.

(e) This Agreement shall be governed by the applicable laws of the Commonwealth of Virginia. The Financing Instruments express the entire understanding among the parties, and none of such instruments may be modified except in writing signed by the parties thereto. No Financing Instrument may be modified without the written consent of the Lender.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their respective names, all as of the date first above written.

**ECONOMIC DEVELOPMENT AUTHORITY
OF ALBEMARLE COUNTY, VIRGINIA**

By: _____
W. Rod Gentry, Chairman

**THE BOARD OF SUPERVISORS OF THE
COUNTY OF ALBEMARLE, VIRGINIA, on
behalf of the COUNTY OF ALBEMARLE,
VIRGINIA**

By: _____
Jeff Richardson, County Executive

Approved as to form:

By: _____
Greg Kamptner, County Attorney

[LENDER]

By: _____
[_____]

FORM OF NOTE

REGISTERED _____ REGISTERED

R-1 _____ June [], 2020

UNITED STATES OF AMERICA

COMMONWEALTH OF VIRGINIA

ECONOMIC DEVELOPMENT AUTHORITY
OF ALBEMARLE COUNTY, VIRGINIA

Revenue Note (County Projects)
Series 2020

The Economic Development Authority of Albemarle County, Virginia, a political subdivision of the Commonwealth of Virginia (the “Authority”), for value received, hereby promises to pay, solely from the source and as hereinafter provided, to the order of [] or its registered assigns or legal representative (collectively, the “Lender”), the principal amount equal to the aggregate amount of principal advances hereunder up to SEVENTY-FIVE MILLION DOLLARS (\$75,000,000), subject to prepayment as hereinafter provided. Principal shall be payable in full at maturity on July 1, 2022. If principal advances up to \$75,000,000 are not made, the principal amount due on this Note shall not include such undisbursed amount.

The Authority also promises to pay, but solely from such source, interest on the aggregate amount of unpaid principal advances made hereunder and then outstanding, in monthly installments payable on the first day of each month, the first such payment becoming due on ~~July~~ August 1, 2020, at the Variable Rate, the Taxable Rate or the Default Rate (each as defined herein), as applicable (calculated on the basis of the number of days elapsed over a 360-day year), provided that the first interest installment payment shall include interest accrued from June [], 2020, through July 31, 2020.

If the date on which any payment is due with respect to this Note is not a Business Day (as defined herein), the payment shall be made on the next succeeding Business Day. All payments of principal and interest shall be made in lawful money of the United States in immediately available funds (a) at the office of the Lender in [], or (b) by wire transfer pursuant to the most recent wire instructions received by the Authority, without presentment or delivery except upon the final maturity hereof.

The amount and date of each advance shall be noted on a ledger maintained by the Lender for such purpose. In the absence of manifest error, all entries made in such ledger shall be prima facie evidence of the existence and amounts of the advances therein recorded; provided that the failure or delay of the Lender in maintaining or making entries into such ledger or any

error therein shall not in any manner affect the obligation of the Authority to repay the loan in accordance with the terms of the Loan Agreement (as defined herein) and this Note.

Authorization of Note

This Note is authorized and issued pursuant to the Industrial Development and Revenue Bond Act (Chapter 49, Title 15.2, Code of Virginia of 1950, as amended), a resolution adopted by the Authority on [June 9, 2020], and a Note Purchase and Loan Agreement dated as of June [___], 2020 (the “Loan Agreement”), between the Authority, the County of Albemarle, Virginia (the “County”), and the Lender, to finance the County Projects from time to time.

Security for Note; Limited Liability

Pursuant to the Loan Agreement, the County has undertaken to make payments to the Authority, which the Authority has assigned to the Lender as security for this Note, that will be sufficient to pay the principal of and interest on the Note as the same shall become due; provided, however, that the undertaking by the County to make such payments constitutes a current expense of the County that is subject to appropriation by the Board of Supervisors of the County from time to time of sufficient moneys for such purposes.

THE UNDERTAKING BY THE COUNTY TO MAKE PAYMENTS UNDER THE LOAN AGREEMENT CONSTITUTES NEITHER 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 LOAN AGREEMENT THAT THE COUNTY EXECUTIVE OR OTHER OFFICER CHARGED WITH THE RESPONSIBILITY FOR PREPARING THE COUNTY’S ANNUAL BUDGET SHALL INCLUDE IN THE COUNTY’S ANNUAL BUDGET PRESENTED TO THE BOARD OF SUPERVISORS AN APPROPRIATION OF THE AMOUNTS NECESSARY TO FUND THE AUTHORITY’S OBLIGATIONS UNDER THIS NOTE AND THE LOAN AGREEMENT, BUT THE COUNTY IS NOT OBLIGATED TO MAKE APPROPRIATIONS FOR SUCH PURPOSE. THE AUTHORITY SHALL HAVE NO OBLIGATION OR LIABILITY TO THE LENDER WITH RESPECT TO THE COUNTY’S OBLIGATIONS TO MAKE PAYMENTS UNDER THE LOAN AGREEMENT OR WITH RESPECT TO THE PERFORMANCE BY THE COUNTY OF ANY OTHER UNDERTAKING CONTAINED THEREIN.

THIS NOTE AND THE INTEREST HEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE REVENUES AND RECEIPTS DERIVED BY THE AUTHORITY FROM THE COUNTY PURSUANT TO THE LOAN AGREEMENT, WHICH REVENUES AND RECEIPTS HAVE BEEN PLEDGED AND ASSIGNED TO SECURE PAYMENT THEREOF. THIS NOTE 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 AUTHORITY AND THE COUNTY. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY POLITICAL SUBDIVISION

THEREOF, INCLUDING THE AUTHORITY AND THE COUNTY, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST HEREON 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 OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE COUNTY, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST HEREON OR OTHER COSTS INCIDENT HERETO.

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 DIRECTORS OF THE AUTHORITY NOR ANY OFFICER THEREOF EXECUTING THIS NOTE SHALL BE LIABLE PERSONALLY ON THIS NOTE OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE HEREOF.

Definitions

All capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Loan Agreement. The following defined terms shall have the following meanings in this Note:

“Base Rate” means a per annum rate equal to the greater of (a) the Prime Rate and (b) 2.50% plus the One Month Adjusted LIBOR Rate.

“Business Day” means a day on which banking business is transacted, but not including a Saturday, Sunday, legal holiday or any other day on which banking institutions are authorized by law to close in the Commonwealth of Virginia.

“Code” means the Internal Revenue Code of 1986, as amended, including applicable regulations and revenue rulings thereunder.

“Date of Default” means the date of the occurrence of an Event of Default.

“Date of Taxability” means the earliest date as of which interest on this Note shall have been determined to be includable in the gross income of the Lender as a result of a Determination of Taxability.

“Default Rate” means a per annum rate equal to 4.00% plus the Base Rate, but in no event shall such the Default Rate exceed the maximum rate permitted by law.

“Determination of Taxability” means the occurrence, after the date hereof, of (a) a final ruling or judgment entered by a state or federal court of competent jurisdiction or (b) an official and final action taken or announced by the Internal Revenue Service or by a federal or state official, in each case determining that an Event of Taxability has occurred; provided, however, that no such ruling or judgment or official action of the Internal Revenue Service or state official will be considered final for this purpose unless the Authority or the Lender has been given

written notice and, if it is so desired and is legally allowed, the Authority, at the direction of the County, and the Lender, as applicable, have been afforded the opportunity to contest the same, and until the conclusion of any appellate review, if sought.

“Event of Taxability” means the taking of any action by the Authority or the County, or the failure to take any action by the Authority or the County, or the making by the Authority or the County of any misrepresentation in any tax certificate required to be given in connection with the issuance, sale or delivery of this Note, any of which has the effect of causing interest paid or payable on this Note to become includable, in whole or in part, in the gross income of the registered owner or any prior registered owner for federal income tax purposes.

“LIBOR Reset Date” means the first day of each month, commencing _____, 2020.

[“Maximum Federal Corporate Rate” means the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect from time to time or, if as a result of a change in the Code, the rate of income taxation imposed on corporations generally shall not be applicable to the Lender, the maximum statutory rate of federal income taxation which could apply to the Lender. As of the date of this Note, the Maximum Federal Corporate Tax Rate is 21%.]

“One Month Adjusted LIBOR Rate” means [TO COME FROM LENDER] [Alternative to LIBOR – TBD] .

“Prime Rate” means [TO COME FROM LENDER].

“Taxable Period” means the period of time between (a) the Date of Taxability and (b) the date of the Determination of Taxability.

“Taxable Rate” means a per annum rate equal to [TO COME FROM LENDER]

“Variable Rate” means a per annum rate equal to 80% of the One Month Adjusted LIBOR Rate plus 56 basis points. The Variable Rate shall be adjusted monthly on each LIBOR Reset Date.

Interest Rate; Adjustments

From the date hereof to the Date of Taxability or the Date of Default, if any, interest on this Note shall be calculated based on the Variable Rate.

Upon a Determination of Taxability, then from the Date of Taxability and for as long as this Note remains outstanding, the interest rate used to calculate interest on this Note shall be the Taxable Rate. Subject to appropriation by the Board of Supervisors of sufficient moneys therefor and to the extent permitted by law, the County shall also pay to the Lender (a) an additional amount equal to the difference between (i) the amount of interest actually paid on this Note during the Taxable Period and (ii) the amount of interest that would have been paid during the Taxable Period had this Note borne interest at the Taxable Rate, ~~and~~ (b) an amount equal to any interest, penalties on overdue interest and other amounts owed under the Code by the Lender as a result of the Determination of Taxability and (c) any and all expenses that may be

incurred by the Lender in connection with the Authority's exercise of its right to contest any ruling, judgment or action determining that an Event of Taxability has occurred.

Upon the occurrence of an Event of Default, then from the Date of Default and for so long as the Event of Default is continuing, the interest rate used to calculate the interest on this Note shall be the Default Rate. If the Event of Default has been cured and the Loan Agreement has been reinstated, the interest rate used to calculate interest on this Note shall be reset to the Variable Rate on the date of such reinstatement.

Optional Prepayment

This Note shall be subject to prepayment prior to maturity at the option of the Authority upon the direction of the County, on any LIBOR Reset Date, in whole or in part, upon payment of 100% of the principal amount hereof to be prepaid plus interest accrued and unpaid to the date fixed for prepayment.

This Note is registered in the name of the holder hereof on the registration books kept by the Registrar designated pursuant to the Loan Agreement, which registration has been made in said registration books and endorsed hereon by the Registrar, and no registration of transfer hereof shall be valid unless made on said registration books at the written request of the holder as provided in the Loan Agreement.

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

IN WITNESS WHEREOF, the Economic Development Authority of Albemarle County, Virginia, has caused this Note to be signed by its [Vice-]Chairman, its seal to be affixed hereon and attested by its [Assistant] Secretary-Treasurer, and this Note to be dated the date first set forth above.

**ECONOMIC DEVELOPMENT AUTHORITY
OF ALBEMARLE COUNTY, VIRGINIA**

(SEAL) _____ By _____
Chairman

ATTEST:

Secretary-Treasurer

ASSIGNMENT

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

(Please print or type name and address, including zip code, of Transferee)

[PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF TRANSFEREE:]

: :
: :
: _____:

the within note and all rights thereunder, hereby irrevocably constituting and appointing

_____,
Attorney, to transfer said note on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed by an Eligible Guarantor Institution such as a Commercial Bank, Trust Company, Securities Broker/Dealer, Credit Union, or Savings Association who is a member of a medallion program approved by The Securities Transfer Association, Inc. _____

(Signature of Registered Owner
NOTICE: The signature above must correspond with the name of the registered owner as it appears on the front of this Note in every particular without alteration or enlargement or any change whatsoever.

TRANSFER OF NOTE

The transfer of this Note may be registered by the Lender or its duly authorized attorney or legal representative upon presentation hereof to the Registrar, who shall make note of such transfer in books kept by the Registrar for that purpose and in the registration blank below.

<u>Date of Registration</u>	<u>Name of Registered Owner</u>	<u>Signature of Registrar</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

FORM OF DISBURSEMENT REQUEST

Pursuant to Section [8(b)] of the Note Purchase and Loan Agreement dated as of June [___], 2020 (the "Loan Agreement"), between the Economic Development Authority of Albemarle County, Virginia (the "Authority"), and [_____], as holder of the Authority's Revenue Note (County Projects), Series 2020 (the "Note"), I hereby request disbursement of \$_____ principal amount under the Note to be paid to _____ (vendor or County) on _____, 20___, and certify as follows:

1. The representations and warranties of the County contained in the Loan Agreement or any document furnished at any time under or in connection herewith or therewith, are true and correct in all material respects on and as of the date of such Advance, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they were true and correct as of such earlier date.

2. No event or condition exists that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default under the Loan Agreement.

3. The undersigned is an Authorized County Representative and is authorized to sign this disbursement request on behalf of the County.

All capitalized terms used but not otherwise defined herein shall have the meanings given them in the Loan Agreement.

**BOARD OF SUPERVISORS OF THE
COUNTY OF ALBEMARLE, VIRGINIA, ON
BEHALF OF THE COUNTY OF
ALBEMARLE, VIRGINIA**

By: _____

CLOSING MEMORANDUM

[To be Attached]

Summary report:	
Litera® Change-Pro for Word 10.9.0.460 Document comparison done on 6/2/2020 3:05:04 PM	
Style name: Firm Standard	
Intelligent Table Comparison: Active	
Original DMS: iw://EMFUS.HUNTON.COM/HW_US/80468613/4	
Modified DMS: iw://EMFUS.HUNTON.COM/HW_US/80468613/5	
Changes:	
Add	8
Delete	6
Move From	0
Move To	0
Table Insert	0
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	14