

FORM OF AMENDED AND RESTATED BOND

R-1

UNITED STATES OF AMERICA
 COMMONWEALTH OF VIRGINIA
 ECONOMIC DEVELOPMENT AUTHORITY
 OF ALBEMARLE COUNTY, VIRGINIA

Revenue Refunding Bond
 (The Covenant School, Inc.), Series 2013

Original Issuance Date	Amended and Restated Date	Original Principal Amount	Current Principal Amount Outstanding
April 4, 2013	March 1, 2023	\$7,250,000	\$_____

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 Truist Commercial Equity, inc. (formerly STI Institutional & Government, Inc.) (together with any successor registered holder of this Bond, the "Bondholder"), at its principal office in Charlottesville, Virginia, or at such other place as the holder of this Bond may in writing designate, in lawful money of the United States of America, the principal amount of \$_____, together with interest on the outstanding and unpaid principal amount as set forth below. The Bond shall mature on April 1, 2038, subject to prior redemption or purchase, and the principal amount of this Bond shall be payable in monthly installments on the respective due dates and in the respective amounts as set forth in Schedule A hereto.

On the date hereof and on each succeeding Interest Rate Determination Date, the interest rate on this Bond shall be established by the Bondholder at a rate equal to the applicable interest rate. The Interest Rate Determination Date shall mean the first day of each Interest Period (as defined in the Agreement). Interest on this Bond shall be calculated on the basis of 360 days applied to the actual number of days elapsed. The determination by the Bondholder of the interest rate (absent manifest error) shall be conclusive and binding upon the Authority and the Borrower.

Notwithstanding the foregoing:

1. From the date hereof to the date of the Determination of Taxability, if any, interest on the Bond shall be calculated based on the Adjusted SOFR Rate. Upon the occurrence of a Determination of Taxability, then, from and after such date on which the Determination of Taxability occurred, the interest rate used to calculate interest on the Bond shall be the Taxable Adjusted SOFR Rate. From and after the occurrence of an Event of Default, until such time as the Event of Default has been remedied or otherwise waived by the Bondholder, the Bond shall bear interest at the Default Rate.

2. If at any time after the date hereof there should be any change in the maximum marginal rate of federal income tax applicable to the taxable income of the Bondholder, its successors or assigns ("Bondholder Tax Rate"), then the Adjusted SOFR Rate in effect hereunder from time to time as herein provided, shall be adjusted by the Bondholder (upward or downward, as the case may be), effective as of

the effective date of any such change in the Bondholder Tax Rate, by multiplying the Adjusted SOFR Rate by a fraction, the denominator of which is one hundred percent (100%) minus the Bondholder Tax Rate in effect upon the date hereof, and the numerator of which is one hundred percent (100%) minus the Bondholder Tax Rate after giving effect to such change.

3. In the event the Bondholder determines in its sole discretion that the Bondholder cannot make, fund, or maintain a loan based upon the Benchmark due to illegality or the inability to ascertain or determine said rate on the basis provided for herein ("Unavailability Period") and a Benchmark Transition Event has not occurred, then at the election of the Bondholder the Benchmark shall convert to the Alternative Benchmark Rate for purposes of calculating the Adjusted SOFR Rate and, if applicable, the Taxable Adjusted SOFR Rate, on the then outstanding principal balance and for interest accruing on any fundings or advances requested by Borrower and, thereafter, the Adjusted SOFR Rate and, if applicable, the Taxable Adjusted SOFR Rate, shall adjust simultaneously with any fluctuation in the Alternative Benchmark Rate. In the event the Bondholder determines that the circumstances giving rise to the Unavailability Period have ended, at such time as determined by the Bondholder, the Benchmark will revert to the prior Benchmark (provided a Benchmark Transition Event has not occurred). The Bondholder shall provide notice, which may be after the implementation of the Alternative Benchmark Rate as contemplated hereunder, to Borrower of any Benchmark change that is made pursuant to this paragraph (3). For avoidance of doubt, following conversion to the Alternative Benchmark Rate under this paragraph (3), the reference to "Benchmark" in the definitions of "Adjusted SOFR Rate" and "Taxable Adjusted SOFR Rate" shall be deemed and interpreted to mean the Alternative Benchmark Rate. The Spread and minimum rate, if any, shall continue to apply.

4. In no instance will the applicable interest rate on the Bond exceed the maximum rate permitted by applicable law.

In the event the Bondholder determines in its sole discretion that (i) there is a public announcement by the administrator of a Benchmark or a Relevant Governmental Body that such Benchmark will cease or has ceased to be published; (ii) a public announcement is made by the administrator of a Benchmark or any Relevant Governmental Body that the Benchmark is no longer representative; or (iii) a Relevant Governmental Body has determined that the Bondholder may no longer utilize the Benchmark for purposes of setting interest rates (each a "Benchmark Transition Event"); the Bondholder will have no obligation to make, fund or maintain a loan based on the Benchmark and on a date and time determined by the Bondholder, without any further action or consent of by Borrower or amendment to the Bond or any other Bond Document, the first available alternative set forth in the order below that can be determined by the Bondholder shall replace the Benchmark (the "Successor Rate"):

- (x) Relevant Governmental Body Recommended Rate; or
- (y) Alternative Benchmark Rate.

In connection with the implementation of a Successor Rate, the Bondholder will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Bond Document, any amendments implementing such Successor Rate or Conforming Changes will become effective without any further action or consent of Borrower. Notwithstanding anything else herein, if at any time any Successor Rate as so determined would otherwise be less than zero percent (0%), the Successor Rate will be deemed to be zero percent (0%). For avoidance of doubt, following the implementation of a Successor Rate, the reference to "Benchmark" in the definitions of "Adjusted SOFR Rate" and "Taxable Adjusted SOFR Rate" shall be deemed and interpreted to mean the Successor Rate. The Spread and minimum rate, if any, shall continue to apply.

The Bondholder will notify (in one or more notices) Borrower of the implementation of any Successor Rate. Any determination or decision that may be made by the Bondholder pursuant to this Section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in the Bondholder's sole discretion and without consent from Borrower.

"Adjusted SOFR Rate" means the rate of interest per annum equal to the sum obtained by adding (i) the product of (x) 81.43% and (y) the Benchmark (provided that if said rate would be less than 0%, then it shall be deemed to be 0%), plus (ii) the Spread, which shall be adjusted with changes in the Benchmark. The Adjusted SOFR Rate shall adjust monthly on the first day of each Interest Period. Any change in the Adjusted SOFR Rate due to a change in the Benchmark shall be effective from and including the effective date of such change in the Benchmark without notice to Borrower.

"Alternative Benchmark Rate" means a rate of interest per annum equal to the Prime Rate minus two and 5/10 percent (2.5%) which shall adjust daily with changes in the Prime Rate.

"Benchmark" means initially Term SOFR, and upon the Bondholder's determination under Section 2(a) hereof, will thereafter be the then-current Successor Rate.

"Conforming Changes" means, with respect to any Successor Rate, any technical, administrative or operational changes (including changes to the definitions such as "U.S. Government Securities Business Day," "Interest Period," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions and other technical, administrative or operational matters) that the Bondholder decides may be appropriate to reflect the adoption and implementation of such Successor Rate and to permit the administration thereof by the Bondholder in a manner the Bondholder decides is reasonably necessary in connection with the administration of the Bond and the other Bond Documents.

"Bond Documents" has the meaning set forth in the Agreement.

"Default Rate" means the greater of (i) a fluctuating interest rate equal to 2.00% per annum above the Prime Rate in effect from time to time and (ii) 6.00% per annum.

"Determination Day" means that date which is (i) two U.S. Government Securities Business Days prior to the first day of the Interest Period if such day is a U.S. Government Securities Business Day or (ii) if the first day of the Interest Period is not a U.S. Government Securities Business Day then two U.S. Government Securities Business Days prior to the U.S. Government Securities Business Day immediately preceding the commencement of the Interest Period.

"Interest Period" means the one month period commencing on the first day of each month and each subsequent period shall commence on the first day of each month; provided that the first Interest Period shall commence on the date the Bond is first issued and end on the last day of the month in which the Bond is issued.

"Prime Rate" means the interest rate announced by Truist Bank from time to time as its prime rate. Any change in the Prime Rate shall be effective as of the date such change is announced by Truist Bank.

"Relevant Governmental Body" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

"Relevant Governmental Body Recommended Rate" means, in respect of any relevant day, the rate (inclusive of any spreads or adjustments which may be positive or negative) recommended as the replacement for the Benchmark by the Relevant Governmental Body (which rate may be produced by the Federal Reserve Bank of New York or another administrator).

"Spread" means (i) while the Bond accrues interest at the Adjusted SOFR Rate, 1.58% per annum, and (ii) while the Bond accrues interest at the Taxable Adjusted SOFR Rate, 1.94% per annum.

"Taxable Adjusted SOFR Rate" means the rate of interest per annum equal to the sum obtained by adding (i) the Benchmark (provided that if said rate would be less than 0%, then it shall be deemed to be 0%), plus (ii) the Spread, which shall be adjusted with changes in the Benchmark. The Taxable Adjusted SOFR Rate shall adjust monthly on the first day of each Interest Period. Any change in the Taxable Adjusted SOFR Rate due to a change in the Benchmark shall be effective from and including the effective date of such change in the Benchmark without notice to Borrower.

"Term SOFR" means the Term SOFR reference rate for a one month tenor as administered by the Term SOFR Administrator and quoted by Bloomberg Finance L.P., or any quoting service or commonly available source utilized by the Bondholder on the Determination Day; provided that if as of 5:00 p.m. (New York time) on the Determination Day, Term SOFR for such tenor has not been published by the Term SOFR Administrator, then the rate used will be Term SOFR for such tenor as published by the Term SOFR Administrator for the immediately preceding U.S. Government Securities Business Day on which such rate was published on the Term SOFR Administrator's website so long as such immediately preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Determination Day.

"Term SOFR Administrator" means CME Group Benchmark Administration Limited or a successor administrator of the Term SOFR Reference Rate selected by the Bondholder in its sole discretion.

"U.S. Government Securities Business Day" means any day except for (i) a Saturday, (ii) a Sunday, or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

Accrued interest on this Bond shall be paid monthly, in arrears, commencing on the first Business Day of February, 2023, and shall continue on the first Business Day of each calendar month thereafter until the entire unpaid principal balance of this Bond is paid. On April 1, 2038, the entire unpaid principal amount of this Bond, and all accrued interest thereon, shall be due and payable, if not sooner paid hereunder.

This Bond and the interest hereon are limited obligations of the Authority payable solely from the revenues and moneys derived by the Authority from the repayment of the loan by the Authority to the Borrower of the proceeds from the sale of this Bond pursuant to the Agreement (as defined below), which revenues and moneys have been pledged and assigned to secure payment hereof. THIS BOND AND THE INTEREST HEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND ALBEMARLE COUNTY. NEITHER THE COMMONWEALTH OF

VIRGINIA NOR ANY POLITICAL SUBDIVISION THEROF, INCLUDING THE AUTHORITY AND ALBEMARLE COUNTY, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE REVENUES AND MONEYS 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 ALBEMARLE COUNTY, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT THERETO. 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 directors of the Authority nor any officer thereof executing this Bond shall be liable personally on this Bond or be subject to any personal liability or accountability by reason of the issuance hereof.

This Bond is authorized and issued pursuant to the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2 of the Code of Virginia of 1950, as amended and in effect from time to time) for the purpose of refinancing the Authority's Educational Facilities Revenue Bonds (The Covenant School, Inc.), Series 2001, issued by the Authority to finance the construction and equipping of an upper school educational facility located in Albemarle County, Virginia (the "Project") owned and operated by The Covenant School, Inc. (the "Borrower"), pursuant to a Bond Purchase and Loan Agreement dated as of March 1, 2013, as amended by a First Amendment to Bond Purchase and Loan Agreement dated as of February __, 2023 (collectively, the "Agreement") among the Authority, the Borrower and the Bondholder. Reference is hereby made to the Agreement for a description of the provisions, among others, with respect to the nature and extent of the security for this Bond, additional amounts payable thereunder the rights, duties and obligations of the Authority and the rights of the holder of this Bond with respect thereto.

If any payment hereunder shall be due on a date which is not a Business Day (as defined in the Agreement), such payment shall be made on the next succeeding Business Day.

Upon 30 calendar days' prior written notice to the Bondholder, the Authority at the direction of the Borrower may prepay amounts owing under this Bond at any time and from time to time, without premium. Such prepayment notice shall specify the amount of the prepayment which is to be applied. Any partial prepayment shall be applied to installments of principal in the inverse order of maturity and shall not postpone the due dates of, or relieve the amounts of, any scheduled installment payments due hereunder. Any amounts repaid hereunder may not be re-borrowed.

On each Optional Put Date as defined in the Agreement, this Bond is subject to optional tender for purchase, by the holder hereof, on not less than 120 days' notice to the Borrower and the Authority, as and to the extent provided in the Agreement.

Upon default in the payment when due of any installment of principal of or interest (including supplemental interest) on this Bond and the continuation of such default, or upon the occurrence and continuation of an Event of Default under the Agreement, the holder or this Bond may at its option declare the entire principal balance and all accrued interest hereon to be due and payable immediately.

Ownership of this Bond may be transferred only by surrender hereof to the Authority and the issuance of this Bond or a replacement therefore to the transferee by the Authority. The Authority shall not be required to effect any such transfer unless properly indemnified for its expenses related to such transfer (including reasonable attorneys' fees) by the prospective transferee.

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

IN WITNESS WHEREOF, the Authority has caused this Bond to be signed by its Chairman or Vice-Chairman and its seal to be affixed hereon and attested by its Secretary or Assistant Secretary this ____ day of February 2023.

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

By: _____
Its: Chairman

(SEAL)

ATTEST:

Its: Secretary

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, endorses without recourse and transfers unto _____

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE OF ASSIGNEE)

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF TRANSFEREE

the within Bond and all rights hereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Dated: _____

By: _____

NOTICE: the signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

IN THE PRESENCE OF:

NOTICE: Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Paying Agent, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Paying Agent in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Please affix signature guarantee ink stamp below with appropriate signature, title of officer and date.

MONTHLY AMORTIZATION SCHEDULE