

Economic Development Authority of Albemarle County, Virginia

Tax-Exempt Bond Anticipation Note Draw-Down Line of Credit, Series 2020

Summary of Terms and Conditions

May 21, 2020

This Summary of Terms and Conditions (the “Term Sheet”) is confidential and is intended as a statement of indicative terms only, and is provided to facilitate additional discussion. It is a proposal for your consideration only and not a commitment by JPMorgan Chase Bank, N. A. or its affiliates (“JPMorgan”) to provide the financing described in this Term Sheet or any other financing. The rates and fees set forth in this proposal are indicative and are subject to market conditions at all times until JPMorgan would commit to them in writing and, in any event should not be regarded as indicative after the date of this Term Sheet. Subject to the foregoing, the terms in this proposal expire on **June 4, 2020**.

PRINCIPAL INDICATIVE TERMS:

Series	Tax-Exempt Bond Anticipation Note Draw-Down Line of Credit, Series 2020		
Purchaser	JPMorgan Chase Bank, N.A.		
Issuer	Economic Development Authority of Albemarle County, Virginia		
County	Albemarle County, Virginia		
Facility/Amount	Up to \$75,000,000 non-revolving tax-exempt bond anticipation note draw-down line of credit (the “BAN”)		
Purpose	To provide funding on an as-needed basis for various capital projects		
Interest Rates** See attached Appendix for additional details	Amount	Fixed Rate (Option 1A)	Variable Rate (Option 2A)
	\$40,000,000	0.84%	80% 1M LIBOR + 60bps
	\$75,000,000	0.79%	80% 1M LIBOR + 56bps
Closing Date:	On or before June 24, 2020		
Facility Maturity Date:	July 1, 2022		
Legal Fees	The City would be responsible for Bank counsel fees in the amount of \$25,000. JPMorgan will engage Eric Sender of Kutak Rock LLP as Bank legal counsel. Attorney phone number 404-222-4633.		
Other Fees	No upfront, closing or utilized fees will be charged.		

Additional customary terms and explanations follow in the attached Appendix

**interest rates are indicative until commitment letter and rate lock letter executed by the County.

APPENDIX

OTHER PURCHASE REQUIREMENTS

- All or Nothing:** The Bond would be purchased at 100% of Par on an ‘all or none’ basis.
- No Bond Rating:** While Purchaser is a bondholder, the Bonds shall not be rated by any rating agency, shall not be initially registered to participate in DTC, shall not contain a CUSIP number and shall not be marketed pursuant to any Official Statement, Offering Memorandum or any other disclosure documentation. The Purchaser shall take physical delivery of the Bond at closing.

INTEREST RATES, PAYMENTS AND FEES

- Interest Payments:** Interest due monthly, commencing on July 1, 2020, until the stated Maturity Date.
- Drawdown:** The Bond would be structured as a “draw-down” BAN which would permit the County to draw down funds under the BAN when needed to pay project costs, thereby reducing interest expense during the construction period by avoiding interest expense on unexpended BAN proceeds. Interest would accrue from the date of each advance and drawings under the BAN would not occur more frequently than monthly, subject to compliance with the following conditions. The County would be required to draw down proceeds of the BAN in accordance with all applicable tax requirements.
- For the Variable Rate Option, drawings may not occur more frequently than monthly, and in a minimum amount of \$100,000 such that there is only one LIBOR rate applicable to the BAN at any time.
- For the Fixed Rate Option, drawings must occur on the dates and in the amounts set forth in the amortization schedule provided in the RFP (or such other schedule as agreed to by the Purchaser and the County at the time the Fixed Rate is locked)(the “Fixed Rate Draw Schedule”). Any deviations from the Fixed Rate Draw Schedule shall be subject to breakage costs payable by the County.
- No further drawings would be permitted after March 31, 2022 (the “Drawdown Termination Date”).
- Remedies Upon Event of Default:** Upon the occurrence of an Event of Default interest on the BAN would be computed at the Default Rate (defined below). The Purchaser would be permitted to avail itself of any remedies available at law or in equity.
- Prepayment:** For the fixed rate options, any prepayment shall be subject to breakage costs payable by the County.
- For the variable rate options, the County may prepay on any month LIBOR reset date.
- Day Basis/Year:** 30/360.

Maximum Interest Rate:	No limitation would exist in the applicable BAN documentation or authorizing resolution that restricts the interest rate to any rate lower than the maximum rate permitted by law.
Base Rate:	The higher of (i) the Bank's Prime Rate and (ii) 2.5% plus the one month Adjusted LIBOR Rate, as such terms would be more particularly described in the related BAN documents.
Default Rate:	Base Rate + 4.00%

OTHER TERMS AND PROVISIONS

Security: Limited obligation of the Issuer secured by and payable from an assignment of certain payments to be made by the County to the Issuer pursuant to a Financing Agreement between the Issuer and the County. The undertaking by the County to make payments under the Financing Agreement will be subject to appropriation by the County. **The Purchaser does not require the Property (as defined in the RFP) to be pledged as collateral.**

Required Documents: The terms of this financing would be evidenced by agreements, instruments and documents (collectively, the "BAN Documents") that are usual and customary for a Bond Anticipation Note transaction. The required documentation would include, but not limited to, the terms and conditions outlined herein as well as the Purchaser's standard provisions with respect to representations and warranties, covenants, events of default, remedies, conditions precedent, right of set-off, compliance with anti-corruption laws and other general provisions that the Purchaser and its counsel deem necessary and would otherwise be satisfactory in form and substance to the Purchaser and its counsel.

Conditions Precedent: Usual and customary representations and warranties and other conditions prior to the issuance of the BAN for like situated issuers and for the type and term of the Facility, including absence of default, absence of material litigation and absence of material adverse change from the County's financial conditions and operations as reflected in the financial statements of the County as of June 30, 2019.

Additional conditions precedent would include delivery of acceptable BAN documentation and legal opinions, including an opinion of bond counsel as to the validity and enforceability of the obligations of the Issuer or the County under the BAN Documents and that interest payable on the BAN is exempt from federal and Commonwealth of Virginia income taxation.

Reporting Covenants: The County would provide the following items in an electronic format acceptable to the Purchaser:

1. CAFR within 9 months on the end of the County's fiscal year.
2. Additional publicly-available financial reports and information relating to the County as the Purchaser shall reasonably request.

Tax Gross-Up: If the interest payable on the BAN becomes taxable for any reason, the interest rate would increase from the effective date of such taxability to a taxable equivalent rate.

The Purchaser shall afford the Issuer and the County the opportunity, at the County's sole cost and expense, to contest any challenge to the validity of the tax exemption with respect to the interest on the BAN, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals). As a condition precedent to the exercise of such right, the County shall, on demand, immediately reimburse the Purchaser for (i) any and

all expenses that may be incurred by the Purchaser in connection with any such contest, and (ii) any and all penalties or other charges payable by the Purchaser for failure to include such interest in its gross income.

Governing Law: All aspects of the Facility including this Term Sheet and any BAN Documents would be governed by the laws of the Commonwealth of Virginia.

OTHER PURCHASER REQUIREMENTS

Municipal Advisor

Disclosure:

The Issuer and the County acknowledge and agree that (i) the transaction contemplated herein is an arm's length commercial transaction between the Issuer, the County and the Purchaser and its affiliates, (ii) in connection with such transaction, the Purchaser and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), agent or a fiduciary of the Issuer or the County, (iii) the Purchaser and its affiliates are relying on the bank exemption in the Municipal Advisor Rules, (iv) the Purchaser and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the Issuer or the County with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Purchaser, or any affiliate of the Purchaser, has provided other services or advised, or is currently providing other services or advising the Issuer or the County on other matters), (v) the Purchaser and its affiliates have financial and other interests that differ from those of the Issuer and the County, and (vi) the Issuer and the County have consulted with their own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.

Expenses:

The County would pay or reimburse the Purchaser for all its reasonable out-of-pocket costs and expenses where not prohibited by applicable law and incurred in connection with (i) the development, preparation and execution of the BAN, and (ii) in connection with the enforcement or preservation of any rights under any agreement, any amendment, supplement, or modification thereto, and any other loan documents both before and after judgment.

Information Sharing:

The Issuer and the County would agree that the Purchaser may provide any information or knowledge the Purchaser may have about the Issuer or the County or about any matter relating to the Facility described in this Term Sheet to JPMorgan Chase & Co., or any of its subsidiaries or affiliates or their successors, or to any one or more purchasers or potential purchasers of the BAN, or participants or assignees of the BAN or the Facility described in this letter.

Website Disclosure:

As a best practice to maintain transparency, final BAN documentation may be posted by the County on a national public bond market repository provided that certain information be redacted by the County as requested by the Purchaser. Items that should be redacted include data that could be construed as sensitive information, including, without limitation, signatures/names, addresses and other contact information of the parties' representatives, account numbers, wire transfer and payment instructions, to the extent that such redactions would not violate any of County's disclosure obligations under applicable SEC and MRSB rules.

Confidentiality:

This Term Sheet is for the Issuer and the County's confidential review and may not be disclosed by it to any other person other than its employees, attorneys, board members and financial advisors (but not other commercial lenders), and then only in connection with the transactions

being discussed and on a confidential basis, except where disclosure is required by law, or where the Purchaser consents to the proposed disclosure.

Purchaser Credit

Decision:

Satisfactory final due diligence, in the Purchaser's sole discretion, would be required consisting of, but may not be limited to, full review of requested financial statements and financing documents and discussions with management and other background due diligence of the County and its management. Should the County request financing substantially on the terms and conditions described in this Term Sheet, the Purchaser's credit decision would be made promptly after receipt of such request and completion of due diligence.

Bank Contacts:

Kathleen Bowe
Vice President
1750 Tyons Blvd., Floor 2
McLean, VA 22102
703-287-5937
kathleen.l.bowe@jpmorgan.com

Domenic Patalano
Vice President
925 Westchester Avenue, 3rd Fl.
White Plains, NY 10604
914-993-7921
domenic.j.patalano@jpmorgan.com

John Valiplackal
Associate
4 New York Plaza, 17th Fl.
New York, NY 10004
212-499-2522
john.t.valiplackal@jpmorgan.com

If you have any questions regarding the above indicative terms, please do not hesitate to contact either of us.

Sincerely,



Domenic Patalano
Authorized Officer