

December 7, 2021

VIA E-MAIL

Economic Development Authority of Albemarle County, Virginia
401 McIntire Road, Suite 130
Charlottesville, Virginia 22902
Attention: J.T. Newberry

**Economic Development Authority of Albemarle County, Virginia
Residential Care Facility Revenue and Refunding Bonds
(Westminster-Canterbury of the Blue Ridge), Series 2022
Financing Request**

Dear Mr. Newberry:

On behalf of Westminster-Canterbury of the Blue Ridge (the "Applicant") we ask that the Economic Development Authority of Albemarle County, Virginia (the "Authority") consider issuing one or more series of revenue bonds (the "Series 2022 Bonds") for the benefit of the Applicant.

Applicant and Community Background

The Applicant owns and operates a life plan community called "Westminster-Canterbury of the Blue Ridge" at 250 Pantops Mountain Road in Albemarle County, Virginia (the "Community"), which is also the Applicant's principal place of business. The Applicant is recognized as a non-profit organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Tax Code").

The Community is located in the Rivanna District of Albemarle County, in the area known as Pantops. The Community's original buildings were constructed in 1989 and have been expanded and renovated since that time. The Community consists of residential apartments and cottages, licensed care areas to provide assisted living, memory care, rehabilitation and skilled nursing care, as well as multiple common areas.

Proposed Project

The Applicant requests that the Authority issue the Series 2022 Bonds:

(1) to refinance the Authority's Residential Care Facility Mortgage Revenue Bonds (Westminster-Canterbury of the Blue Ridge), Series 2012A (the "2012A Bonds"), proceeds of which were used to finance (a) certain capital improvements at the Community and (b) a debt

service reserve fund, capitalized interest and costs of issuance in connection with the issuance of the 2012A Bonds;

(2) to refinance the Authority's Residential Care Facility Mortgage Revenue and Refunding Bond (Westminster-Canterbury of the Blue Ridge), Series 2016A and Residential Care Facility Mortgage Revenue Refunding Bond (Westminster-Canterbury of the Blue Ridge), Series 2016B (collectively, the "2016 Bonds"), proceeds of which were used to (a) finance certain capital improvements at the Community, (b) refinance existing debt of the Borrower that refinanced the costs of certain improvements at the Community, and (c) finance a debt service reserve fund, capitalized interest and costs of issuance in connection with the 2016 Bonds; and

(3) to finance other capital projects at the Community all within the existing structures or existing parking facilities located at the Community and amounts required for reserves, working capital, capitalized interest, costs of issuance and other financing expenses related to the issuance of the Bonds.

Proposed Financing Transaction

As of the date hereof, the Applicant expects that this project will be a "refunding" transaction to refinance all of the 2012A Bonds, which are outstanding in the approximate amount of \$17.5 million, and all of the 2016 Bonds, which are outstanding in the approximate amount of \$42.5 million. Such refunding will help the Applicant take advantage of the currently attractive interest rate environment. Additionally, the Applicant seeks to adjust the amortization of its refunded debt to increase its future strategic capital capacity, which adjustment is expected to decrease the Applicant's annual debt service by approximately \$2.5 million per year over the next 10 years.

However, there is also a potential "new money" component of the transaction to finance certain capital projects at the Community, which will help the Applicant remain competitive in its market and better serve its residents.

The Applicant expects that the Series 2022 Bonds will be sold through a negotiated, public sale, with B.C. Ziegler and Company (the "Underwriter") serving as the underwriter for the Series 2022 Bonds. The Series 2022 Bonds would be issued in two series both of which would bear interest at a fixed rate.

The Applicant anticipates that the Series 2022 Bonds would be issued under separate Bond Trust Indentures between the Authority and U.S. Bank National Association, as bond trustee. The Applicant further anticipates that the Authority would loan of the proceeds of the Series 2022 Bonds to the Application under separate Loan Agreements between the Authority and the Applicant.

The Applicant requests that McGuireWoods LLP serve as bond and borrower's counsel for this financing. The Applicant expects that the Underwriter will have Womble Bond Dickinson (US) LLP serve as underwriter's counsel for the financing.

Bond Financing Eligibility

The Series 2022 Bonds that the Applicant is requesting the Authority issue would be "qualified 501(c)(3) bonds" under the Tax Code, which are a type of bonds that benefit from being able to issued as tax-exempt.

The proposed financing and project are eligible for financing from the Authority under 15.2-4907 of the Code of Virginia of 1950, as amended (the "Virginia Code") because the Community would qualify as an "authority facility" under 15.2-4902 of the Virginia Code.

As "qualified 501(c)(3) bonds" the Series 2022 Bonds would be exempt from the volume cap requirements of the Tax Code.

Authority Approval

We request that you consider the issuance of the Series 2022 Bonds for the benefit of the Applicant.

Anna Buchanan, Chief Financial Officer and Treasurer of the Applicant; Gary Selmeczi, President and Chief Executive Officer of the Application; T.W. Bruno and Anne Curtis Saunders, both counsel to the Applicant and Bond Counsel, will attend the meeting, and will be available to answer any questions regarding the project, the Community and the financing structure for the Series 2022 Bonds.

The Applicant is very appreciative of the Authority's assistance on this matter, having enjoyed a long relationship with the Authority.

If you have any questions prior to the meeting, please feel free to contact me at 804-775-4397. Thank you for your consideration.

Sincerely,



Anne Curtis Saunders

Enclosures

RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF ALBEMARLE COUNTY, VIRGINIA, PROVIDING INITIAL APPROVAL OF THE ISSUANCE OF UP TO \$73,000,000 OF REVENUE BONDS FOR THE BENEFIT OF WESTMINSTER-CANTERBURY OF THE BLUE RIDGE

A. The Economic Development Authority of Albemarle County, Virginia (the "Authority"), is empowered by the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the "Act"), to issue its revenue bonds to finance or refinance the construction and equipping of facilities for the residence or care of the aged to protect and promote the health and welfare of the inhabitants of the Commonwealth of Virginia;

B. The Authority has received a request from Westminster-Canterbury of the Blue Ridge, a Virginia nonstock corporation (the "Borrower"), to issue its revenue bonds (the "Bonds"), in one or more series at one time or from time to time, to provide funds to make a loan to the Borrower:

(1) to refinance the Authority's Residential Care Facility Mortgage Revenue Bonds (Westminster-Canterbury of the Blue Ridge), Series 2012A (the "2012A Bonds"), proceeds of which were used to finance (a) certain capital improvements at the Borrower's existing residential care retirement community located at 250 Pantops Mountain Road in Albemarle County, Virginia (the "Community") and (b) a debt service reserve fund, capitalized interest and costs of issuance in connection with the issuance of the 2012A Bonds;

(2) to refinance the Authority's Residential Care Facility Mortgage Revenue and Refunding Bond (Westminster-Canterbury of the Blue Ridge), Series 2016A and Residential Care Facility Mortgage Revenue Refunding Bond (Westminster-Canterbury of the Blue Ridge), Series 2016B (collectively, the "2016 Bonds"), proceeds of which were used to (a) finance certain capital improvements at the Community, (b) refinance existing debt of the Borrower that refinanced the costs of certain improvements at the Community, and (c) finance a debt service reserve fund, capitalized interest and costs of issuance in connection with the 2016 Bonds; and

(3) to finance other capital projects at the Community all within the existing structures or existing parking facilities located at the Community and amounts required for reserves, working capital, capitalized interest, costs of issuance and other financing expenses related to the issuance of the Bonds. Items (1) through (3) above are collectively referred to as the "Plan of Finance".

C. Preliminary plans for the Plan of Finance have been described to the Authority and a public hearing has been held as required by Section 147(f) of the Code and Section 15.2-4906 of the Code of Virginia of 1950, as amended; and

D. The Borrower has represented that the estimated cost of undertaking the Plan of Finance will require an issue of Bonds, in one or more series at one time or from time to time, in the aggregate principal amount not to exceed \$73,000,000.

NOW, THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF ALBEMARLE COUNTY, VIRGINIA:

1. It is hereby found and determined that the Plan of Finance will be in the public interest and will promote the commerce, safety, health, welfare, convenience or prosperity of the Commonwealth of Virginia, Albemarle County, Virginia (the "County"), and their citizens and in particular will promote the providing of health care facilities and other facilities for the residence and care of the aged in accordance with their special needs.

2. The Authority hereby agrees to assist the Borrower in undertaking the Plan of Finance by issuing its Bonds, in one or more series at one time or from time to time, in an aggregate principal amount not to exceed \$73,000,000 upon terms and conditions mutually agreeable to the Authority and the Borrower. The Bonds will be issued pursuant to documents satisfactory to the Authority. The Bonds may be issued in one or more series at one time or from time to time.

3. It having been represented to the Authority that it is necessary to proceed immediately with the Plan of Finance, and the planning therefor, the Authority agrees that the Borrower may proceed with the Plan of Finance, enter into contracts for land, construction, materials and equipment for the Plan of Finance, and take such other steps as it may deem appropriate in connection with the Plan of Finance, provided, however, that nothing in this resolution shall be deemed to authorize the Borrower to obligate the Authority without its consent in each instance to the payment of any moneys or the performance of any acts in connection with the Plan of Finance. The Authority agrees that the Borrower may be reimbursed from the proceeds of the Bonds for all expenditures and costs so incurred by it, provided such expenditures and costs are properly reimbursable under the Act and applicable federal laws.

4. At the request of the Borrower, the Authority approves McGuireWoods LLP, Richmond, Virginia, as Bond Counsel in connection with the issuance of the Bonds.

5. The Bonds shall provide that neither the Commonwealth of Virginia nor any political subdivision thereof, including the Authority and the County, shall be obligated to pay the obligations under the Bonds except from the revenues, receipts and payments pledged thereof, and that 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 such obligations.

6. All costs and expenses in connection with the undertaking of the Plan of Finance, including the fees and expenses of Bond Counsel and Authority Counsel, shall be paid by the Borrower or, to the extent permitted by applicable law, from the proceeds of the Bonds. If for any reason such bonds are not issued, it is understood that all such expenses shall be paid by the Borrower and that the Authority shall have no responsibility therefor.

7. The Authority recommends that the governing body of the County approve the issuance of the Bonds for the purpose of undertaking the Plan of Finance.

8. No Bonds may be issued pursuant to this resolution until such time as the issuance of the Bonds has been approved by the governing body of the County.

9. This resolution shall be effective immediately.

10. The authorizations granted in this resolution shall continue in full force and effect for a period of one year after adoption, unless specifically extended by the Authority.

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CERTIFICATE

The undersigned Secretary of the Economic Development Authority of Albemarle County, Virginia (the "Authority"), hereby certifies that the foregoing is a true, correct and complete copy of a resolution adopted by a majority of the Directors of the Authority at a meeting duly called and held on December 14, 2021, in accordance with law, and that such resolution has not been repealed, revoked, rescinded or amended but is in full force and effect on the date hereof.

WITNESS the following signature and seal of the Authority as of December 14, 2021.

Secretary, Economic Development Authority of
Albemarle County, Virginia

**RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF
ALBEMARLE COUNTY, VIRGINIA, AUTHORIZING THE ISSUANCE
OF REVENUE BONDS IN AN AMOUNT UP TO \$73,000,000 FOR THE
BENEFIT OF WESTMINSTER-CANTERBURY OF THE BLUE RIDGE**

A. The Economic Development Authority of Albemarle County, Virginia (the "Authority") is empowered by the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the "Act"), to issue its revenue bonds to finance or refinance the construction and equipping of facilities for the residence or care of the aged to protect and promote the health and welfare of the inhabitants of the Commonwealth of Virginia.

B. The Authority has received a request from Westminster-Canterbury of the Blue Ridge, a Virginia nonstock corporation (the "Borrower"), to issue its revenue bonds (the "Bonds"), in one or more series at one time or from time to time, to provide funds to make a loan to the Borrower:

(1) to refinance the Authority's Residential Care Facility Mortgage Revenue Bonds (Westminster-Canterbury of the Blue Ridge), Series 2012A (the "2012A Bonds"), proceeds of which were used to finance (a) certain capital improvements at the Borrower's existing residential care retirement community located at 250 Pantops Mountain Road in Albemarle County, Virginia (the "Community") and (b) a debt service reserve fund, capitalized interest and costs of issuance in connection with the issuance of the 2012A Bonds;

(2) to refinance the Authority's Residential Care Facility Mortgage Revenue and Refunding Bond (Westminster-Canterbury of the Blue Ridge), Series 2016A and Residential Care Facility Mortgage Revenue Refunding Bond (Westminster-Canterbury of the Blue Ridge), Series 2016B (collectively, the "2016 Bonds"), proceeds of which were used to (a) finance certain capital improvements at the Community, (b) refinance existing debt of the Borrower that refinanced the costs of certain improvements at the Community, and (c) finance a debt service reserve fund, capitalized interest and costs of issuance in connection with the 2016 Bonds; and

(3) to finance other capital projects at the Community all within the existing structures or existing parking facilities located at the Community and amounts required for reserves, working capital, capitalized interest, costs of issuance and other financing expenses related to the issuance of the Bonds. Items (1) through (3) above are collectively referred to as the "Plan of Finance".

C. The Authority may issue one or more series of Bonds under one or more Bond Trust Indentures (each a "Bond Indenture"), between the Authority and a bond trustee to be selected by the Borrower (the "Bond Trustee"). The Authority will loan the proceeds of the Bonds to the Borrower under one or more Loan Agreements (each a "Loan Agreement"), between the Authority and the Borrower.

D. To evidence the Borrower's obligations under the Loan Agreements, the Borrower will execute and deliver one or more promissory notes to secure the applicable series of Bonds (each a "Note"). The Authority will assign each Note to the applicable Bond Trustee under the applicable Bond Indenture.

E. The Bonds are expected to be offered for sale by B.C. Ziegler and Company ("Ziegler"), or a group of underwriters managed by such firm (collectively the "Underwriters"), under one or more Bond Purchase Agreements (each a "Bond Purchase Agreement") dated the date of its execution and delivery, among the Authority, the Borrower and Ziegler on behalf of itself or as a representative for the Underwriters.

F. The Bonds offered for sale by the Underwriters will be accompanied by a disclosure document in the form of an official statement in preliminary form to be dated the date of its delivery (the "Preliminary Official Statement"), prepared under the direction of the Borrower in connection with the offering and sale of those series of Bonds.

G. The Bonds are expected to be sold to the Underwriters pursuant to the terms of the Bond Purchase Agreements; provided that (1) the aggregate principal amount of the Bonds shall not exceed \$73,000,000, (2) the final maturity of the Bonds shall not be later than 35 years after the date of issuance of the Bonds, (3) the Bonds may bear interest at variable or fixed rates (as directed by the Borrower), (4) the interest rate on any fixed rate Bonds shall not exceed 4.50% per annum and (5) the initial rate on any variable rate Bonds shall not exceed 4.50% per annum (collectively, the "Bond Terms").

H. There have been presented to this meeting the preliminary forms of the following instruments, which the Authority, if a party thereto, proposes to execute to carry out the transactions described above, copies of which have been filed with the records of the Authority:

- (a) Bond Indenture, including the forms of the Bonds;
- (b) Loan Agreement;
- (c) Note, with the Authority's assignment thereof;
- (d) Bond Purchase Agreement; and
- (e) Preliminary Official Statement.

I. The documents listed in (H) are referred to below as the "Authority Documents."

NOW, THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF ALBEMARLE COUNTY, VIRGINIA:

1. It is hereby found and determined that the Plan of Finance will be in the public interest and will promote the commerce, safety, health, welfare, convenience or prosperity of the Commonwealth of Virginia, Albemarle County, Virginia (the "County") and their citizens and in particular will promote the provision of health care facilities and other facilities for the residence and care of the aged in accordance with their special needs.

2. The issuance of the Bonds, in one or more series, for the purpose of undertaking the Plan of Finance is hereby approved. The Bonds shall be in substantially the form attached to the Bond Indenture.

3. The Bonds and the Authority Documents are hereby approved in substantially the forms submitted to this meeting, with such changes, insertions or omissions (including, without limitation, changes of the dates thereof) consistent with the Bond Terms as may be approved by the Chair or the Vice Chair of the Authority (either of whom may act), whose approval will be evidenced conclusively by the execution and delivery of the Bonds.

4. The Chair and Vice Chair of the Authority (either of whom may act) are each hereby authorized and directed to execute and deliver the Bonds in accordance with the Authority Documents upon approval of their final form, terms and conditions consistent with the Bond Terms. The Chair and the Vice Chair of the Authority (either of whom may act) are each authorized to approve the number of series, interest rates, maturities, redemption provisions, put provisions and other terms of the Bonds, consistent with the Bond Terms, with the inclusion of such terms in the Bond Purchase Agreements being conclusive evidence of such approval. The sale of the Bonds to the Underwriters pursuant to the Bond Purchase Agreements is hereby approved and authorized provided such sale shall be consistent with the Bond Terms.

5. The use and distribution by the Underwriters of the Preliminary Official Statement in the form on file with the Authority are in all respects authorized, ratified and approved. For purposes of Rule 15c2-12 of the Securities and Exchange Commission, the Chair or Vice Chair of the Authority, either of whom may act, are authorized to deem the Preliminary Official Statement relating to the Bonds final except for information permitted to be omitted under paragraph (b)(1) of such Rule. The Chair and Vice Chair of the Authority, either of whom may act, are authorized and directed to deliver the Authority's approval of the final Official Statement and any supplements thereto updating information in connection with the Bonds (the "Official Statement") upon approval of its form, terms and conditions. Such officer's delivery shall constitute conclusive evidence of his approval of such form, terms and conditions. The delivery of the final Official Statement shall constitute conclusive evidence that the Official Statement has been deemed final within the meaning of Rule 15c2-12.

6. The Official Statement and its use and distribution by the Underwriters are hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement submitted to this meeting, which is hereby approved, with such completions, omissions, insertions and changes as may be approved by the Chair or Vice Chair, whose delivery thereof shall constitute conclusive evidence of his approval of such form, terms and conditions.

7. The Chair and the Vice Chair of the Authority (either of whom may act) are each hereby authorized to execute on behalf of the Authority the Bonds and the Authority Documents to which the Authority is a party, and the Secretary and the Assistant Secretary of the Authority are each hereby authorized to affix the seal of the Authority to the Bonds and, if required, the Authority Documents and to attest such seal. The signatures of the Chair, the Vice Chair, the Secretary and the Assistant Secretary and the seal of the Authority may be by facsimile. Each officer of the Authority is hereby authorized to execute and deliver on behalf of the Authority such instruments, documents or certificates and to do and perform such things and acts, as he or she deems necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Bonds, the Authority Documents or such instruments, documents or

certificates, and all of the foregoing, previously done or performed by such officers of the Authority, are in all respects approved, ratified and confirmed.

8. The Bonds and the Authority Documents shall provide that neither the Commonwealth of Virginia nor any political subdivision thereof, including the Authority and the County, shall be obligated to pay the obligations under the Bonds and the Authority Documents except from the revenues, receipts and payments pledged therefor, and that 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 such obligations.

9. All costs and expenses in connection with the undertaking of the Plan of Finance, including the fees and expenses of Bond Counsel and Authority Counsel, shall be paid by the Borrower or, to the extent permitted by applicable law, from the proceeds of the Bonds. If for any reason no bond is issued, it is understood that all such expenses shall be paid by the Borrower and that the Authority shall have no responsibility therefor.

10. At the request of the Borrower, the Authority hereby approves McGuireWoods LLP, as bond counsel in connection with the issuance of each series of Bonds.

11. This resolution shall be effective immediately.

12. The authorizations granted in this resolution shall continue in full force and effect for a period of one year after adoption, unless specifically extended by the Authority.

[Signature Page Follows]

CERTIFICATE

The undersigned Secretary of the Economic Development Authority of Albemarle County, Virginia (the "Authority"), hereby certifies that the foregoing is a true, correct and complete copy of a resolution adopted by a majority of the Directors of the Authority at a meeting duly called and held on December 14, 2021, in accordance with law, and that such resolution has not been repealed, revoked, rescinded or amended but is in full force and effect on the date hereof.

WITNESS the following signature and seal of the Authority as of December 14, 2021.

Secretary, Economic Development Authority of
Albemarle County, Virginia