

BOND PURCHASE AND LOAN AGREEMENT

among

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

STI INSTITUTIONAL & GOVERNMENT, INC., as Bondholder

and

ST. ANNE'S-BELFIELD, INC.

Dated as of July 1, 2021

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THIS BOND PURCHASE AND LOAN AGREEMENT, is dated as of July 1, 2021, (as more particularly defined below, this "Agreement"), and is between the **ECONOMIC DEVELOPMENT AUTHORITY OF ALBEMARLE COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia and a body politic and corporate, (as more particularly defined below, the "Authority"), **STI INSTITUTIONAL & GOVERNMENT, INC.** (as more particularly defined below, the "Bondholder"), and **ST. ANNE'S-BELFIELD, INC.**, a Virginia nonstock corporation (as more particularly defined below, the "Borrower");

WITNESSETH:

WHEREAS, the Authority intends to issue and sell the Bond, as hereinafter defined, to the Bondholder to provide for the refinancing by the Authority of the Refunded Bond, as hereinafter defined, for the benefit of the Borrower; the Authority intends to loan the proceeds from the sale of the Bond to the Borrower under this Agreement; and the Borrower intends to issue and deliver to the Authority the Note, as hereinafter defined, to evidence the Borrower's obligation to repay such loan;

WHEREAS, the Authority intends for the Bond to be secured by the assignment to the Bondholder of the Note; and

WHEREAS, the Authority, the Bondholder and the Borrower desire to set forth the terms and conditions regarding to such financing;

NOW, THEREFORE, the parties hereto agree as follows:

**ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION**

Section 1.1 Definitions. In addition to other terms defined elsewhere in this Agreement, the following terms shall have the following meanings in this Agreement unless the context otherwise requires:

"Act" means 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.

"Adjusted Interest Rate" means the rate of interest per annum equal to the sum obtained by adding (i) the product of (x) 79% and (y) USD LIBOR for one month (or any subsequent Benchmark) determined as of the Reference Time as quoted by Bloomberg Finance L.P., or any quoting service or commonly available source utilized by Bondholder; provided that if said rate as would be less than 0%, then it shall be deemed to be 0%, plus (ii) the Spread, which shall be adjusted monthly on the first day of each Interest Period. The Adjusted Interest Rate shall apply to the entire principal balance outstanding for any Interest Period. The Adjusted Interest Rate shall be adjusted for any change in the Reserve Percentage so that Bondholder shall receive the same yield. The Adjusted Interest Rate will not decrease below a fixed minimum rate of 0%.

"Agreement" means this Bond Purchase and Loan Agreement, as the same may be altered, amended, modified, or supplemented from time to time.

"Authority" means the Economic Development Authority of Albemarle County, Virginia, and its successors.

"Authorizing Resolution" means the resolution of the Authority adopted on _____, 2021, approving, among other things, the issuance, sale and award of the Bond to the Bondholder on the Closing Date.

"Bond" means the Revenue Refunding Bond (St. Anne's-Belfield, Inc.), Series 2021B, issued by the Authority under this Agreement, in the original principal amount of \$_____ and substantially in the form attached as Exhibit A, as the same may be altered, amended, modified, or supplemented, from time to time.

"Bondholder Covenants Agreement" means the Bondholder Covenants Agreement dated as of July 1, 2021 between the Borrower and the Bondholder, as the same may be altered, amended, modified, or supplemented, from time to time.

"Bond Counsel" means McGuireWoods LLP, or other nationally recognized bond counsel satisfactory to the Bondholder.

"Bond Year" means (a) the period beginning on the date of issue of the Bond and ending at the close of business on the next following Rebate Computation Day, and (b) each one-year period thereafter which ends at the close of business on a Rebate Computation Day.

"Bondholder" means STI Institutional & Government, Inc., as holder of the Bond, or any subsequent holder thereof.

"Borrower" means (i) St. Anne's-Belfield, Inc., a Virginia nonstock corporation, and (ii) any surviving, resulting, or transferee entity as provided in the Financing Instruments.

"Business Day" means any day other than a Saturday or Sunday or other day on which the Bondholder is authorized or required to close, and, for purposes of determining the Benchmark, a date on which banks are open for business in the London interbank market.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following of general applicability: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or, pursuant to the accord commonly referred to as "Basel III" or the United States or foreign regulatory authorities, shall in each case be deemed to be a "Change in Law," regardless of the date enacted, adopted or issued.

"Closing Date" means the date of the Bond.

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

"Collateral Assignment of Hedge" means the Collateral Assignment of Hedge, dated as of _____ 1, 2021, from the Borrower in favor of the Bondholder, as the same may be altered, amended, modified, or supplemented, from time to time.

"Computation Date" means (a) the last day of the fifth and each succeeding fifth Bond Year so long as such day occurs before the day the Bond is paid in full, and (b) the day the Bond is paid in full.

"Default Rate" means the interest rate on the Bond plus 400 basis points (4.0%) per annum.

"Event of Default" means any of the events set forth in Section 9.1.

"Event of Taxability" means (i) a Change in Law that changes the ability of the holder to exclude all or a portion of the interest on the Bond from its gross income for federal income tax purposes (but excluding changes in the Bondholder Tax Rate to which the provisions of Section 5.2(b) shall apply), or (ii) a final decree or judgment of any federal court or a final action of the Internal Revenue Service determining that interest paid or payable on all or a portion of the Bond is or was includable in the gross income of the Bondholder for federal income tax purposes; provided, that no such decree, judgment, or action will be considered final for these purposes, however, unless the Borrower have been given written notice and, if it is so desired and is legally allowed, has been afforded the opportunity to contest the same, either directly or in the name of any Bondholder, and until the conclusion of any appellate review, if sought.

Such an Event of Taxability shall mean and shall be deemed to have occurred on the first to occur of the following:

(a) on the effective date of any change of law that that changes the ability of the holder to exclude all or a portion of the interest on the Bond from its gross income for federal income tax purposes;

(b) on that date when the Borrower or the Authority files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(c) on the date when the Bondholder or any prior Bondholder notifies the Borrower that it has received a written opinion by any attorney or firm of attorneys of recognized standing on the subject of tax-exempt municipal finance to the effect that an Event of Taxability shall have occurred unless, within 180 days after receipt by the Borrower of such notification from such Bondholder or any prior Bondholder, the Borrower shall deliver to each Bondholder and prior Bondholder (A) a ruling or determination letter issued to or on behalf of the Borrower by the Director or any District Director of Internal Revenue (or any other governmental official exercising the same or a substantially similar function from time to time) or (B) a written opinion by an attorney or firm of attorneys of recognized standing on the subject of tax-exempt municipal finance to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(d) on the date when the Borrower or the Authority shall be advised in writing by the Director or any District Director of Internal Revenue (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of the Borrower or the Authority or upon any review or audit of the Borrower or upon any other ground whatsoever, an Event of Taxability shall have occurred;

(e) on that date when the Borrower shall receive notice from the Bondholder or prior Bondholder that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of such Bondholder or any prior Bondholder the interest on the Bond paid to such Bondholder or prior Bondholder due to the occurrence of an Event of Taxability (a "Determination of Taxability"); provided, however, that no Event of Taxability shall occur under clauses (c) or (d) above unless the Borrower have been afforded the opportunity, at its expense, to contest any such assessment; and provided further that no Event of Taxability shall occur until such contest, if made, has been finally determined; and provided further that upon demand from any Bondholder or any prior Bondholder, the Borrower shall immediately reimburse such Bondholder or prior Bondholder for any payments such Bondholder (or any prior Bondholder) shall be obligated to make as a result of the Determination of Taxability during any such contest; or

(f) on the date when the Borrower shall be advised in writing of a final decree or judgment from a court holding that an Event of Taxability shall have occurred.

"Federal Funds Rate" shall mean, for any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided, (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate charged to Truist.

"Financing Instruments" means this Agreement, the Bond, the Note, the Collateral Assignment of Hedge, the Security Agreement, the Negative Pledge Agreement and the Bondholder Covenants Agreement.

"501(c)(3) Organization" means an organization described in Section 501(c)(3) of the Code and exempt from tax under Section 501(a) of the Code.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"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.

"Issuance Costs" means all costs that are treated as costs of issuing or carrying the Bond under existing Treasury Department regulations and rulings, including, but not limited to, (a) bank origination fees, (b) counsel fees (including bond counsel, bank's counsel, Authority's counsel and Borrower counsel, as well as any other specialized counsel fees incurred in connection with the issuance of the Bond); (c) financial advisory fees incurred in connection with the issuance of the Bond; (d) rating agency fees; (e) trustee fees incurred in connection with the issuance of the Bond; (f) paying agent and certifying and authenticating agent fees related to issuance of the Bond; (g) accountant fees related to the issuance of the Bond; (h) printing costs of the Bond and of the preliminary and final offering materials; (i) publication costs associated with the financing proceedings; and (j) costs of engineering and feasibility studies necessary to the issuance of the Bond; provided, that bond insurance premiums and certain credit enhancement fees, to the extent treated as interest expense under applicable regulations, shall not be treated as "Issuance Costs."

"Negative Pledge Agreement" means the Negative Pledge Agreement, dated as of July 1, 2021, from the Borrower in favor of the Bondholder and Truist, as the same may be altered, amended, modified, or supplemented, from time to time.

"Net Proceeds" means net proceeds as defined in Section 150(a)(3) of the Code.

"Note" means the promissory note issued by the Borrower under this Agreement in a principal amount equal to the principal amount of the Bond as substantially in the form attached as Exhibit B, as the same may be altered, amended, modified, or supplemented from time to time.

"Optional Put Date" means July 1, 2031.

"Payment of the Bond" means payment in full of the Bond and the making in full of all other Required Payments due and payable at the time of such payment.

"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.

"Project" means the facilities financed or refinanced with the proceeds of the Refunded Bond, consisting of capital improvements at the Borrower's educational facilities known as St. Anne's-Belfield in Albemarle County, Virginia, as more fully described in the Authorizing Resolution.

"Property" means all of the Borrower's property, real and personal, except any residential property currently owned by the Borrower.

"Qualified Buyer" means any "qualified institutional buyer," as defined in Rule 144A promulgated under the 1933 Act that is also a financial institution.

"Rebate Amount" means the rebate amount (as defined in Section 1.148-1 of the Treasury Regulations) for the Bond.

"Rebate Amount Payable" means, for any Computation Date, the amount (if any) payable to the United States pursuant to Section 148(f) of the Code for the Rebate Amount as of such Computation Date, including any amount payable for income attributable to the Rebate Amount.

"Rebate Computation Day" means the day in each calendar year that corresponds to the date on which the final payment of principal of the Bond is scheduled to be made, which day is hereby selected by the Authority as the last day of each Bond Year.

"Refunded Bond" means the Authority's Revenue Bond (St. Anne's-Belfield, Inc.), Series 2013.

"Required Payment" means any payment of money required under the terms of the Financing Instruments to be made by the Borrower for its own account or for the account of the Authority.

"Reserve Percentage" means the maximum aggregate rate at which reserves (including, without limitation, any marginal supplemental or emergency reserves) are required to be maintained under Regulation D by member banks of the Federal Reserve System with respect to dollar funding in the London interbank market. Without limiting the effect of the foregoing, the Reserve Percentage shall reflect any other reserves required to be maintained by such member banks by reason of any applicable regulatory change against (i) any category of liability which includes deposits by reference to which USD LIBOR is to be determined or (ii) any category of extensions of credit or other assets related to USD LIBOR.

"Restricted Gift" means a gift, devise or bequest collected by the Borrower that is conditioned upon its use by the Borrower for (a) the renovation, construction, equipping or installation of the Project or payment of the price thereof, or (b) the payment or prepayment, in whole or in part, of the Bond.

"Security Agreement" means the Security Agreement, dated July 1, 2021, from the Borrower in favor of the Bondholder and Truist Bank, as the same may be altered, amended, modified, or supplemented, from time to time.

"Spread" means (i) while the Bond accrues interest at the Adjusted Interest Rate, 0.87% per annum, and (ii) while the Bond accrues interest at the Taxable Adjusted Interest Rate, 1.10% per annum.

"Standard Rate" means, for any day, the rate of interest per annum equal to the lesser of (i) the Federal Funds Rate plus 1.00% and (ii) the Prime Rate, provided that in no event will the Standard Rate ever be less than 0%. Each change in the Standard Rate shall be effective on the date any change in the Prime Rate is publicly announced as being effective, if applicable.

"Taxable Adjusted Interest Rate" means the rate of interest per annum equal to the sum obtained by adding (i) USD LIBOR for one month (or any subsequent Benchmark) determined as of the Reference Time as quoted by Bloomberg Finance L.P., or any quoting service or commonly available source utilized by Bondholder; provided that if said rate as would be less than 0%, then it shall be deemed to be 0%, plus (ii) the Spread, which shall be adjusted monthly on the first day of each Interest Period. The Taxable Adjusted Interest Rate shall apply to the entire principal

balance outstanding for any Interest Period. The Taxable Adjusted Interest Rate shall be adjusted for any change in the Reserve Percentage so that Bondholder shall receive the same yield. The Taxable Adjusted Interest Rate will not decrease below a fixed minimum rate of 0%.

"Tax-Exempt Bond" means an obligation the interest on which is excluded from gross income for federal income tax purposes and shall include any interest in a regulated investment company to the extent provided in Treasury Regulations Section 1.150-1(b); *provided, however*, that no specified private activity bond (as defined in Section 57(a)(5)(C) of the Code) shall be deemed to be a Tax-Exempt Bond.

"Trade or Business" means a trade or business as such term is used in Section 141(b)(6) of the Code.

"Truist" means Truist Bank, together with its successors.

"Unrelated Trade or Business" means a Trade or Business of a 501(c)(3) Organization that is an unrelated trade or business (determined by applying Section 513(a) of the Code) of such 501(c)(3) Organization.

"Virginia Code" means the Code of Virginia of 1950, as amended.

Section 1.2 Rules of Construction. The following rules shall apply to the construction of the Financing Instruments unless the context otherwise requires:

(a) Words importing the singular number shall include the plural number and vice versa, and any gender shall connote any other gender.

(b) All references in a Financing Instrument to particular articles or sections are references to articles or sections of such Financing Instrument unless otherwise indicated.

(c) The headings and Table of Contents in any Financing Instrument are solely for convenience of reference and shall not constitute a part of such Financing Instrument, nor shall they affect its meaning, construction or effect.

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

(e) All accounting terms used in any Financing Instrument which are not expressly defined therein shall have the meanings respectively given to them in accordance with generally accepted accounting principles. All financial computations made under any Financing Instrument shall be made in accordance with generally accepted accounting principles consistently applied, and all balance sheets and other financial statements shall be prepared in accordance with generally accepted accounting principles consistently applied.

ARTICLE II REPRESENTATIONS AND FINDINGS

Section 2.1 Representations and Findings by Authority. The Authority makes the following representations and findings as the basis for its undertakings hereunder:

(a) The Authority is duly organized and existing under the Act, is a political subdivision of the Commonwealth of Virginia vested with the rights and powers conferred upon it under the Act, has the power to execute and deliver the Financing Instruments to which it is a party, to perform its obligations thereunder, to issue the Bond to refinance the Refunded Bond, to loan the proceeds of the Bond to the Borrower under this Agreement, the refinancing of the Refunded Bond, each constituting an authorized undertaking under the Act and such loan being in furtherance of the purposes for which the Authority was organized, and to carry out its other obligations under such Financing Instruments. By proper corporate action the Authority has duly authorized the execution and delivery of such Financing Instruments, the performance of its obligations thereunder and the issuance of the Bond and, simultaneously with the execution and delivery of this Agreement, has issued and sold the Bond. No proceedings to dissolve the Authority have been instituted.

(b) The execution and delivery of, and compliance by the Authority with the terms and conditions of, the Financing Instruments to which the Authority is a party will not conflict with, or constitute or result in a default under or violation of, (i) the Act or any existing law, rule or regulation applicable to it, (ii) any indenture, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the Authority or any of its assets is subject, or (iii) the by-laws or any other rules or procedures of the Authority.

(c) No further approval, consent or withholding of objection on the part of any regulatory body, federal, state or local, is required in connection with (i) the issuance and delivery of the Bond by the Authority, (ii) the execution or delivery of, or compliance by the Authority with the terms and conditions of, the other Financing Instruments to which it is a party, or (iii) the assignment by the Authority of the Note.

(d) No litigation, inquiry or investigation of any kind in or by any judicial or administrative court or agency is pending or, to the knowledge of the Authority, threatened against the Authority regarding (i) the organization or existence of the Authority, (ii) its authority to execute or deliver the Financing Instruments to which it is a party, (iii) the validity or enforceability of any such Financing Instruments or the transactions contemplated thereby, (iv) the title of any officer of the Authority who executed such Financing Instruments, or (v) any authority or proceedings related to the execution and delivery of such Financing Instruments on behalf of the Authority, and no such authority or proceedings have been repealed, revoked, rescinded or amended but are in full force and effect.

(e) The Authority has found that the refinancing of the Refunded Bond will serve the purposes of the Act.

(f) None of the directors of the Authority has a personal interest (as defined in Section 2.2-3101 of the Virginia Code) in any Financing Instrument or in any transaction contemplated thereby or is an officer or employee of the Borrower or the Bondholder.

(g) The Bond constitutes the only outstanding obligation of the Authority in any manner secured by or payable from the revenues of the Borrower or from the loan of the proceeds from the sale of the Bond.

Section 2.2 Representations by Borrower. The Borrower makes the following representations as the basis for its undertakings hereunder:

(a) The Borrower is a nonstock corporation duly organized under the laws of Virginia and is in good standing in Virginia, has the power and authority to own its properties and to enter into the Financing Instruments to which it is a party and the transactions contemplated thereby and to perform its obligations thereunder, and by proper action has duly authorized the execution and delivery of such Financing Instruments.

(b) The loan to the Borrower of the proceeds from the sale of the Bond by the Authority will constitute an inducement to the Borrower to maintain the Project in Albemarle County in the Commonwealth of Virginia, which will provide improved educational facilities for the use of the inhabitants of Albemarle County and promote their welfare.

(c) No litigation at law or in equity or any proceeding before any governmental agency involving the Borrower is pending or, to the knowledge of the Borrower, threatened in which any liability of the Borrower is not adequately covered by insurance or in which any judgment or order would have a material adverse effect upon the business or assets of the Borrower or that would affect its authority to do business, refinancing of the Refunded Bond, the validity of the Financing Instruments to which the Borrower is a party or the performance of its obligations thereunder.

(d) The execution and delivery of, and compliance by the Borrower with the terms and conditions of, the Financing Instruments to which it is a party will not conflict with, or constitute or result in a default under or violation of, (i) the Borrower's articles of incorporation or bylaws, (ii) any agreement or other instrument to which the Borrower is a party or by which it or its property is bound, or (iii) any constitutional or statutory provision or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Borrower or its property. This Agreement has been duly executed and delivered by the Borrower, and constitutes, and each other Financing Instrument to which the Borrower is a party, when executed and delivered by the Borrower will constitute, valid and binding obligations of the Borrower, enforceable against it in accordance with their respective terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

(e) The Borrower has obtained all consents, approvals, authorizations and orders of any governmental or regulatory authority that are required to be obtained by the Borrower as a condition precedent to the issuance of the Bond or the execution and delivery of the Financing Instruments to which the Borrower is a party, or that are required to date for the performance by

the Borrower of its obligations under the Financing Instruments or for the refinancing of the Refunded Bond. The Borrower has no reason to believe that any such consents, approvals, authorizations or orders which may be required in the future cannot be obtained as and when needed.

(f) The Borrower is a 501(c)(3) Organization that is not a private foundation (within the meaning of Section 509(a) of the Code). The Borrower has conducted its operations and filed all required reports and documents with the Internal Revenue Service (the "Service") so as to maintain its status as such a 501(c)(3) Organization, the letter from the Service to the effect that the Borrower is a 501(c)(3) Organization has not been modified, limited or revoked and the Borrower has received no notice from the Service inquiring about, threatening or proposing to audit its status as a 501(c)(3) Organization. The Borrower is in compliance with all terms, conditions and limitations, if any, contained in such letter or any other notification from the Service. In particular, (i) the Borrower is organized and operated exclusively for educational or charitable purposes, (ii) no part of the net earnings of the Borrower has inured to the benefit of any private shareholder or individual, (iii) no substantial part of the activities of the Borrower has consisted of carrying on propaganda, or otherwise attempting, to influence legislation (except as otherwise permitted by Section 501(h) of the Code), and (iv) the Borrower has not participated or intervened (through the publishing or distribution of statements or otherwise) in any political campaign on behalf of or in opposition to any candidate for public office. The Borrower is not organized or operated exclusively for religious purposes.

(g) The Borrower has not collected, and does not expect to collect, Restricted Gifts, that exceed, in the aggregate, the difference between (i) the anticipated aggregate cost of (A) the renovation, construction, equipping and installation of the Project and the costs of issuance, and (ii) the original principal amount of the Refunded Bond plus the anticipated earnings from the investment of the proceeds thereof.

(h) No person other than the Borrower has been a user of any portion of the Project since the construction of such Project and no portion of the Project has been used in an Unrelated Trade or Business by the Borrower, except in both cases as may be identified by the Borrower in the tax certificates executed in connection with the issuance of the Refunded Bond and/or the Bond.

(i) The Borrower normally receives at least 75% of its support (as such term is used for purposes of Section 509 of the Code) in the form of gross receipts from the performance of services and the furnishing of facilities by the Borrower in an activity which is not an Unrelated Trade or Business (not including such receipts from any person or any bureau or similar agency of a governmental unit, as described in Section 170(c)(1) of the Code, in any taxable year to the extent such receipts exceed the greater of \$5,000 or 1% of the Borrower's support in such taxable year) from persons other than disqualified persons (as defined in Section 4946 of the Code) for the Borrower.

(j) All financial statements and other information delivered to the Bondholder by the Borrower in connection with the Bondholder's purchase of the Bond are accurate and are sufficiently complete to accurately reflect the Borrower's financial condition. There has been no material adverse change in the business or financial condition of the Borrower from that reflected

in such financial statements and other information, except as may have been otherwise disclosed to the Bondholder in writing.

(k) The information contained in the certifications of the Borrower delivered at the time of the execution and delivery of this Agreement regarding compliance with the requirements of Section 145 of the Code, including the information in IRS Form 8038 filed by the Authority regarding the Bond, is true and correct in all respects.

ARTICLE III ISSUANCE OF BOND

Section 3.1 Sale and Purchase of Bond; Bondholder Certifications. (a) The Authority shall issue and sell the Bond to the Bondholder and secure the Bond by assigning the Note to the Bondholder, upon the terms and conditions set forth herein.

(b) The Bondholder represents that it is accepting the Bond for its own account for investment and has no present intention of reselling or disposing of the Bond or engaging in any "distribution" thereof (as that term is used in the Securities Act of 1933, as amended, and the regulations of the Securities and Exchange Commission thereunder). The Bondholder is a Qualified Buyer. The Bondholder has not offered, offered to sell, offered for sale or sold the Bond by means of any form of general solicitation or general advertising.

(c) The Bondholder represents that it is familiar with the operations and financial condition of the Borrower based upon information furnished to the Bondholder by the Borrower and has made such inquiries as it deems appropriate in connection with the acceptance of the Bond. In determining to purchase the Bond, the Bondholder has not relied upon any information (including financial information) relating to the Borrower provided by the Authority, nor has it relied upon the omission of the Authority to provide any such information. The Bondholder relieves the Authority of any liability for failure to provide such information.

(d) The Bondholder shall not assign or offer the Bond, or any participation therein, for sale in any state of the United States without first (a) either (i) taking all necessary action to qualify the Bond for offer and sale under the securities and "Blue Sky" laws of the United States and such state, or (ii) determining that no such action is necessary because of a registration exemption or exemptions, and (b) providing to the purchaser of the Bond, or any participant therein, all material information in the Bondholder's possession necessary to evaluate the risks and merits of the investment represented by the purchase of or participation in the Bond.

(e) It is specifically understood and agreed that the Authority makes no representation, covenant or agreement as to the financial position or business condition of the Borrower and does not represent or warrant as to any statements, materials, representations or certifications furnished by the Borrower in connection with the sale of the Bond, or as to the correctness, completeness or accuracy thereof.

(f) The Borrower represents that no Financing Instrument nor any information (financial or otherwise) furnished by or on behalf of the Borrower in connection with the negotiation or the sale of the Bond contains any untrue statement of a material fact or omits (when considered together with all information furnished) a material fact necessary to make the

statements contained therein, in the light of the circumstances in which they were made, not misleading. There is no fact that the Borrower has not disclosed in writing to the Bondholder that materially affects adversely or, so far as the Borrower can now foresee, based on facts known to it, will have a material adverse effect on the properties, business, prospects, profits or condition (financial or otherwise) of the Borrower or the ability of the Borrower to perform its obligations under the Financing Instruments.

(g) The Bondholder understands that the scope of engagement of McGuireWoods LLP as bond counsel regarding the Bond has been limited to matters set forth in its bond counsel opinion based on its review of such proceedings and documents as they deem necessary to approve the validity of the Bond and the excludability of the interest thereon for federal and state income tax purposes, and that McGuireWoods LLP has not made any assurances or opinion as to the accuracy or completeness of any information that may have been furnished to the Bondholder or relied upon by the Bondholder in acquiring the Bond.

Section 3.2 Conditions Precedent to Delivery of Bond. The Bondholder shall be required to accept delivery of the Bond only upon delivery to it, in form and substance satisfactory to it, of the following:

(a) Executed copies of the Financing Instruments, with the Note having been assigned to the Bondholder.

(b) Evidence of the due authorization, execution and delivery of the Financing Instruments by the parties thereto, a current good standing certificate for the Borrower and copies of the Borrower's organizational documents.

(c) The written opinion of McGuireWoods LLP that the Bond has been validly issued by the Authority and, subject to customary exceptions, that interest thereon is excludable from gross income for federal income tax purposes and exempt from income taxation by the Commonwealth of Virginia.

(d) The written opinion of McGuireWoods LLP, as counsel for the Borrower, relating to the organization and existence of the Borrower, its status as a 501(c)(3) Organization, the power of the Borrower to enter into the Financing Instruments to which it is a party, the enforceability of such Financing Instruments and such other matters as the Bondholder may reasonably request.

(e) The written opinion of the Sands Anderson PC, as counsel to the Authority, relating to the organization of the Authority, the due approval, validity and enforceability of the Bond, and such other matters as the Bondholder may reasonably request.

(f) Payment of the Bondholder's closing fee of \$_____, payment of the Bondholder's counsel fee and payment of the Authority's counsel fee in an amount not to exceed \$_____.

(g) Evidence regarding the status of title to personal property owned by the Borrower, including information regarding liens or other encumbrances thereon, which evidence may be in the form of a UCC search conducted by a firm or attorney acceptable to the Bondholder,

including but not limited to evidence satisfactory to the Bondholder that the Security Agreement constitutes a first priority lien upon all collateral described therein.

(h) Receipts evidencing (i) the proper filing of any necessary financing statements as shall be necessary to perfect the security interests granted in Financing Instruments, and (ii) the recordation of the Negative Pledge Agreement among the land records of the City of Charlottesville, Virginia and Albemarle County, Virginia.

(i) All documentation and other information required by bank regulatory authorities or reasonably requested by the Bondholder or in respect of applicable "know your customer" and anti-money laundering legal requirements including the Patriot Act and a Beneficial Ownership Certification in relation to the Borrower.

(j) Such other documentation, certificates and opinions as may be reasonably required by the Bondholder.

Section 3.3 Loan by the Authority. Upon the terms and conditions of this Agreement, the Authority shall lend to the Borrower the proceeds of the Bond. Before or simultaneously with the issuance of the Bond, to evidence its obligations to repay such loan, the Borrower shall deliver the Note to the Authority for assignment to the Bondholder as security for the Payment of the Bond. The Authority hereby assigns the Note to the Bondholder and shall also execute the form of assignment affixed to the Note. The Borrower hereby consent to the assignment of the Note to the Bondholder by the Authority.

ARTICLE IV DISPOSITION OF PROCEEDS

Section 4.1 Disposition of Proceeds; Refunding. On the Closing Date, the Authority and the Borrower hereby direct the Bondholder to transfer \$_____ from the proceeds of the Bond to the Bondholder, as bondholder for the Refunded Bond (in such capacity, the "2013 Bondholder"), with other available funds, to facilitate the redemption of the Refunded Bond.

ARTICLE V PAYMENTS

Section 5.1 Amounts Payable. (a) The Borrower shall make all payments required under the Note and, for the account of the Authority, shall make all payments required under the Bond, as and when the same become due (whether at maturity, by acceleration or otherwise), in the manner set forth in the Bond and shall make all other Required Payments in the manner set forth in the applicable Financing Instruments. Payments to the Bondholder shall be made in lawful money of the United States of America at the address of the Bondholder set forth in Section 10.9 or at such other place as the Bondholder may direct in writing. Any amount at any time paid to the Bondholder as a payment of principal of or interest on the Bond shall be credited against the Borrower's obligations hereunder and under the Note (but subject to collection of any instrument, draft, check or order for payment received by the Bondholder).

(b) The Borrower shall pay to the Authority when due and payable (i) its reasonable fees and expenses related to the issuance and carrying of the Bond and the refinancing

of the Project, and as due from time to time under the Authority's rules and procedures, including without limitation, attorneys' fees and expenses and (ii) on each anniversary date of the issuance of the Bond, an annual fee equal to \$_____, subject to and in accordance with applicable law and the requirements of the Authority (provided, however, that such amounts, together with any other amounts paid to the Authority, shall not equal or exceed an amount which would cause the "yield" on the Note, this Agreement or any other "acquired purpose obligation" to be "materially higher" than the "yield" on the Bond, as such terms are defined in the Code). The obligations of the Borrower under this subsection and subsection (c) shall survive Payment of the Bond.

(c) The Borrower shall pay (i) the reasonable fees and expenses of the Bondholder, bond counsel and counsel to the Bondholder and all other costs, fees and expenses incidental to the financing hereunder, the issuance of the Bond and the costs of producing the Financing Instruments, and (ii) all taxes of any kind whatsoever lawfully assessed, levied or imposed on the transactions contemplated by this Agreement.

Section 5.2 Interest Rate; Payments. (a) From the date hereof to an Event of Taxability, if any, interest on the Bond shall be calculated based on the Adjusted Interest Rate. Upon the occurrence of an Event of Taxability, the interest rate used to calculate interest on the Bond shall be the Taxable Adjusted Interest 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. Upon the replacement of USD LIBOR, or any subsequent Benchmark, with a Benchmark Replacement, the Spread and fixed minimum rates, if any, shall continue to apply in the calculation of "Adjusted Interest Rate" and "Taxable Adjusted Interest Rate".

(b) 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 Interest 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 Interest 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.

(c) In the event Bondholder determines in its sole discretion on a particular date (the "Determination Date") that Bondholder cannot make, fund, or maintain a loan based upon USD LIBOR (provided a Benchmark Transition Event has not occurred) or the Benchmark Replacement, as applicable, for any reason, including without limitation illegality or the inability to ascertain or determine said rate on the basis provided for herein, then Bondholder shall give notice to the Borrower of such determination and thereafter will have no obligation to make, fund or maintain a loan based on such index. Upon such Determination Date, the reference to "USD LIBOR" in the definitions of "Adjusted Interest Rate" and "Taxable Adjusted Interest Rate" shall be deemed and interpreted to mean the "Standard Rate" for purposes of any fundings or advances requested by Borrower and shall apply to any outstanding balance and, thereafter, the interest rate on the Bond shall adjust simultaneously with any fluctuation in the Standard Rate. The Spread and

fixed minimum rates, if any, shall continue to apply. In the event Bondholder determines that the circumstances giving rise to a notice pursuant to this Section have ended, the Bondholder shall provide notice of same at which time the interest rate will revert to the prior rate based upon USD LIBOR (provided a Benchmark Transition Event has not occurred) or the Benchmark Replacement, as applicable, plus the Spread.

(d) The Borrower agrees (and agrees to execute any other agreements to confirm) that all payments due pursuant the Bond, the Note and this Agreement shall be made by ACH Direct Debit from an account maintained by the Borrower with the Bondholder.

Section 5.3 Unconditional Obligations. The obligations of the Borrower to make Required Payments and to perform and observe all other covenants, conditions and agreements hereunder shall be general obligations of the Borrower and shall be absolute and unconditional, irrespective of any defense or any rights of setoff, recoupment or counterclaim the Borrower might otherwise have against the Authority or the Bondholder. Nothing in this section shall be construed as a waiver by the Borrower of any rights or claims it may have against the Authority or the Bondholder under this Agreement or otherwise, but any recovery upon such rights and claims shall be had from the Authority or the Bondholder separately. Subject to Section 10.1, the Borrower shall not suspend or discontinue any such payment hereunder or fail to observe and perform any of its other covenants, conditions and agreements under the Financing Instruments for any cause, including without limitation any acts or circumstances that may constitute failure of consideration, failure of title to any part or all of the Project, or commercial frustration of purpose, or any damage to or destruction of all or any part of the Project, or any change in the tax or other laws of the United States of America, Commonwealth of Virginia or any political subdivision of either, or any failure of the Authority or the Bondholder to observe and perform any covenant, condition or agreement, whether express or implied, or any duty, liability or obligation contained in or arising out of or in connection with any Financing Instrument.

Section 5.4 Payments Assigned. The Borrower consents to the assignment of the Note and of certain rights of the Authority under this Agreement to the Bondholder and agrees to pay to the Bondholder all amounts payable by the Borrower under the Note and this Agreement, except for any amounts payable directly to the Authority under the provisions hereof.

Section 5.5 Optional Put. On the Optional Put Date, unless the Authority and the Borrower shall have received written notice from the Bondholder, not more than 240 days and not less than 180 days before the Optional Put Date, that the Bondholder has elected not to tender the Bond for purchase on the Optional Put Date, the Borrower shall pay or cause the payment from available funds the purchase price of the Bond, which shall be the aggregate unpaid principal amount thereof, without a premium, plus accrued and unpaid interest to such Optional Put Date, in accordance with Article IX hereof. Failure of the Borrower to provide for the payment in full of the Bond on such date shall constitute an Event of Default hereunder.

Section 5.6 Capital Adequacy and Cost of Carry. (a) If any Change in or in the interpretation thereof by any court or administrative or Governmental Authority charged with the administration thereof (including, without limitation, the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices, or any successor or similar authority), shall either (a) impose, modify or deem applicable any reserve, special deposit or

similar requirement against the Bond owned by the Bondholder or (b) impose on the Bondholder any other condition relating, directly or indirectly, to this Agreement, and the result of any event referred to in the preceding clause (a) or (b) shall be to increase the cost to the Bondholder of owning the Bond (including, without limitation, any such change that results in the Bond becoming subject to federal alternative minimum tax), then, upon demand by the Bondholder, the Borrower hereby agrees to pay to the Bondholder, from time to time as specified by the Bondholder, such additional amounts as shall be sufficient to compensate the Bondholder for such increased cost. A certificate of the Bondholder claiming compensation under this subsection and setting forth the additional amount or amounts to be paid to it hereunder shall be conclusive absent manifest error. In determining any such amount, the Bondholder may use any reasonable averaging and attribution methods. For the avoidance of doubt, all requests, rules, guidelines or directives (i) issued in connection with the Dodd–Frank Wall Street Reform and Consumer Protection Act, or (ii) promulgated by the Bondholder for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a change in law regardless of the date enacted, adopted, issued or implemented.

(b) If, after the date of this Agreement, the Bondholder shall have determined that the adoption or implementation of any applicable law, rule or regulation regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bondholder with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on the Bondholder's capital, on the Bond or otherwise, as a consequence of its ownership of the Bond to a level below that which the Bondholder could have achieved but for such adoption, change or compliance (taking into consideration the Bondholder's policies with respect to capital adequacy) by an amount deemed by the Bondholder to be material, then from time to time, promptly upon demand by the Bondholder, the Borrower hereby agrees to pay the Bondholder such additional amount or amounts as will compensate the Bondholder for such reduction. A certificate of the Bondholder claiming compensation under this subsection and setting forth the additional amount or amounts to be paid to it hereunder shall be conclusive absent manifest error. In determining any such amount, the Bondholder may use any reasonable averaging and attribution methods. For the avoidance of doubt, this Section 5.6(b) shall apply to all requests, rules, guidelines or directives concerning capital adequacy (i) issued in connection with the Dodd-Frank Wall Street Reform and Consumer Protection Act or (ii) promulgated by Truist Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, regardless of the date enacted, adopted, issued or implemented.

(c) Notwithstanding anything in the foregoing subsections (a) or (b) to the contrary, the obligations of the Borrower to pay additional amounts or additional compensation under this Section 5.6 shall not commence until the Bondholder has given the Borrower at least 120 days written notice of the occurrence of any event described in such subsections (a) or (b) and a calculation of the additional amounts payable by the Borrower.

Section 5.7 Effect of Benchmark Transition Event.

(a) *Benchmark Replacement.* Notwithstanding anything to the contrary herein or in any other Financing Instrument, if a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then, (x) if a Benchmark Replacement is determined in accordance with clause (1) or (2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, in connection with a Benchmark Transition Event, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Financing Instrument in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, the Bond or any other Financing Instrument and (y) if a Benchmark Replacement is determined in accordance with clause (3) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, or in connection with an Early Opt-in Election, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Financing Instrument in respect of any Benchmark setting at or after 5:00 p.m. (Charlotte, North Carolina) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to Borrower without any amendment to the Bond or any other Financing Instrument, or further action or consent of Borrower.

(b) *Benchmark Replacement Conforming Changes.* In connection with the implementation of a Benchmark Replacement, Bondholder will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Financing Instrument, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of Borrower.

(c) *Notices; Standards for Decisions and Determinations.* Bondholder will promptly notify Borrower of (i) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to Section 5.7(d) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by Bondholder pursuant to Section 5.7, 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 its sole discretion and without consent from Borrower.

(d) *Unavailability of Tenor of Benchmark.* Notwithstanding anything to the contrary herein or in any other Financing Instrument, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR or USD LIBOR) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by Bondholder in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then

Bondholder may modify the definition of "Interest Period" for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then Bondholder may modify the definition of "Interest Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(e) *Benchmark Unavailability Period.* Upon Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the obligation of Bondholder to make any advance based upon USD LIBOR shall cease, and Borrower may revoke any request for such an advance to be made during any Benchmark Unavailability Period, the reference to "USD LIBOR" in the definitions of "Adjusted Interest Rate" and "Taxable Adjusted Interest Rate" shall be deemed and interpreted to mean the "Standard Rate", and the Spread and fixed minimum rates, if any, shall continue to apply. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of Standard Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of Standard Rate.

(f) *Definitions.* Any capitalized term not defined below or in Section 1.1 has the meaning assigned to it in the Bond.

(i) "Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, any tenor for such Benchmark or payment period for interest calculated with reference to such Benchmark, as applicable, that is or may be used for determining the length of an Interest Period pursuant to the Financing Instruments as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to Section 5.7(d).

(ii) "Benchmark" means, initially, USD LIBOR; provided that if a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred with respect to USD LIBOR or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate as provided in Section 5.7(a).

(iii) "Benchmark Replacement" means, for any Available Tenor, the first alternative set forth in the order below that can be determined by Bondholder for the applicable Benchmark Replacement Date:

(1) the sum of: (a) Term SOFR and (b) the related Benchmark Replacement Adjustment;

(2) the sum of: (a) Daily Simple SOFR and (b) the related Benchmark Replacement Adjustment;

(3) the sum of: (a) the alternate benchmark rate that has been selected by Bondholder as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any

selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for U.S. dollar-denominated syndicated or bilateral credit facilities at such time and (b) the related Benchmark Replacement Adjustment;

provided that, in the case of clause (1), such Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate from time to time as selected by Bondholder in its reasonable discretion. If the Benchmark Replacement as determined pursuant to clause (1), (2) or (3) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of the Bond and the other Financing Instruments.

(iv) "Benchmark Replacement Adjustment" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement:

(1) for purposes of clauses (1) and (2) of the definition of "Benchmark Replacement," the first alternative set forth in the order below that can be determined by Bondholder:

1. the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that has been selected or recommended by the Relevant Governmental Body for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for the applicable Corresponding Tenor;

2. the spread adjustment (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that would apply to the fallback rate for a derivative transaction referencing the ISDA Definitions to be effective upon an index cessation event with respect to such Benchmark for the applicable Corresponding Tenor; and

(2) for purposes of clause (3) of the definition of "Benchmark Replacement," the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by Bondholder for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement

Date or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated or bilateral credit facilities;

provided that, in the case of clause (1) above, such adjustment is displayed on a screen or other information service that publishes such Benchmark Replacement Adjustment from time to time as selected by Bondholder in its reasonable discretion.

(v) "Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Standard Rate," the definition of "Business Day," the definition of "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 Bondholder decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by Bondholder in a manner substantially consistent with market practice (or, if Bondholder decides that adoption of any portion of such market practice is not administratively feasible or if Bondholder determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as Bondholder decides is reasonably necessary in connection with the administration of the Bond and the other Financing Instruments).

(vi) "Benchmark Replacement Date" means the earliest to occur of the following events with respect to the then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof);

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein; or

(3) in the case of an Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to Borrower.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the "Benchmark Replacement Date" will be deemed to have

occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

(vii) "Benchmark Transition Event" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

(viii) "Benchmark Unavailability Period" means the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Financing Instrument in accordance with

Section 5.7 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Financing Instrument in accordance with Section 5.7.

(ix) "Corresponding Tenor" with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

(x) "Daily Simple SOFR" means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by Bondholder in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining "Daily Simple SOFR" for business loans; provided, that if Bondholder decides that any such convention is not administratively feasible for Bondholder, then Bondholder may establish another convention in its reasonable discretion.

(xi) "Early Opt-in Election" means, if the then-current Benchmark is USD LIBOR, the occurrence of:

(1) a determination by Bondholder that at least five currently outstanding U.S. dollar-denominated syndicated or bilateral credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate, and

(2) the election by Bondholder to trigger a fallback from USD LIBOR and the provision by Bondholder of written notice of such election to Borrower.

(xii) "Federal Reserve Bank of New York's Website" means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source.

(xiii) "Floor" means the Benchmark rate floor, if any, provided in the Bond initially (as of the issuance of the Bond, the modification or amendment of the Bond or otherwise) with respect to USD LIBOR.

(xiv) "ISDA Definitions" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.

(xv) "Prime Rate" means the interest rate announced by Truist 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.

(xvi) "Reference Time" with respect to any setting of the then-current Benchmark means (1) if such Benchmark is USD LIBOR, 11:00 a.m. (London time) on the day

that is two London banking days preceding the date of such setting, and (2) if such Benchmark is not USD LIBOR, the time determined by Bondholder in its reasonable discretion.

(xvii) "Relevant Governmental Body" means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.

(xviii) "SOFR" means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator's Website on the immediately succeeding Business Day.

(xix) "SOFR Administrator" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

(xx) "SOFR Administrator's Website" means the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

(xxi) "Term SOFR" means, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

(xxii) "Truist" means Truist Bank, and its successors and assigns.

(xxiii) "Unadjusted Benchmark Replacement" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

(xxiv) "USD LIBOR" means the London interbank offered rate for U.S. dollars.

Section 5.8 Benchmark Replacement Setting For Swap. If the Bond is subject to an interest rate swap agreement with Truist, the following provisions shall apply in lieu of Section 5.7:

(a) *Benchmark Replacement.* Notwithstanding anything to the contrary herein or in any other Financing Instrument, if a Benchmark Replacement Date has occurred prior to the Reference Time in respect of any setting of the then-current Benchmark on any date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Financing Instrument in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, the Bond or any other Financing Instrument.

(b) *Benchmark Replacement Conforming Changes.* In connection with the implementation of a Benchmark Replacement, the Bondholder will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Financing Instrument, any amendments implementing such

Benchmark Replacement Conforming Changes will become effective without any further action or consent of Borrower.

(c) *Notices; Standards for Decisions and Determinations.* will promptly notify the Borrower of (i) any occurrence of a Benchmark Replacement Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes and (iv) the commencement or conclusion of any Benchmark Unavailability Period. Any determination or decision that may be made by the Bondholder pursuant to Section 5.8, 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 the Borrower.

(d) *Benchmark Unavailability Period.* Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the obligation of the Bondholder to make any advance based upon USD LIBOR shall cease, and the Borrower may revoke any request for such an advance to be made during any Benchmark Unavailability Period, the reference to "USD LIBOR" in the definitions of "Adjusted Interest Rate" and "Taxable Adjusted Interest Rate" shall be deemed and interpreted to mean the "Standard Rate", and the Spread and fixed minimum rates, if any, shall continue to apply.

(e) *Certain Defined Terms.* In addition to the terms defined in the Financing Instruments, the following definitions shall apply for purposes of this Section 5.8:

(i) "Benchmark" means, initially, USD LIBOR; provided that if a Benchmark Replacement Date has occurred with respect to USD LIBOR or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 5.8(a).

(ii) "Benchmark Replacement" means, for any Interest Period, the sum of the successor rate and any applicable spread adjustment that would apply for derivatives transactions referencing the ISDA Definitions upon the occurrence of an index cessation effective date with respect to the then-current Benchmark for the applicable tenor; provided that if the Benchmark Replacement would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of the Bond and the other Financing Instruments. In the event of the payment of any principal prior to the last day of an Interest Period for any reason, any reference to the Benchmark Replacement shall mean the most recent Benchmark Replacement rate available as determined by the Bondholder in its reasonable discretion.

(iii) "Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Standard Rate," the definition of "Business Day," the definition of "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 Benchmark Replacement 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 Financing Instruments.

(iv) "Benchmark Replacement Date" means the occurrence of an index cessation effective date with respect to an index cessation event for the then-current Benchmark, upon which the then-current Benchmark would be replaced in derivatives transactions referencing the ISDA Definitions.

(v) "Benchmark Unavailability Period" means the period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Financing Instrument in accordance with Section 5.8 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Financing Instrument in accordance with Section 5.8.

(vi) "Floor" means the Benchmark rate floor, if any, provided in the Bond initially (as of the execution of the Bond, the modification or amendment of the Bond or otherwise) with respect to USD LIBOR.

(vii) "ISDA Definitions" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.

(viii) "Reference Time" with respect to any setting of the then-current Benchmark means (1) if such Benchmark is USD LIBOR, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such setting, and (2) if such Benchmark is not USD LIBOR, the time determined by the Bondholder in its reasonable discretion.

(ix) "USD LIBOR" means the London interbank offered rate for U.S. dollars.

Section 5.9 Notice of Benchmark Transition Event. On March 5, 2021, the United Kingdom's Financial Conduct Authority (FCA), the regulator of LIBOR, announced the final publication date for USD LIBOR is June 30, 2023. This announcement is a Benchmark Transition Event as defined above and this constitutes notice of this event. If the Bond matures after the final publication date, at the appropriate time the USD LIBOR index will be replaced with the Benchmark Replacement in accordance with the terms of this Agreement.

ARTICLE VI SPECIAL COVENANTS

Section 6.1 Maintenance and Modifications by Borrower. The Borrower shall, at its own expense, keep the Project in as reasonably safe condition as its operations shall permit and keep the Project in good repair and operating condition, ordinary wear and tear excepted, making from time to time all necessary repairs, renewals and replacements. The Borrower may, at its own expense, make any additions, modifications or improvements to the Project that it deems desirable.

Section 6.2 Taxes, Charges and Liens. The Borrower (a) shall pay, as the same become due, all taxes and governmental charges of any kind whatsoever lawfully assessed, levied or imposed on payments under this Agreement, the Project or any machinery, equipment or other property installed or brought by the Borrower thereon, and (b) shall pay as the same become due all utility and other charges incurred in the operation, maintenance, use and occupancy of the Project and all assessments and charges lawfully made by a governmental body for public improvements to the Project. The Borrower may, however, contest in good faith any such tax, assessment or charge after giving the Bondholder ten days' advance notice of such contest, in which event the Borrower may permit such tax, charge or assessment to remain unpaid, or such lien to remain unsatisfied and undischarged, during the period of such contest and any appeal therefrom.

Section 6.3 Insurance. The Borrower shall continuously maintain or cause to be maintained insurance against such risks as are customarily insured against by similarly situated educational institutions in Virginia, paying as the same become due all premiums in respect thereto, in accordance with the Bondholder's requirements as set forth in Exhibit C. The Borrower has previously furnished to the Bondholder a copy of such certificate(s) of insurance coverage, and shall furnish to the Bondholder, from time to time, evidence of any renewal or replacement of such policy (or policies).

Section 6.4 Cure by Authority or Bondholder. If the Borrower shall fail to make any payment or perform any act required of it hereunder, the Authority or the Bondholder, without prior notice to or demand upon the Borrower and without releasing any obligation or waiving any default, may (but shall be under no obligation to) make such payment or perform such act. All amounts so paid by the Authority or the Bondholder and all costs, fees and expenses so incurred, including reasonable counsel fees, shall be immediately due and payable by the Borrower as an additional obligation under this Agreement, together with interest thereon at the Taxable Adjusted Interest Rate, to the extent permitted by law.

Section 6.5 Undertaking and Use of Project. The Borrower shall obtain all necessary permits and approvals for the operation and maintenance of the Project and shall comply with all lawful requirements of any governmental body regarding the use or condition of the Project, whether now existing or later enacted or foreseen or unforeseen or whether involving any change in governmental policy or requiring structural or other changes to the Project and irrespective of the cost of making the same. Upon request by the Bondholder, the Borrower shall furnish to the Bondholder evidence of the Borrower's compliance with the requirements of the preceding sentence. The Borrower shall use the Project for the purposes contemplated by the Authorizing Resolution until Payment of the Bond; provided that the Borrower may change the use of the Project, or cause such use to be changed, if the Borrower shall have first delivered to the Bondholder an opinion of Bond Counsel that such change in use will not adversely affect the exclusion of interest on the Bond from gross income for federal income tax purposes.

Section 6.6 Indemnification. (a) The Borrower shall (i) protect, indemnify and save harmless the Authority and the Bondholder and any person who "controls" (within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20(a) of the Securities Exchange Act of 1934, as amended) the Bondholder (collectively, the "Indemnified Parties") from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses

(including, without limitation, attorneys' fees and expenses and settlement amounts) imposed upon or incurred by or asserted against any Indemnified Party on account of or related to (A) any failure of the Borrower to comply with any of the terms, warranties, covenants or representations in the Financing Instruments, or (B) any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Project or the use thereof; and (ii) at all times protect, indemnify and save harmless the Indemnified Parties from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including without limitation, attorneys' fees and expenses and settlement amounts) imposed upon or incurred by or asserted against the Indemnified Parties on account of or related to (A) the initial sale, issuance or offering for sale of the Bond or (B) any action related to the acts, representations, covenants, obligations or other matters contemplated by, required by or related to the Financing Instruments; provided that such indemnity shall be effective only to the extent of any loss that may be sustained by an Indemnified Party in excess of the proceeds received by it from any insurance carried for such loss and provided further that benefits of this section shall not inure to any person other than the Indemnified Parties. Nothing contained herein shall require the Borrower to indemnify the Authority for any claim or liability resulting from its negligence or its willful, wrongful acts or any other Indemnified Party for any claim or liability resulting from its or his negligence or willful, wrongful acts.

(b) The Borrower shall also indemnify and hold harmless the Indemnified Parties against any and all losses, claims, damages or liabilities caused by any untrue statement or alleged untrue statement of a material fact contained in information submitted by the Borrower to the Authority or to the Bondholder regarding the initial issuance and purchase of the Bond or caused by any omission or alleged omission of any material fact necessary to be stated therein in order to make such statements to the Authority and the Bondholder not misleading or incomplete.

(c) If any action is brought against any Indemnified Party in respect of which indemnity may be sought from the Borrower under subsection (a) or (b) above, such Indemnified Party shall promptly notify the Borrower in writing, and the Borrower shall assume the defense thereof, including the employment of counsel, the payment of all expenses and the right to negotiate and consent to settlement. Each Indemnified Party has the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel will be at the expense of such Indemnified Party unless the employment of such counsel has been specifically authorized by the Borrower. The Borrower will not be liable for any settlement of any such action made without its consent, but if such action is settled with the consent of the Borrower or if there be a final judgment for the plaintiff in such action, the Borrower shall indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment.

(d) The obligations of the Borrower under this section shall survive Payment of the Bond. All references in this section to any Indemnified Party shall include its members, directors, officers, employees and agents.

Section 6.7 Tax Exemption for Bond. (a) Neither the Authority nor the Borrower shall cause any proceeds of the Bond to be expended except in accordance with this Agreement. The Borrower shall not (i) permit the proceeds of the Bond to be expended in any way that would result in (A) more than 5% of the Net Proceeds of the Bond being used (directly or indirectly) in one or

more Trades or Businesses of one or more persons other than 501(c)(3) Organizations or in one or more Unrelated Trades or Businesses, (B) more than 5% of the proceeds of the Bond being used (directly or indirectly) to make or finance loans to one or more persons other than 501(c)(3) Organizations or to one or more 501(c)(3) Organizations with respect to one or more Unrelated Trades or Businesses, or (C) Issuance Costs of the Bond in excess of 2% of the proceeds (as such term is used for purposes of Section 147(g) of the Code) of the Bond being financed from the proceeds from the sale of the Bond, or (ii) take or omit to take any other action with respect to the use of such proceeds if the taking of or omission to take such action would result in interest on the Bond being includable, in whole or in part, in the gross income of the owner of the Bond for federal income tax purposes under Section 103 of the Code. The Borrower shall not take or omit to take any other action if the taking of or omission to take such action would cause such interest to be so includable. All property which is provided by the Net Proceeds of the Bond shall be owned by the Borrower at all times. The Borrower shall not permit or cause the Project or any part thereof to be leased to or managed by any person in violation of this subsection.

(b) (i) The Borrower shall not (A) take or omit to take any action, or make or approve any investment or use of any proceeds of the Bond or any other moneys or the taking or omission of any other action, which would cause the Bond to be an arbitrage bond within the meaning of Section 148 of the Code, or (B) approve the use of any proceeds from the sale of the Bond otherwise than in accordance with the Authority's "non-arbitrage" certificate given at the issuance of the Bond barring any unforeseen circumstances, in which event the Borrower shall use such proceeds with due diligence and shall comply with such certificate to the extent feasible. Without limiting the generality of the foregoing, the Borrower shall at its sole expense take all action required under Section 148 of the Code and regulations thereunder to prevent loss of the exclusion from gross income for federal income tax purposes of interest on the Bond under such section. The Borrower covenants to perform its agreements and covenants contained in such "non-arbitrage certificate."

(ii) Not later than 50 days after each Computation Date, the Borrower shall (A) pay to the United States on behalf of the Authority the Rebate Amount Payable for such Computation Date, and (B) furnish to the Bondholder a certificate of the Borrower that such payment was made, setting forth the amount and date of such payment. Such certificate shall be accompanied by a certificate prepared or approved by independent certified public accountants or by some other person, satisfactory to the Bondholder, experienced in the event of amounts to be rebated under Section 148(f) of the Code, setting forth the Rebate Amount and Rebate Amount Payable with respect to such Computation Date and the computation thereof.

(iii) Any payment to the United States under this subsection shall be made in accordance with regulations under Section 148(f) of the Code, shall be made to such address as may be specified in such regulations or otherwise specified by the United States Treasury Department, and shall be accompanied by such forms, statements or other items as may be specified in such regulations or otherwise specified by the United States Treasury Department.

(iv) If the regulations under Section 148(f) of the Code as in effect at the date of issue of the Bond should hereafter be modified or replaced, the Borrower shall pay to the United States in a timely manner all amounts to be rebated pursuant to Section 148(f) of the Code in accordance with the regulations in effect from time to time and otherwise comply with such

regulations in such manner as may be necessary to prevent the Bond from being an arbitrage bond (to the extent such regulations are applicable to the Bond). For any such payment to the United States, the Borrower shall immediately furnish to the Bondholder the certificates-provided for in paragraph (ii).

(v) For a period of six years following the final Computation Date or such longer period as may be specified in regulations under Section 148(f) of the Code, the Borrower, on behalf of the Authority, shall maintain (A) an executed counterpart of each election made by the Authority for amounts to be rebated to the United States under Section 148(f) of the Code for the Bond and (B) records of all events made regarding such amounts.

(vi) The provisions of this subsection shall survive the Payment of the Bond.

(vii) The provisions of paragraphs (ii) through (v), inclusive, shall be inapplicable (A) for any portion (including all) of the Bond which is not subject to the requirements of Section 148(f)(2) of the Code by reason of subparagraph (A), (B) or (C) of Section 148(f)(4) of the Code or Treasury Regulations Section 1.148-7, and (B) at any time as of and before which no nonpurpose investments (as defined in Section 148(f)(6) of the Code) shall have been acquired with gross proceeds (as defined in Section 148(f)(6) of the Code) of the Bond.

(c) The Borrower shall not permit any payment out of the proceeds of the Bond if, as a result of such payment the average maturity of the Bond would exceed 120% of the average reasonably expected economic life of the facilities financed from the Net Proceeds of the Bond, as determined in accordance with Section 147(b) of the Code.

(d) No proceeds of the Bond shall be used to provide any airplane, skybox or other private luxury box, facility primarily used for gambling or store the principal business of which is the sale of alcoholic beverages for consumption off premises. No proceeds of the Bond shall be used directly or indirectly to provide residential rental property for family units unless the first use of such property is pursuant to the financing provided by the Bond, within the meaning of Section 145(d) of the Code. If the first use of any portion of such property is pursuant to taxable financing (as defined in Section 145(d)(3)(C) of the Code), (i) the Borrower represents that (A) there was a reasonable expectation (at the time such taxable financing was provided) that such taxable financing would be replaced by the financing provided by the Bond, and (B) the Bond is being issued to replace such taxable financing within a reasonable period after such taxable financing was provided, and (ii) the first use of such portion shall be deemed to be pursuant to the financing provided by the Bond if the Borrower shall cause the proceeds from the sale of the Bond to be used to replace such taxable financing on, or as soon as practicable after, the Closing Date.

(e) No portion of the Project shall be leased to the United States or any agency or instrumentality thereof, nor shall the Borrower take, or permit any lessee or user of the Project to take, any action that would cause the Bond to be deemed to be federally guaranteed (as defined in Section 149(b)(2) of the Code).

(f) The Borrower shall (i) take all such actions as may be necessary to cause the Borrower to continue to be a 501(c)(3) Organization which is not a private foundation (within

the meaning of Section 509(a) of the Code), and (ii) shall not take any action which might cause it to cease to be such a 501(c)(3) Organization. The Borrower shall file in a timely manner all reports and other documents which are required to be filed with any governmental body (A) by such a 501(c)(3) Organization or (B) in order to remain such a 501(c)(3) Organization.

(g) The Borrower and the Authority (at the request and expense of the Borrower) shall file any reports or statements and take such other action as may be required from time to time to cause the Bond to be and remain a qualified 501(c)(3) bond within the meaning of Section 145 of the Code.

(h) If the Borrower shall collect a Restricted Gift, the Borrower shall, as soon as practicable and no later than 13 months after its receipt of such Restricted Gift, apply such Restricted Gift to the payment of the cost of the Project or to pay debt service on or prepayment of the Bond. To the extent that a Restricted Gift cannot be so applied, the Borrower shall invest such Restricted Gift as provided in the Authority's "non-arbitrage" certificate given at the issuance of the Bond.

(i) The Borrower shall not permit any portion of the Project the acquisition, renovation or construction of which is financed or refinanced, in whole or in part, with the proceeds from the sale of the Bond to be used in a Trade or Business of any person which is not a 501(c)(3) Organization or in any Unrelated Trade or Business of the Borrower or any other person.

(j) Any provision of this section shall be of no further effect if and to the extent that such provision is, in the opinion of Bond Counsel, expressed in an opinion of such Bond Counsel, satisfactory to the Bondholder, delivered to the Bondholder and the Borrower, not necessary to cause the interest on the Bond to be excludable from gross income for federal income tax purposes.

Section 6.8 References to Bond Ineffective after Bond Paid. Upon Payment of the Bond, all references in this Agreement to the Bond shall be ineffective, and the Authority and the Bondholder shall thereafter have no rights hereunder, except as explicitly provided herein.

Section 6.9 Financial Records and Statements. The Borrower shall maintain proper books of record and account, in which full and correct entries shall be made, in accordance with generally accepted accounting principles applied on a consistent basis from year to year, within 150 days after the end of each of its fiscal years (or such other date agreed to by the Bondholder), shall furnish the Authority and the Bondholder copies of the consolidated balance sheet of the Borrower as of the end of such fiscal year and a consolidated profit and loss statement and statement of cash flows of the Borrower and its consolidated entities for such fiscal year, all in reasonable detail, with supporting schedules. All financial statements referred to in the preceding sentence shall be accompanied by (a) an unqualified opinion, or other opinion satisfactory to the Bondholder, with respect thereto rendered by independent certified public accountants acceptable to the Bondholder and (b) any management letter provided to the Borrower by such accountants. The Borrower shall furnish the Bondholder such additional unaudited financial statements of the Borrower as the Bondholder may reasonably request.

Section 6.10 Proof of Payment of Taxes and Other Charges. The Borrower shall upon request furnish the Authority or the Bondholder proof of payment of any taxes, governmental charges, utility charges, insurance premiums or other charges required to be paid by the Borrower under this Agreement.

Section 6.11 Inspection and Right of Access. The Bondholder, the Authority and their duly authorized agents shall have the right at all reasonable times and upon reasonable notice to enter upon and inspect any part of the Project and to examine, inspect and make copies of the books, records and accounts of the Borrower insofar as such books, records and accounts relate to the Project and the Bond.

Section 6.12 Maintenance of Existence. The Borrower shall maintain its corporate existence and its qualification to do business in Virginia. The Borrower shall not dissolve or otherwise dispose of all or substantially all of its business and assets, or consolidate with or merge into another entity or permit one or more other entities to merge into it. The Borrower shall continue to be a private, nonprofit institution under the laws of the Commonwealth of Virginia.

ARTICLE VII DAMAGE, DESTRUCTION, CONDEMNATION AND LOSS OF TITLE

Section 7.1 Parties to Give Notice. In case of any material damage to or destruction of any part of the Project, the Borrower shall give prompt notice thereof to the Authority and the Bondholder. In case of a taking of any part of the Project or any right therein under the exercise of the power of eminent domain or any loss thereof because of failure of title thereto or the commencement of any proceedings or negotiations which might result in such a taking or loss, the Borrower shall give prompt notice to the Authority and the Bondholder. Each such notice shall describe generally the nature and extent of such damage, destruction, taking, loss, proceedings or negotiations.

Section 7.2 Damage, Destruction, Condemnation and Loss of Title. If before payment of the Bond any part of the Project is damaged or destroyed by fire or other casualty, condemned or lost because of failure of title, the Borrower shall give prompt notice to the Bondholder and shall cause the proceeds thereof received by them on account of any such damage, destruction or condemnation to be applied (i) to the prepayment of the Note, (ii) to payment of the cost of the replacement, repair, rebuilding or restoration, either on completion thereof or as the work progresses, of the Project to substantially the same condition as before such damage, destruction, condemnation or loss of title, with such alterations and additions as the Borrower may determine and as will not impair the capacity or character of the Project for the purpose for which such are then being used or are intended to be used, or (iii) to the construction, renovation and equipping of a facility comparable in capacity and purposes to the Project on a site chosen by the Borrower. In the event of any such damage, destruction or loss of title, the Bondholder may (but shall be under no obligation to) make proof of loss to any insurance company if not promptly made by the Borrower.

The proceeds received and any funds provided by the Borrower shall be held by the Borrower in a special escrow account and disbursed from time to time as provided herein.

If proceeds received and applied to replacement, repair, rebuilding or restoration shall not be sufficient to pay in full such cost, the Borrower shall pay or make arrangements satisfactory to the Bondholder to pay that portion of the cost in excess of such proceeds. The Borrower will not by reason of the payment of such excess cost be entitled to any interest other than their interest under this Agreement or to any reimbursement from the Authority or the Bondholder or to any abatement or diminution of the payment required hereunder or under the Note.

Any balance of such escrowed funds remaining after payment of the cost of replacement, repair, rebuilding or restoration shall be paid to the Borrower.

ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES

Section 8.1 **Event of Default.** Each of the following shall be an Event of Default:

(a) Failure of the Borrower to make any payment of principal of or interest on the Note when due or the failure of the Borrower to honor its obligation to purchase the Bond as provided in Sections 5.5 or 5.7 and the continuation of such failure for ten calendar days after written or oral notice of such failure.

(b) Failure of the Borrower to observe or perform any of its other covenants, conditions or agreements hereunder for a period of 30 days after notice (unless the Borrower and the Bondholder shall agree in writing to an extension of such time before its expiration) specifying such failure and requesting that it be remedied, given by the Bondholder to the Borrower, or in the case of any such default that can be cured but cannot with due diligence be cured within such 30-day period, failure of the Borrower to proceed promptly to cure the same and thereafter prosecute the curing of the same with due diligence.

(c) (i) Failure of the Borrower to pay generally its debts as they become due subject to the provisions of Section 6.4, (ii) commencement by the Borrower of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, (iii) consent by the Borrower to the appointment of a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official for the Borrower or any substantial part of the property of the Borrower, or to the taking possession by any such official of any substantial part of the property of the Borrower, or (iv) making by the Borrower of any assignment for the benefit of creditors generally.

(d) The entry of any decree or order for (i) relief by a court having jurisdiction over the Borrower or the property of the Borrower in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or (ii) appointment of a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official for the Borrower or any substantial part of the property of the Borrower.

(e) Failure of the Borrower within 90 days after the commencement of any proceeding against the Borrower under the federal bankruptcy laws or any other applicable federal or state bankruptcy, insolvency or similar law, to have such proceedings dismissed or stayed.

(f) Reasonable notice by the Bondholder that any warranty, representation or other statement by or on behalf of the Borrower or the Authority contained in the Agreement or any financial statement or other information furnished in connection with the issuance or sale of the Bond was false or misleading in any material respect at the time it was made or delivered.

(g) The occurrence of an Event of Default under the Bondholder Covenants Agreement or any other Financing Instrument.

Section 8.2 Remedies on Default. Upon the occurrence and continuation of an Event of Default, the Bondholder may exercise any of the following remedies:

(a) Declare all payments hereunder and under the Bond and the Note to be immediately due and payable, whereupon the same shall become immediately due and payable; provided that all such payments shall automatically be immediately due and payable, without the necessity of any action by the Bondholder, upon the occurrence of an Event of Default described in subsection (c), (d) or (e) of Section 8.1.

(b) Take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or under the Bond or the Note or to enforce observance or performance of any covenant, condition or agreement of the Borrower under the Financing Instruments.

The Bondholder shall give notice to the Borrower of the exercise by the Bondholder of any of the rights or remedies under this section (i) in writing in the manner provided in Section 10.9 and (ii) by telephone or telegram, provided that failure to give such notice by telephone or telegram shall not affect the validity of the exercise of any right or remedy under this section.

Any balance of the moneys collected under action taken under this section remaining after payment of all costs and expenses of collection and amounts due hereunder shall be paid to the Bondholder and applied toward the making of Required Payments then due and payable, provided that after Payment of the Bond and payment of all other sums required by applicable law any such balance shall be paid to the Borrower.

Section 8.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Bondholder is intended to be exclusive of any other remedy, and every remedy shall be cumulative and in addition to every other remedy herein or now or hereafter existing at law, in equity or by statute. No delay or failure to exercise any right or power accruing upon an Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, and any such right or power may be exercised from time to time and as often as may be deemed expedient.

Section 8.4 Counsel Fees and Other Expenses. The Borrower shall on demand pay to the Authority and the Bondholder the reasonable counsel fees and other reasonable expenses incurred by either of them in the collection of payments hereunder or the enforcement of any other obligation of the Borrower upon an Event of Default. Further, the Borrower's obligation to pay the expenses of the Authority, the Bondholder, or any other expenses because of the occurrence of an Event of Default shall survive Payment of the Bond.

Section 8.5 No Additional Waiver Implied by One Waiver. If any party or its assignee waives a default by any other party under any covenant, condition or agreement herein, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE IX PREPAYMENT

Section 9.1 Option to Prepay. The Bond may be prepaid at the option of the Authority (at the direction of the Borrower) according to its terms. Whenever the Borrower shall direct the Authority to make a prepayment of the Bond, the Borrower shall prepay its obligations under this Agreement and the Note by making such prepayment of the Bond for the account of the Authority. Such prepayment of the Bond shall be deemed prepayment of the Borrower's obligations hereunder and under the Note in the same amount. Prepayment of the Bond in full shall discharge the Borrower from its obligations under this Agreement and the Note (other than obligations which survive Payment of the Bond), but only if such prepayment shall constitute Payment of the Bond.

Section 9.2 Mandatory Prepayment. If at any time the Bond is required to be prepaid in whole or in part at the option of the Bondholder or under this Agreement, the Borrower shall prepay the Bond and the Note, and its obligations hereunder, in the same manner as though it had elected to make such prepayment under Section 9.1. If Bond Counsel shall determine that the face amount of the Bond is such that the Bond may be deemed to be an "arbitrage bond" within the meaning of Section 148 of the Code, the Borrower shall prepay the Bond and the Note in such amount as Bond Counsel shall deem necessary to avoid the Bond being deemed to be an "arbitrage bond." Such prepayment shall be made immediately following the issuance of the Bond and shall be made in the same manner as though the Borrower had elected to make such prepayment under Section 9.1. Any prepayment provided for in this section shall not be subject to the requirements that prepayments be made in multiples of \$5,000 and that advance notice be given.

ARTICLE X MISCELLANEOUS

Section 10.1 Term of Agreement. This Agreement shall be effective upon execution and delivery hereof. Subject to earlier satisfaction upon prepayment of all of the Borrower's obligations hereunder under Article IX and the making in full of all other Required Payments due and payable at the date of such prepayment and subject to any provisions hereof which survive Payment of the Bond, the Borrower's obligations hereunder shall expire on the date provided in the Bond for the final payment of principal thereon, or if all Required Payments have not been made on such date, when all Required Payments shall have been made.

Section 10.2 Successors and Assigns. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns. No assignment by the Borrower shall relieve the Borrower of its obligations hereunder. The Bondholder may, from time to time, sell or offer to sell the Bond or interests therein to one or more assignees or participants, and is hereby authorized to disseminate any information it has pertaining to the Bond, including, without limitation, credit information on the Borrower, to any such assignee or participant or prospective assignee or prospective participant, and to the extent, if any,

specified in any such assignment or participation, such assignee(s) or participant(s) shall have the same rights and benefits regarding this Agreement and the Bond as such person(s) would have if such person(s) were the Bondholder hereunder. The Bondholder shall provide prior written notice to the Borrower of any assignment or participation. The Bondholder shall not sell, transfer, assign or participate any interest in this Agreement or the Bond to any person other than a Qualified Buyer.

Section 10.3 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 individual capacity, and neither the directors of the Authority nor any officer 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, agent or attorney of the Authority shall incur any personal liability for any other action taken by him under the Financing Instruments or the Act or any of the transactions contemplated thereby.

The obligations of the Authority under the Financing Instruments to which it is a party are not general obligations of the Authority but are limited obligations payable solely from the revenues and receipts derived from the repayment of the loan of the proceeds of the Bond made to the Borrower under this Agreement, which revenues and receipts have been pledged and assigned to such purposes. Neither the Commonwealth of Virginia nor any political subdivision thereof, including the Authority and Albemarle County, Virginia, shall be obligated to pay the obligations under the Financing Instruments to which the Authority is a party or other costs incident thereto except from the revenues and receipts 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, Virginia, is pledged to the payment of such obligations.

Section 10.4 If Payment or Performance Date is Not a Business Day. If the specified or last date for the making of any payment, the performance of any act or the exercising of any right, as provided in this Agreement is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day; provided that interest shall accrue during any such period during which payment shall not occur.

Section 10.5 Registration of the Bond. The Bond shall be issued in registered form without coupons, payable to the registered owner or registered assigns. The Authority shall keep books for the registration of transfer of the Bond as the bond registrar. The transfer of the Bond may be registered only upon an assignment executed by the registered owner in such form as shall be satisfactory to the Borrower and the Authority, such registration to be made on the registration books and endorsed on the Bond by the Bondholder. The person in whose name the Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal and purchase price of and interest on the Bond shall be made only to or upon the order of the registered owner thereof or his legal representative.

Section 10.6 Severability. 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.

Section 10.7 Applicable Law; Entire Understanding. This Agreement shall be governed by the applicable laws of the Commonwealth of Virginia. The Financing Instruments express the entire understanding and all agreements between the parties and may not be modified except in a writing signed by the parties. No Financing Instrument may be modified before Payment of the Bond without the consent of the Bondholder and the Borrower. The Bondholder and the Borrower may, without the consent of the Authority, amend any of the provisions of Article VII, other than those contained in Sections 6.4, 6.5, 6.6, 6.8, 6.11 and 6.12.

Section 10.8 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original, and all of which together shall constitute but one and the same instrument.

Section 10.9 Notices. Except as may otherwise be provided herein, all demands, notices, approvals, consents, requests and other communications hereunder and under the other Financing Instruments shall be in writing and shall be delivered or given by first class mail, postage prepaid, or overnight courier addressed as follows:

(a) If to the Borrower, at:

St. Anne's-Belfield School
2132 Ivy Road
Charlottesville, Virginia 22903
Attention: Head of School

(b) If to the Authority, at:

Economic Development Authority of
Albemarle County, Virginia
401 McIntire Road, Suite 130
Charlottesville, Virginia 22902
Attention: Executive Director

(c) If to the Bondholder, at:

STI Institutional & Government, Inc.
10 Franklin Road SE
Roanoke, Virginia 24011
Attention: Michelle T. Cobb

The Borrower, the Authority and the Bondholder may, by notice given hereunder, designate any further or different addresses to which subsequent demands, notices, approvals, consents, requests and other communications shall be sent or persons to whose attention the same shall be directed.

Section 10.10 Other Agreements. To the extent that the execution and delivery of any Financing Instrument by the Borrower, or the performance of its obligations thereunder, would constitute a violation of or default under any other agreement to which the Bondholder and the Borrower are parties, such other agreement is hereby amended to permit such execution and

delivery or such performance, as the case may be, and any default under such agreement resulting from such execution and delivery or such performance is hereby waived.

Section 10.11 Commercial Loan. The Bondholder has purchased Bond for its own account as evidence of a commercial loan made in the ordinary course of its business and with no present intention of distributing or reselling the Bond or any part thereof, and further it is the Bondholder's present intention to hold the Bond to the stated tender date, or earlier redemption, but subject, nevertheless, to the disposition of the Bond being at all times within the control of the undersigned and that the Bond will not be sold in contravention of the Securities Exchange Act of 1934 or the Securities Act of 1933, as amended, as amended, or in contravention of the securities laws of any state

Section 10.12 No Bond Rating; DTC; Offering Document; CUSIP. The Bond shall not be (i) assigned a specific rating by any rating agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of official statement, private placement memorandum or other offering document, (iv) assigned a CUSIP number by Standard & Poor's CUSIP Service or (v) placed or offered by a broker-dealer in the capacity of an underwriter or a placement agent.

Section 10.13 No Advisory or Fiduciary Relationship. In connection with all aspects of each transaction contemplated hereunder (including in connection with any amendment, waiver or other modification hereof or of any other Financing Instruments), the Borrower and the Authority each acknowledge and agree, that: (a)(i) each of the Borrower and the Authority has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, (ii) the Borrower and the Authority are capable of evaluating, and understand and accept, the terms, risks and conditions of the transactions contemplated hereby and by the other Financing Instruments, (iii) the Bondholder is not acting as a municipal advisor or financial advisor to the Borrower or the Authority and (iv) the Bondholder has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act to the Borrower or the Authority with respect to the transactions contemplated hereby and the discussions, undertaking and procedures leading thereto (irrespective of whether the Bondholder has provided other services or is currently providing other services to the Borrower or the Authority on other matters); (b)(i) the Bondholder is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary, for the Borrower or the Authority, or any other Person and (ii) the Bondholder has no obligation to the Borrower or the Authority, with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Financing Instruments; and (c) the Bondholder may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and the Authority, and the Bondholder has no obligation to disclose any of such interests to the Borrower or the Authority. To the fullest extent permitted by law, the Borrower and Authority hereby waive and release any claims that either may have against the Bondholder with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby. If the Borrower or the Authority would like a municipal advisor in this transaction that has legal fiduciary duties to the Borrower or the Authority, the Borrower or the Authority is free to engage a municipal advisor to serve in that capacity. The Financing Instruments are entered into pursuant to and in reliance upon the bank exemption and/or the institutional buyer exemption provided

under the municipal advisor rules of the Securities and Exchange Commission, Rule 15Ba1-1 et seq., to the extent that such rules apply to the transactions contemplated hereunder.

Section 10.14 WAIVER OF JURY TRIAL. THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY, AND IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE RIGHT EITHER OF THEM MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION, WHETHER IN CONTRACT OR TORT OR OTHERWISE, AT LAW OR IN EQUITY, BASED HEREON OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THE BOND AND ANY OTHER DOCUMENT OR INSTRUMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION WITH THE BOND, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY HERETO. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE BONDHOLDER ENTERING INTO OR ACCEPTING THE BOND. FURTHER, THE BORROWER HEREBY CERTIFIES THAT NO REPRESENTATIVE OR AGENT OF THE BONDHOLDER, NOR THE BONDHOLDER'S COUNSEL, HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUNTRUST WOULD NOT, IN THE EVENT OF SUCH LITIGATION, SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISION.

Section 10.15 WAIVER OF DAMAGES OTHER THAN DIRECT OR ACTUAL. TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES HEREBY IRREVOCABLY WAIVE (AND IRREVOCABLY AGREE NOT TO ASSERT) ANY CLAIM WHATSOEVER FOR SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY, CONSEQUENTIAL OR PUNITIVE DAMAGES OR LOST PROFITS (AS OPPOSED TO DIRECT OR ACTUAL DAMAGES) AGAINST EACH OTHER (OR AGAINST EACH OTHER'S RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, ATTORNEYS OR AGENTS) AT ANY TIME ARISING UNDER OR RELATING TO THE BOND OR THE FINANCING INSTRUMENTS, ANY RELATED DOCUMENT, OR ANY TRANSACTION CONTEMPLATED HEREIN OR THEREIN.

[Signature Page Follows]

IN WITNESS WHEREOF, the Authority, the Bondholder and the Borrower 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: _____
Name: _____
Title: Chair

COMMONWEALTH OF VIRGINIA)
)
_____ OF _____)

The undersigned Notary Public in and for the jurisdiction aforesaid hereby certifies that _____, whose name as the _____ of _____, is signed to the foregoing Bond Purchase and Loan Agreement, acknowledged the same before me in my jurisdiction aforesaid, on behalf of the foregoing.

Given under my hand this ____ day of _____, 2021.

My Commission Expires: _____

[SEAL]

Notary Public

Notary Registration No.

STI INSTITUIONAL & GOVERNMENT, INC.,
as Bondholder

By: _____
Name: Michelle T. Cobb
Title: Authorized Agent

COMMONWEALTH OF VIRGINIA)
)
_____ OF _____)

The undersigned Notary Public in and for the jurisdiction aforesaid hereby certifies that Michelle T. Cobb, whose name as the Authorized Agent of STI Institutional & Government, Inc., is signed to the foregoing Bond Purchase and Loan Agreement, acknowledged the same before me in my jurisdiction aforesaid, on behalf of the foregoing.

Given under my hand this ____ day of _____, 2021.

My Commission Expires: _____

[SEAL]

Notary Public

Notary Registration No.

ST. ANNE'S-BELFIELD, INC.

By: _____

Name: Autumn A. Graves

Title: Head of School

COMMONWEALTH OF VIRGINIA)

)

_____ OF _____)

The undersigned Notary Public in and for the jurisdiction aforesaid hereby certifies that _____, whose name as the _____ of _____, is signed to the foregoing Bond Purchase and Loan Agreement, acknowledged the same before me in my jurisdiction aforesaid, on behalf of the foregoing.

Given under my hand this ____ day of _____, 2021.

My Commission Expires: _____

[SEAL]

Notary Public

Notary Registration No.

FORM OF BOND

RB-1

Dated: \$ _____, 2021

UNITED STATES OF AMERICA

COMMONWEALTH OF VIRGINIA

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

**Revenue Refunding Bond
(St. Anne's-Belfield, Inc.),
Series 2021B**

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, together with interest on the outstanding and unpaid principal amount as set forth below, to the order of STI Institutional and Government, Inc. (together with any successor registered holder of this Bond, the "Bondholder"), at its designated office in Roanoke, 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, an aggregate principal amount not to exceed \$ _____, and in like manner to pay interest on the outstanding principal amount, all as provided in this Bond. The Bond shall mature on August 22, 2040, 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.

Capitalized terms used in this Bond and not defined herein have the meanings assigned to them in the Agreement, as hereinafter defined.

Interest will accrue on the outstanding principal amount of on this Bond at the applicable rate as determined in accordance with the Agreement and shall be calculated on the on the premise that there are 360 days in each year and 30 days in each month.

The determination by the Bondholder of the interest rate on this Bond (absent manifest error) shall be conclusive and binding upon the Authority and the Borrower.

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

Accrued interest on this Bond shall be paid monthly, in arrears, commencing on the first Business Day of September, 2021, 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 August 22, 2040, 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 under 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, VIRGINIA. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND ALBEMARLE COUNTY, VIRGINIA, 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, VIRGINIA, 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 Revenue Bond (St. Anne's-Belfield, Inc.), Series 2013, the proceeds of which were used for the construction and equipping of improvements to the upper school educational facility located in Albemarle County, Virginia (the "Project") owned and operated by St. Anne's-Belfield, Inc. (the "Borrower"), under a Bond Purchase and Loan Agreement dated as of July 1, 2021 (as altered, amended, modified, or supplemented, from time to time, the "Agreement"), between 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 two Business Days' prior written notice to the Bondholder, the Authority at the direction of the Borrower may prepay amounts owing under this Bond, in whole or in part, 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 July 1, 2031, this Bond is subject to optional tender for purchase, by the holder hereof, on not less than 180 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.

[Signature Page Follows]

IN WITNESS WHEREOF, the Authority has caused this Bond to be signed by its Chair and its seal to be affixed hereon and attested by its Secretary as of the day and year above first written.

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

By: _____
Name: _____
Title: Chair

(SEAL)

COMMONWEALTH OF VIRGINIA)
_____ OF _____)

The undersigned Notary Public in and for the jurisdiction aforesaid hereby certifies that _____, whose name as the _____ of _____, is signed to the foregoing Bond, acknowledged the same before me in my jurisdiction aforesaid, on behalf of the foregoing.

Given under my hand this ____ day of _____, 2021.

My Commission Expires: _____

[SEAL]

Notary Public

Notary Registration No.

ATTEST:

By: _____
Name: _____
Title: Secretary

COMMONWEALTH OF VIRGINIA)
_____ OF _____)

The undersigned Notary Public in and for the jurisdiction aforesaid hereby certifies that _____, whose name as the _____ of _____, is signed to the foregoing Bond, acknowledged the same before me in my jurisdiction aforesaid, on behalf of the foregoing.

Given under my hand this ____ day of _____, 2021.

My Commission Expires: _____

[SEAL]

Notary Public

Notary Registration No.

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.

TABLE OF PARTIAL REDEMPTIONS

Upon all partial redemptions (whether optional, mandatory or otherwise), the holder of this Bond shall make the appropriate notation on the table below:

<u>Date</u>	<u>Amount Redeemed</u>	<u>Remaining Unpaid Principal Amount</u>	<u>Signature of Bondholder</u>

SCHEDULE A

MONTHLY AMORTIZATION SCHEDULE

Period Begin	Period End	Principal	Principal Reduction
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FORM OF PROMISSORY NOTE

ST. ANNE'S-BELFIELD, INC.

\$ _____, 2021

St. Anne's-Belfield, Inc. (the "Borrower"), for value received, hereby promises to pay the Economic Development Authority of Albemarle County, Virginia (the "Authority"), or assigns, at the office of STI Institutional & Government, Inc. (together with its successors, the "Bondholder") in Roanoke, Virginia, or at such other place as the holder of this Note may direct in writing, in lawful money of the United States of America, the principal sum not to exceed \$ _____, together with interest hereon from the date hereof until payment hereof.

Payments of principal hereof and interest hereon and the rate or rates of interest hereon shall be identical to payments and rates for the Authority's Revenue Refunding Bond (St. Anne's-Belfield, Inc.), Series 2021B, in a principal amount equal to the principal amount hereof (the "Bond"), dated the date hereof. The Bond is issued under a Bond Purchase and Loan Agreement dated as of _____ 1, 2021 (as the same may be altered, amended, modified, or supplemented from time to time, the "Agreement") between the Authority, the Borrower and the Bondholder.

Payments of principal hereof shall be payable at the same time as payments of principal of the Bond are due to be paid to the holder of the Bond and shall be identical in amount to such payments of principal of the Bond due to be so paid. Payments of interest hereon shall be payable at the same time as payments of interest on the Bond are due to be paid to the holder of the Bond and shall be identical in amount to such payments of interest on the Bond due to be so paid.

It is understood that the Authority, by execution of the assignment form at the foot of this Note, is assigning this Note to the Bondholder as security for the Bond. Payments for the principal of and interest on this Note shall be made directly to the holder of the Bond for the account of the Authority under the assignment hereof, to be applied only to the payment of the principal of and interest on the Bond.

The Borrower may prepay this Note in whole or in part upon the terms and conditions and in the manner provided in the Agreement and the Bond, if it shall have directed the Authority to exercise its option to effect a corresponding prepayment of the Bond, *provided however*, that this Note shall not be deemed to be paid in full until the Bond has been paid in full.

In addition to the payments of principal and interest specified above, the Borrower shall also pay such additional amounts, if any, which, together with any other moneys available therefore, may be necessary to provide for payment when due of principal of (whether at maturity, by acceleration or prepayment or otherwise) and premium, if any, and interest on the Bond and all other amounts due and payable under the Agreement.

This Note is issued under the Agreement to evidence a part of the Borrower's payment obligation in Section 5.1(a) thereof and is entitled to the benefits and subject to the conditions of

the Agreement, including the provisions of Section 5.3 thereof that the Borrower's obligations thereunder and hereunder shall be unconditional. All of the terms, conditions and provisions of the Agreement are, by this reference thereto, incorporated herein as a part of this Note.

In case of an Event of Default (as defined in the Agreement) shall occur and be continuing, the principal of and interest on this Note may be declared immediately due and payable as provided in the Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed in its name as of the day and year above first written.

ST. ANNE'S-BELFIELD, INC.

By: _____
Name: Autumn A. Graves
Title: Head of School

COMMONWEALTH OF VIRGINIA)
)
_____ OF _____)

The undersigned Notary Public in and for the jurisdiction aforesaid hereby certifies that _____, whose name as the _____ of _____, is signed to the foregoing Note, acknowledged the same before me in my jurisdiction aforesaid, on behalf of the foregoing.

Given under my hand this ____ day of _____, 2021.

My Commission Expires: _____

[SEAL]

Notary Public

Notary Registration No.

ASSIGNMENT

The Economic Development Authority of Albemarle County, Virginia (the "Authority") hereby irrevocably assigns the foregoing Note to STI Institutional & Government, Inc. (the "Bondholder") and hereby directs St. Anne's-Belfield, Inc., as the maker of such Note, to make all payments for principal of and interest thereon and all other payments required thereby directly to the Bondholder at such place as the Bondholder may direct in writing. Such assignment is made without recourse in accordance with the provisions of the Agreement (as defined in the foregoing Promissory Note) and is made as security for the payment of the Authority's Revenue Refunding Bond (St. Anne's-Belfield, Inc.), Series 2021B, dated the date of the foregoing Note in a principal amount equal to the principal amount of such Note.

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

By: _____
Name: _____
Title: Chair