



CUMBERLAND COUNTY BOARD OF SUPERVISORS

Special meeting
Administration Conference Room
1 Courthouse Circle Cumberland, VA

Amended Agenda

April 28, 2020

7:00 p.m.

ELECTRONIC MEETING

This meeting is being held via electronic communication pursuant to the Emergency Ordinance adopted by the Board of Supervisors on April 8, 2020. Board members physical present: Supervisor Tavernier, Vice-Chairman Tyree and Supervisor Saunders. The Board members participating by electronic communication: Chairman Stanley and Supervisor Brooks. Deputy Clerk, Stephany Johnson is responsible for receiving public comment. Please send comments to administration@cumberlandcounty.virginia.gov by 5:00 p.m. Tuesday, April 28, 2020. Meeting notice was posted to the County website on March 25, 2020. The Agenda was posted to the County website on April 23, 2020, which included the notice of opportunities for the public to access and participate in this electronic meeting.

7:00 p.m. –

1. Call to order
2. Welcome and Pledge of Allegiance
3. Roll Call of Members
4. Approval of Agenda Motion
5. **Reduction in interest rate on certain debt service (pg. 1-14.51)** **Motion**
6. Public Hearing and Ratification of Emergency Continuity of Government Ordinance (pg. 15-20) Motion
7. Public Hearing for 2020 Tax Rate (pg. 21) Motion
8. Adoption of FYE21 budget (pg. 22-24) Motion
9. Adoption of 2020 Tax Rate (pg. 22-24) Motion
10. Adoption of CIP FY 2020-21 thru 2024-25 (pg. 25) Motion
11. Adjourn – Regular meeting – May 12, 2020.



**VML/VACo Finance
Tax-Exempt Financing for
Cumberland County, Virginia
Commonwealth Loan Series 2009 Refunding**

Preliminary Timeline

<u>Date</u>	<u>Action</u>
April 8 th	VML/VACo Finance issues Request for Proposals
April 9 th	Notify US Bank, Trustee and Remarketing Agent of timeline for refunding
April 9 th – April 22 nd	Bond Counsel prepares tax-exempt financing documents
April 21 st	Proposals due from Banks
April 21 st	VML/VACo presents results of proposals to County staff
April 22 nd	<ul style="list-style-type: none">▪ Preliminary documents provided to Bank and County for review▪ Bond Counsel provides model resolution authorizing the financing for Cumberland County BOS's consideration
April 24 th	Notice provided to US Bank to cancel Swap Agreement
April 27 th	Bond Counsel sends final financing documents to County for Board meeting on April 28 th
April 28 th	BOS considers resolution authorizing the refunding
April 29 th	Executed documents returned to bank
April 30 th	Closing
May 1 st	Funding and payoff of swap

\$3,060,000

Preliminary

Cumberland County, VA

Series 2020 Refunding Loan | Signature Public Funding

Sources & Uses

Dated 04/30/2020 | Delivered 04/30/2020

Sources Of Funds

Par Amount of Bonds	\$3,060,000.00
Equity Contribution	7,000.00
Total Sources	\$3,067,000.00

Uses Of Funds

Net Bond Counsel Fees	9,000.00
Less VLGFC Grant	(5,000.00)
Net Bond Counsel Fees	4,000.00
Bank Legal Costs	3,000.00
Deposit to Current Refunding Fund	3,060,000.00
Total Uses	\$3,067,000.00

\$3,060,000

Preliminary

Cumberland County, VA

Series 2020 Refunding Loan | Signature Public Funding

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
04/30/2020	-	-	-	-	-
11/01/2020	144,951.55	2.310%	35,539.35	180,490.90	180,490.90
05/01/2021	146,625.74	2.310%	33,668.81	180,294.55	-
11/01/2021	148,319.27	2.310%	31,975.28	180,294.55	360,589.10
05/01/2022	150,032.36	2.310%	30,262.19	180,294.55	-
11/01/2022	151,765.23	2.310%	28,529.32	180,294.55	360,589.10
05/01/2023	153,518.12	2.310%	26,776.43	180,294.55	-
11/01/2023	155,291.26	2.310%	25,003.30	180,294.56	360,589.11
05/01/2024	157,084.86	2.310%	23,209.68	180,294.54	-
11/01/2024	158,899.20	2.310%	21,395.35	180,294.55	360,589.09
05/01/2025	160,734.49	2.310%	19,560.07	180,294.56	-
11/01/2025	162,590.96	2.310%	17,703.58	180,294.54	360,589.10
05/01/2026	164,468.90	2.310%	15,825.66	180,294.56	-
11/01/2026	166,368.50	2.310%	13,926.04	180,294.54	360,589.10
05/01/2027	168,290.07	2.310%	12,004.49	180,294.56	-
11/01/2027	170,233.81	2.310%	10,060.74	180,294.55	360,589.11
05/01/2028	172,200.02	2.310%	8,094.54	180,294.56	-
11/01/2028	174,188.93	2.310%	6,105.63	180,294.56	360,589.12
05/01/2029	176,200.80	2.310%	4,093.74	180,294.54	-
11/01/2029	178,235.93	2.310%	2,058.62	180,294.55	360,589.09
Total	\$3,060,000.00	-	\$365,792.82	\$3,425,792.82	-

Yield Statistics

Bond Year Dollars	\$15,835.19
Average Life	5.175 Years
Average Coupon	2.3099999%
Net Interest Cost (NIC)	2.3099999%
True Interest Cost (TIC)	2.3099922%
All Inclusive Cost (AIC)	2.4581387%

IRS Form 8038

Net Interest Cost	2.3099999%
Weighted Average Maturity	5.175 Years

\$3,060,000

Preliminary

Cumberland County, VA

Series 2020 Refunding Loan | Signature Public Funding

Debt Service Comparison

Date	Total P+I	Expenses	Net New D/S	Old Net D/S	Savings
11/01/2020	180,490.90	1,538.50	182,029.40	306,819.56	124,790.16
11/01/2021	360,589.10	2,841.75	363,430.85	396,336.28	32,905.43
11/01/2022	360,589.10	2,545.10	363,134.20	393,760.71	30,626.51
11/01/2023	360,589.11	2,241.56	362,830.67	395,682.41	32,851.74
11/01/2024	360,589.09	1,930.96	362,520.05	391,890.25	29,370.20
11/01/2025	360,589.10	1,613.15	362,202.25	392,576.68	30,374.43
11/01/2026	360,589.10	1,287.96	361,877.06	392,571.93	30,694.87
11/01/2027	360,589.11	955.21	361,544.32	391,829.52	30,285.20
11/01/2028	360,589.12	614.74	361,203.86	390,364.97	29,161.11
11/01/2029	360,589.09	266.34	360,855.43	393,162.11	32,306.68
Total	\$3,425,792.82	\$15,835.27	\$3,441,628.09	\$3,844,994.42	\$403,366.33

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	156,787.34
Effects of changes in Credit Enhancement Expenses	153,144.31
Effects of changes in Admin Expenses	47,639.31
Net PV Cashflow Savings @ 2.458%(AIC)	357,570.96
Total Cash contribution	(7,000.00)
Net Present Value Benefit	\$350,570.96
Net PV Benefit / - Refunded Principal	-
Net PV Benefit / \$3,060,000 Refunding Principal	11.457%

Refunding Bond Information

Refunding Dated Date	4/30/2020
Refunding Delivery Date	4/30/2020

\$3,060,000

Preliminary

Cumberland County, VA
Series 2020 Refunding Loan | Signature Public Funding

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Annual Fee (0.10%)	Net New D/S
11/01/2020	144,951.55	2.310%	35,539.35	180,490.90	1,538.50	182,029.40
11/01/2021	294,945.01	2.310%	65,644.09	360,589.10	2,841.75	363,430.85
11/01/2022	301,797.59	2.310%	58,791.51	360,589.10	2,545.10	363,134.20
11/01/2023	308,809.38	2.310%	51,779.73	360,589.11	2,241.56	362,830.67
11/01/2024	315,984.06	2.310%	44,605.03	360,589.09	1,930.96	362,520.05
11/01/2025	323,325.45	2.310%	37,263.65	360,589.10	1,613.15	362,202.25
11/01/2026	330,837.40	2.310%	29,751.70	360,589.10	1,287.96	361,877.06
11/01/2027	338,523.88	2.310%	22,065.23	360,589.11	955.21	361,544.32
11/01/2028	346,388.95	2.310%	14,200.17	360,589.12	614.74	361,203.86
11/01/2029	354,436.73	2.310%	6,152.36	360,589.09	266.34	360,855.43
Total	\$3,060,000.00	-	\$365,792.82	\$3,425,792.82	\$15,835.27	\$3,441,628.09

\$3,060,000

Preliminary

Cumberland County, VA

Series 2020 Refunding Loan | Signature Public Funding

Total Prior Net Debt Service

Date	Principal	Coupon	Interest	Admin Expenses	Total P+I	LOC	Net D/S
11/01/2020	245,000.00	3.398%	43,318.15	4,093.40	288,318.15	14,408.01	306,819.56
11/01/2021	260,000.00	3.398%	95,639.64	9,003.97	355,639.64	31,692.67	396,336.28
11/01/2022	270,000.00	3.398%	86,806.08	8,176.00	356,806.08	28,778.63	393,760.71
11/01/2023	285,000.00	3.398%	77,632.92	7,312.03	362,632.92	25,737.46	395,682.41
11/01/2024	295,000.00	3.398%	67,950.00	6,402.99	362,950.00	22,537.26	391,890.25
11/01/2025	310,000.00	3.398%	57,927.36	5,453.56	367,927.36	19,195.76	392,576.68
11/01/2026	325,000.00	3.398%	47,395.08	4,464.07	372,395.08	15,712.78	392,571.93
11/01/2027	340,000.00	3.398%	36,353.28	3,424.06	376,353.28	12,052.18	391,829.52
11/01/2028	355,000.00	3.398%	24,801.72	2,337.10	379,801.72	8,226.15	390,364.97
11/01/2029	375,000.00	3.398%	12,740.64	1,199.51	387,740.64	4,221.96	393,162.11
Total	\$3,060,000.00	-	\$550,564.87	\$51,866.69	\$3,610,564.87	\$182,562.86	\$3,844,994.42

PROPOSAL AND TERMS SHEET

Moral Obligation Refunding Note or Bond, Series 2020

By and Between

Signature Public Funding Corp.

and

County of Cumberland, Virginia

The logo for Signature Public Funding, featuring the word "Signature" in a large, elegant, cursive script.

**SIGNATURE
PUBLIC FUNDING**

Signature Public Funding Corp.,
a wholly-owned subsidiary of Signature Bank

Signature Public Funding Corp.
Douglas S. Dillon, Executive Sales Officer
600 Washington Avenue, Suite 305
Towson, Maryland 21204
(410) 704-0083
ddillon@signatureny.com

The logo for Signature Public Funding Corp. features the word "Signature" in a large, elegant, cursive script font. A thin vertical line is positioned to the right of the word, separating it from the company name.

**SIGNATURE
PUBLIC FUNDING**

April 21, 2020

Mr. Don Unmussig, County Administrator
County of Cumberland
1 Courthouse Circle
Cumberland, VA 23040

RE: Moral Obligation Refunding Note or Bond, Series 2020

Dear Mr. Unmussig:

Signature Public Funding Corp. ("SPFC") is pleased to present to the County of Cumberland Board of Supervisors ("County") its proposal for the funding of the Moral Obligation Refunding Note or Bond as described in the Request for Proposals dated April 9, 2020.

If you have any questions about the proposal, please contact me for clarification or follow-up. It is a pleasure to offer this proposal to the County and we look forward to your favorable acknowledgment.

Sincerely,

A handwritten signature in blue ink, appearing to read "Douglas S. Dillon". The signature is fluid and cursive.

Douglas S. Dillon
Executive Sales Officer

PROPOSAL & REVISED TERMS SHEET

County of Cumberland, Virginia

BORROWER: County of Cumberland, Virginia, (the “County” or “Borrower”), which shall be political subdivision or body corporate and politic of the Commonwealth of Virginia and qualify as a political subdivision within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended (the “Code”).

LENDER: Signature Public Funding Corp., a wholly-owned subsidiary of Signature Bank (“SPFC” or “Lender”), or its Assignee.

TYPE OF FINANCING: A single amortizing term Note or Bond (the “Note”) issued in a ‘not to exceed’ Par amount of \$3,060,000.00. Interest will be calculated on a 30/360 simple interest basis. The Note shall be governed by the laws of the Commonwealth of Virginia and shall comply with all applicable Commonwealth and federal laws and regulations.

USE OF PROCEEDS: The proceeds of the Note will be used for refunding the Series 2009 Bonds originally issued for improvements to essential public infrastructure including the County’s public safety facilities, water and sewer facilities, the county administration building, school facilities and others as more fully described in the Request for Proposals, and to pay cost of issuance associated with the Note including Lender’s legal counsel fees.

INTEREST RATE: 2.31%

The Interest Rate assumes a closing no later than May 22, 2020.

If funding does not take place by May 22, 2020 then the Interest Rate may be adjusted based changes in the average life Interest Rate Swap as noted by the Federal Reserve in effect on any of the three (3) days prior to the actual closing date. Once set, the Initial Interest Rate will remain fixed through the maturity date of the Note.

SECURITY:

The Note will be a Moral Obligation subject to annual appropriation of the principal and interest payments each year of the term.

The County will provide a Negative Covenant that will state that the sheriff's office and county administration building will not be sold, leased, or otherwise transferred, disposed of, or encumbered without the prior written consent of the Lender.

FINAL MATURITY DATE:

November 1, 2029

REPAYMENT:

The Note will require level semi-annual payments of principal and interest each May 1 and November 1 beginning November 1, 2020.

A principal amortization table for a Note in the amount of \$3,060,000.00 can be found attached hereto as Annex A. The final Note principal table will be adjusted to reflect the final principal amount of the Note up to a maximum Par amount of \$3,060,000.00, or other amount agreed to between the parties. Any changes to the final principal schedule will be determined in a manner that does not materially alter the weighted average life of the principal recovery as reflected in the principal schedule of the RFP.

If any amounts due and owing with respect to the Notes (including principal, interest, or other amounts) are not paid within twenty (20) days of the regularly scheduled or invoiced due date, then such amounts will accrue and be subject to additional interest (a "Late Charge") at a per annum interest rate of 5.00% (the "Taxable Interest Rate").

TAX EXEMPT STATUS:

The Note will be a tax-exempt financing such that the interest component of the payments will be excludable from the Lender's gross income for federal income tax calculations and exempt from all taxation in the state. The County covenants and agrees to comply with all requirements of the Internal Revenue Code of 1986, as amended, and all other applicable rules, laws, regulations and promulgations necessary to keep the interest portion exempt from such Federal and state income taxes. If as a result of the County's failure to comply with the foregoing covenant or as a result of a change in laws or the marginal corporate income tax rate the interest portion of the payments is included in the Lessor's

federal or state gross income tax calculations, then the interest due under the Note may be adjusted for the affect of the failure or change, together with any fees or penalties resulting if due to non-compliance.

The County reasonably anticipates the total amount of tax-exempt obligations (other than private activity Notes) to be issued by County during calendar year 2020 will not exceed ten million (\$10,000,000.00) dollars.

The Lender has not provided, nor will it provide tax or accounting advice to the County regarding this transaction or the treatment thereof for tax and accounting purposes. The Lender is not a registered financial advisor, nor registered with IRMA, the MSRB or as broker-dealer in securities. The County has obtained independent tax, financial advisory, securities and accounting advice as it deems necessary. An 8038-G will be provided with respect to the Note executed in connection herewith.

PREPAYMENT OPTIONS:

The Note will be non-callable through November 1, 2025. The County will have the right to prepay on any scheduled payment date the outstanding principal of the Note at a premium of 1.00% of the prepaid principal amount plus interest and any other amounts due and owing at the time of the prepayment.

LEGAL OPINION:

The County's counsel shall furnish SPFC with a validity and tax opinion covering, *inter alia*, the tax-exempt nature of this transaction, the ability of the County to issue the Note, and the approval of the documents used in connection therewith. This opinion shall be in a form and substance satisfactory to SPFC and its counsel.

NOTE DOCUMENTATION:

The documentation will be prepared by the Borrower's counsel and is subject to approval by SPFC, and its counsel. The County will be responsible for a \$3,000.00 fee to SPFC, which SPFC will apply to cover SPFC's legal and other transaction costs. The fee can be financed with Note proceeds.

Documentation shall include all standard representations, warranties, and covenants typically associated with a transaction of this nature, including any requirements of the SPFC's final credit approval.

REGISTRATION:

CUSIP numbers will not be required or assigned to this issuance.

DUE DILIGENCE:

The County shall provide to SPFC documentation as may be needed by SPFC counsel and other business, legal and credit due diligence items not previously provided or publicly available. This proposal shall not be construed as a commitment to lend by SPFC and is subject to final credit approval by the Signature Public Funding Corp. and Signature Bank and approval of the definitive Note documents in Signature Public Funding Corp.'s sole discretion. To render a final credit decision, the County shall provide SPFC with the information requested above. Any and all capitalized terms not specifically defined herein shall be given their meaning under the Note Documents.

PROPOSAL & REVISED TERMS SHEET: PROPOSAL ACCEPTANCE
County of Cumberland, Virginia

ACCEPTANCE BY COUNTY:

The Proposal & Terms Sheet submitted by Signature Public Funding Corp. has been reviewed, agreed to, and accepted by County of Cumberland, Virginia on 22 APRIL, 2020.

AGREED AND ACCEPTED:

COUNTY OF CUMBERLAND, VIRGINIA

By: _____

Name:

Title:



Annex A: Sample Note Amortization for a Par Amount of \$3,060,000.00 and an assumed funding date of May 1, 2020

Interest Rate 2.310%

<u>Date</u>	<u>Funding Amount</u>	<u>Semi Annual Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Unamortized Balance</u>	<u>Prepayment Amount</u>
5/1/2020	3,060,000.00	-	-	-	3,060,000.00	Non-Callable
11/1/2020	-	180,294.55	35,343.00	144,951.55	2,915,048.45	Non-Callable
5/1/2021	-	180,294.55	33,668.81	146,625.74	2,768,422.71	Non-Callable
11/1/2021	-	180,294.55	31,975.28	148,319.27	2,620,103.44	Non-Callable
5/1/2022	-	180,294.55	30,262.19	150,032.36	2,470,071.08	Non-Callable
11/1/2022	-	180,294.55	28,529.32	151,765.23	2,318,305.85	Non-Callable
5/1/2023	-	180,294.55	26,776.43	153,518.12	2,164,787.73	Non-Callable
11/1/2023	-	180,294.55	25,003.29	155,291.26	2,009,496.47	Non-Callable
5/1/2024	-	180,294.55	23,209.69	157,084.86	1,852,411.61	Non-Callable
11/1/2024	-	180,294.55	21,395.35	158,899.20	1,693,512.41	Non-Callable
5/1/2025	-	180,294.55	19,560.06	160,734.49	1,532,777.92	Non-Callable
11/1/2025	-	180,294.55	17,703.59	162,590.96	1,370,186.96	Non-Callable
5/1/2026	-	180,294.55	15,825.65	164,468.90	1,205,718.06	1,217,775.24
11/1/2026	-	180,294.55	13,926.05	166,368.50	1,039,349.56	1,049,743.06
5/1/2027	-	180,294.55	12,004.48	168,290.07	871,059.49	879,770.08
11/1/2027	-	180,294.55	10,060.74	170,233.81	700,825.68	707,833.94
5/1/2028	-	180,294.55	8,094.53	172,200.02	528,625.66	533,911.92
11/1/2028	-	180,294.55	6,105.62	174,188.93	354,436.73	357,981.10
5/1/2029	-	180,294.55	4,093.75	176,200.80	178,235.93	180,018.29
11/1/2029	-	180,294.55	2,058.62	178,235.93	-	-
Total	3,060,000.00	3,425,596.45	365,596.45	3,060,000.00		

BOND PURCHASE AGREEMENT

Between: **Signature Public Funding Corp. (the “Purchaser”)**
600 Washington Avenue, Suite 305
Towson, MD 21204
Attention: Senior Managing Director
Telephone: (410) 704-0027

And: **County of Cumberland, Virginia (the “Issuer”)**
PO Box 110
1 Courthouse Circle
Cumberland, VA 23040
Attention: Don Unmussig, County Administrator
Telephone: (804) 492-3625

Dated: **As of April 1, 2020**

This Bond Purchase Agreement (the “Agreement”) is entered into as of the date set forth above, between the County of Cumberland, Virginia (the “Issuer”) and Signature Public Funding Corp. (the “Purchaser”). For and in consideration of the premises hereinafter contained, The Issuer hereby agrees to issue and sell to the Purchaser, and the Purchaser agrees to purchase and accept, the Bond, as defined below, on the terms set forth herein.

ARTICLE I. DEFINITIONS

As used in this Agreement, the following terms will have the meanings indicated below unless the context clearly requires otherwise:

“**Agreement**” means this Bond Purchase Agreement executed by the Issuer and the Purchaser, including all exhibits, schedules and attachments attached thereto.

“**Annual Fee**” means the fee calculated and payable semi-annually each May 1st and November 1st to the Paying Agent and in amount equal to 0.10% of then-remaining outstanding principal balance on the Bond and as more fully described in the Paying Agent Agreement.

“**Authorizing Statute**” means the Virginia Public Finance Act in the Code of Virginia.

“**Bond**” means the \$3,060,000 Public Facilities Refunding Bond, Series 2020, issued by the Issuer, as identified in the Resolution.

“**Bond Counsel**” means Spotts Fain PC.

“**Code**” is defined in Section 3.1(f).

“**Issue Date**” is April 30, 2020.

“**Event of Default**” is defined in Section 6.1.

“**Issuer**” means the entity identified as such in the first paragraph of this Agreement, and its permitted successors and assigns.

“Paying Agent” means the Virginia Local Government Finance Corporation (“Paying Agent” or “VLGFC” in the Paying Agent Agreement), administrator of the Virginia Municipal League/Virginia Association of Counties Finance Program and a component unit of, the Industrial Development Authority of the County of Stafford and the City of Staunton, Virginia.

“Paying Agent Agreement” means the agreement entered into on the Issue Date between the Issuer and the Paying Agent for, among other things, the invoicing and payment of the Issuer’s obligations under this Agreement and the Bond.

“Project” means the refinancing of the Issuer’s \$5,000,000 Public Facilities Note, Series 2009A (the “2009A Note”), and related administrative and financing costs. The 2009A Note was originally issued to pay the costs of certain infrastructure improvements to the Issuer’s Administration Building and its Sheriff’s Office Building.

“Purchaser” means the entity identified as such in the first paragraph of this Agreement, and its successors and assigns.

“Resolution” means the resolution of the Board of Supervisors of the Issuer adopted April 28, 2020, authorizing the execution and delivery of this Agreement and the issuance of the Bond.

“State” means the Commonwealth of Virginia.

ARTICLE II. PURCHASE OF BOND

Section 2.1 **Purchase and Form of Bond.** On the terms, and subject to the conditions set forth in this Agreement, the Purchaser hereby agrees to purchase the Bond, at a price of 100 percent of the par amount thereof. The principal amount of the Bond shall be \$3,060,000. The form of the Bond is attached hereto as Attachment 1. The Bond is issued pursuant to the Authorizing Statute.

Section 2.2 **Interest; Fee; Installments.** The Bond shall bear interest at the rate of 2.31% per annum, calculated on a 30/360-day basis. The Issuer will repay the Bond in semiannual installments, including principal and interest on each May 1 and each November 1 beginning November 1, 2020, and ending November 1, 2029 (the “Maturity Date”). Included in payments on the Bond is an Annual Fee pursuant to the Paying Agent Agreement. Payments on the Bond shall be made consistent with the Schedule I affixed to the Bond, which such Schedule is incorporated herein and made a part of this Agreement by this reference.

Section 2.3 **Application.** Any payments by the Issuer to the Purchaser shall be applied first to pay accrued interest and unpaid Annual Fee amounts, and then to pay principal.

Section 2.4 **Prepayment Provisions.** The Issuer shall not have the option to prepay the Bond before the November 1, 2025. After November 1, 2025, the Issuer may prepay the Bond, in whole only, on any scheduled payment date thereafter the outstanding principal of the Bond at a premium of 1.00% of the prepaid principal amount plus interest, fees and any other amounts due and owing at the time of the prepayment.

ARTICLE III. COVENANTS AND CONDITIONS

Section 3.1 **Covenants of the Issuer.** As of the Issue Date, the Issuer represents, covenants and warrants for the benefit of the Purchaser as follows:

- (a) The Issuer is a public body corporate and politic duly organized and existing under the constitution and laws of the State with full power and authority to issue the Bond, and to enter into this Agreement and the transactions contemplated thereby and to perform all of its obligations thereunder.
- (b) The Issuer will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic. To the extent the Issuer should merge with another entity under the laws of the State, the Issuer agrees that as a condition to such merger it will require that the remaining or resulting entity shall be assigned the Issuer's rights and shall assume the Issuer's obligations under the Bond and this Agreement.

- (c) The Issuer has been duly authorized to issue the Bond and to execute and deliver this Agreement by proper action by its governing body, or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of the Bond and this Agreement, and the Issuer has complied with such public bidding requirements as may be applicable to the Bond, this Agreement and the Project. On the Issue Date, the Issuer shall cause to be delivered an opinion of counsel, as to the federal and state tax exemption of interest on the Bond, with such changes therein as may be approved by the Purchaser.
- (d) The Issuer will provide the Purchaser with current financial statements (within 180 days of fiscal year end) and budgets (not later than 30 days prior to fiscal year end) and such financial or other information of the Issuer as the Purchaser may reasonably request, in such form and containing such information as may be requested by the Purchaser.
- (e) The Issuer will expend the proceeds of the Bond on costs and expenses of the Project for which the Issuer may expend Bond proceeds under the Authorizing Statute.
- (f) Without the prior written consent of the Purchaser which may be withheld in the Purchaser's sole discretion, the Issuer shall not incur any new indebtedness or issue any bonds, notes or other evidences of indebtedness secured by any lien or other encumbrance on the Properties listed on Attachment 2 hereto without the express written permission of the Purchaser.
- (g) The Issuer will comply with all applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), including, without limitation, Sections 103 and 148 thereof, and the regulations of the Treasury Department thereunder, from time to time proposed or in effect, in order to maintain the excludability from gross income for federal income tax purposes of the interest on the Bond. The Issuer covenants and agrees that it will use the proceeds of the Bond as soon as practicable and with all reasonable dispatch for the purpose for which the Bond has been issued, and that no part of the proceeds of the Bond shall be invested in any securities, obligations or other investments except for the temporary period pending such use nor used, at any time, directly or indirectly, in a manner which, if such use had been reasonably anticipated on the date of issuance of the Bond, would have caused the Bond to be or become "arbitrage bonds" within the meaning of Section 103(b)(2) or Section 148 of the Code and the regulations of the Treasury Department thereunder proposed or in effect at the time of such use and applicable to obligations issued on the date of issuance of the Bond. In furtherance of the covenant contained in the preceding sentence, the Issuer agrees to comply with the tax compliance certificate delivered on the Issue Date and the provisions of Section 141 through 150 of the Code, as applicable.
- (h) The Issuer designates the Bond as a "qualified tax-exempt obligation" for the purpose of Section 265(b)(3) of the Code. The Issuer represents and covenants as follows:
 - i. The Issuer will in no event designate more than \$10,000,000 of obligations as qualified tax-exempt obligations in calendar year 2020, including the Bond, for the purpose of such Section 265(b)(3);
 - ii. The Issuer, all its "subordinate entities," within the meaning of such Section 265(b)(3), and all entities which issue tax-exempt obligations on behalf of the Issuer and its subordinate entities have not authorized, in the aggregate, more than \$10,000,000 of tax-exempt obligations to be issued in calendar year 2020 (not including "private activity bonds," within the meaning of Section 141 of the Code, other than "qualified 501(c)(3) bonds," within the meaning of Section 145 of the Code), including the Bond;
 - iii. Barring circumstances unforeseen as of the date of delivery of the Bond, the Issuer will not issue tax-exempt obligations itself or approve the issuance of tax-exempt obligations of any of such other entities if the issuance of such tax-exempt obligations would, when aggregated with all other tax-exempt obligations theretofore issued by the Issuer and such other entities in calendar year 2020, result in the Issuer and such other entities having issued a total of more than \$10,000,000 of tax-exempt obligations in calendar year 2020 (not including private activity bonds other than qualified 501(c)(3) bonds), including the Bond; and

- iv. The Issuer has no reason to believe that the Issuer and such other entities will issue tax-exempt obligations in calendar year 2020 in an aggregate amount that will exceed such \$10,000,000 limit; provided, however, that if the Issuer receives an opinion of nationally recognized bond counsel that compliance with any covenant set forth in (i) or (iii) above is not required for the Bond to be a qualified tax-exempt obligation, the Issuer need not comply with such covenant.
- (i) The issuance of the Bond and the execution, delivery and performance of this Agreement and compliance with the provisions thereof by the Issuer does not conflict with or result in a violation or breach or constitute a default under, any resolution, bond, agreement, indenture, mortgage, note, lease or other instrument to which the Issuer is a party or by which it is bound by any law or any rule, regulation, order or decree of any court, governmental agency or body having jurisdiction over the Issuer or any of its activities or properties resulting in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any property or assets of the Issuer or to which it is subject.

Section 3.2 **Conditions.** The Purchaser's obligation to purchase the Bond on the Issue Date is subject to satisfaction of the following conditions:

- (a) The Purchaser shall have received a certified copy of the duly authorized Resolution;
- (b) The Purchaser shall have received an original of this Agreement and the Bond, duly executed by the Issuer in accordance with the Resolution;
- (c) The Purchaser shall have received an opinion of Bond Counsel, in form and substance satisfactory to the Purchaser's counsel, to the effect that:
 - i. the Resolution, this Agreement, and the Bond are valid and legally binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms, except to the extent that enforceability may be limited by or rendered ineffective by (A) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally; (B) the application of equitable principles and the exercise of judicial discretion in appropriate cases; (C) common law and statutes affecting the enforceability of contractual obligations generally; and (D) principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the Issuer;
 - ii. the interest payable on the Bond is excludable from gross income under the Code;
 - iii. the Bond is not a "private activity bond" within the meaning of Section 141 of the Code, and
 - iv. the Bond is a qualified tax-exempt obligation under Section 265(b)(3)(B) of the Code;
- (d) The Purchaser shall have received the certificate of a duly authorized representative of the Issuer to the effect that:
 - i. there is no action, suit, proceeding, or investigation at law or in equity before or by any court or government, city or body pending or, to the best of the knowledge of the Issuer, threatened against the Issuer to restrain or enjoin the adoption of the Resolution or the execution and delivery of this Agreement or the issuance of the Bond, or the collection and application of funds as contemplated by this Agreement and the Bond, which in the reasonable judgment of the Issuer, would have a material and adverse effect on the ability of the Issuer to pay amounts due under the Bond, and
 - ii. the adoption of the Resolution and the execution and delivery of this Agreement and the Bond do not and will not conflict in any material respect with or constitute on the part of the Issuer a breach of or default under any law, charter provision, court decree, administrative regulation, resolution, ordinance, or other agreement or instrument to which the Issuer is a party or by which it is bound;
- (e) The Purchaser shall have received such additional legal opinions, certificates, proceedings, instruments, or other documents as the Purchaser or Bond Counsel may reasonably request to evidence compliance by the

Issuer with the legal requirements for adoption of the Resolution, execution and delivery of this Agreement, issuance of the Bond, acquisition and construction of the Project and the due performance or satisfaction by the Issuer of all agreements then to be performed and all conditions then to be satisfied by the Issuer.

- (f) The Issuer shall have satisfied all of the Purchaser's required conditions precedent to closing.

ARTICLE IV. PAYMENT AND SECURITY

Section 4.1 **Payment of Bond.** The Issuer shall promptly pay the principal of, and interest and premium, if any, on the Bond in lawful money of the United States of America, in such amounts and on such dates as described in this Agreement and the Bond. The Issuer shall pay the Purchaser a charge on any delinquent payments in an amount sufficient to cover all additional costs and expenses incurred by the Purchaser from such delinquent payment. In addition, if not received within 20 days of the due date, the Issuer shall pay a late charge of five percent (5.00%) on all delinquent payments of principal of and interest and premium, if any, on the Bond or the maximum amount permitted by law, whichever is less.

Section 4.2 **Use of Proceeds.** Unless otherwise waived by the Purchaser, the Issuer shall use the Bond proceeds to refund the 2009A Note.

Section 4.3 **Annual Appropriation and the Issuer's Moral Obligation.** The following covenants and agreements of the Issuer are herein referred to collectively as the "Issuer's Moral Obligation":

- (a) The County Administrator, for each fiscal year that the Bond remains outstanding, shall include sums payable under Section 2.2 in the fiscal year budget proposal presented to the Issuer's governing body. No later than May 1 of each year beginning May 1, 2021, the County Administrator of the Issuer shall notify the Purchaser, in writing, of the amount (the "Annual Deficiency Amount") by which the sum of (a) the principal of and interest on the Bond, and (b) any other amounts due to be paid by the Issuer under this Agreement during the Issuer's next ensuing fiscal year, is expected to exceed the total of the revenues, grants and appropriations to be received during such next ensuing fiscal year that will be available to pay the amounts described in (a) and (b) above. In such event the County Administrator shall also, as soon as practicable, deliver to the Issuer's Board of Supervisors (the "Board") a certificate stating the Annual Deficiency Amount accompanied by a request that the Board appropriate and pay to the Purchaser from funds of the Issuer an amount sufficient to cure the deficiency, or to include the Annual Deficiency Amount in the annual budget submitted to the Board for the Issuer's next ensuing fiscal year.
- (b) The County Administrator shall promptly present such request to the Board, and the Board shall consider such request, at its next regularly scheduled meeting at which it is possible to satisfy any applicable notification requirement. Promptly after such meeting, the County Administrator shall notify the Purchaser whether the amount so requested was appropriated. If the Board shall fail to make any such appropriation, the County Administrator shall add the amount of such requested appropriation to the Annual Deficiency Amount and shall make a similar request for funding of the aggregate Deficiency Amount at each following meeting of the Board until the aggregate Deficiency Amount has been paid. Within ten (10) days after the adoption of each budget, but not later than July 1 of each year, the County Administrator shall deliver to the Purchaser a certificate stating whether the Board has appropriated an amount equal to the Annual Deficiency Amount to or on behalf of the Purchaser for such purpose in the Issuer's annual budget adopted for such fiscal year.
- (c) The Issuer shall pay to the Purchaser the amount of any annual or supplemental appropriation made pursuant to this Section. The Issuer acknowledges that any amounts appropriated pursuant to this Section shall be deemed to be pledged to secure the payment of the principal of and interest on the Bond and the other obligations of the Issuer under this Agreement.

- (d) The Board hereby undertakes a non-binding obligation to appropriate, as a current expense of the Issuer, such amounts as may be requested from time to time pursuant to subsections (a) through (b) above, to the fullest degree and in such manner as is consistent with the Constitution and laws of the Commonwealth of Virginia. The Board, while recognizing that it is not empowered to make any binding commitment to make such appropriations in future fiscal years, hereby states its intention to make such appropriations in future fiscal years, and hereby recommends that future Boards do likewise.
- (e) Nothing contained in this Section shall bind or obligate the Board to appropriate funds for the purposes described herein.

Section 4.4 **Additional Indebtedness.** Without the prior written consent of the Purchaser which may be withheld in the Purchaser's sole discretion, the Issuer shall not sell, transfer, lease, dispose, or incur any indebtedness or issue any bonds, notes or other evidences of indebtedness secured by any lien or encumbrance on, the Properties set forth on Attachment 2 hereto.

Section 4.5 **Full Faith and Credit.** Nothing in this Agreement, the Bond, or any security interest or instrument shall constitute a pledge of the full faith and credit nor taxing power of the Commonwealth of Virginia or of any political subdivision, including of the Issuer.

Section 4.6 **Obligations Absolute.** To the extent permitted by law, the obligations of the Issuer to make the payments required under the Bond and this Agreement and to perform and observe the other agreements on its part contained in the Bond and this Agreement shall be absolute and unconditional and shall not be abated, rebated, set-off, reduced, abrogated, terminated, waived, diminished, postponed or otherwise modified in any manner or to any extent whatsoever while any portion of the Bond remains unpaid regardless of any contingency, act of God, event or cause whatsoever. The Issuer shall pay absolutely the amounts required to be paid hereunder, regardless of any rights of set-off, recoupment, abatement or counterclaim that the Issuer might otherwise have against the Purchaser, its successors or assigns or any other party or parties.

Section 4.7 **Agreement to Survive.** The provisions of this Agreement will survive the issuance of the Bond and the payment of the purchase price therefor. The Agreement will terminate upon the payment in full of all amounts due under the Bond and this Agreement, provided that any prepayment is undertaken in accordance with this Agreement and further provided that Section 5.3 of this Agreement will survive its termination.

ARTICLE V. ASSIGNMENT; RISK OF LOSS

Section 5.1 **Assignment by the Purchaser.** The Purchaser's right, title and interest in, to and under the Bond and this Agreement may be assigned and reassigned in whole without the necessity of obtaining the consent of the Issuer. The Issuer agrees to execute all documents, including notices of assignment that may be reasonably requested by the Purchaser or any assignee to evidence any such assignment or reassignment, including without limitation the issuance of a new Bond of like tenor registered in the name of the assignee upon surrender of the old Bond. If any Bond is lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Issuer, and the Issuer shall execute and deliver a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen, upon receipt of a written indemnity from the Purchaser reasonably satisfactory to the Issuer.

Section 5.2 **Assignment by the Issuer.** NONE OF ISSUER'S OBLIGATIONS UNDER THE BOND OR THE AGREEMENT MAY BE ASSIGNED BY ISSUER FOR ANY REASON, WITHOUT THE PRIOR WRITTEN CONSENT OF PURCHASER.

Section 5.3 **Risk of Loss Covenants.** As between the Purchaser and the Issuer, and to the extent permitted by law, the Issuer shall bear the risk of loss for, shall pay directly, and shall defend the Purchaser against any and all claims, liabilities, proceedings, actions, expenses, damages or losses arising under or related to the Project, the Bond or this Agreement, including, but not limited to, the loss of federal tax exemption of the interest on the Bond, except that the Issuer shall not bear the risk of loss of, nor pay for, any claims, liabilities, proceedings, actions, expenses, damages or losses that arise directly from the gross negligence or willful misconduct of the Purchaser. If the Purchaser of the Bond either (i) receives notice, in any form, from the Internal Revenue Service or (ii) reasonably determines, based on an opinion of independent and nationally recognized tax counsel selected by the Purchaser, that interest paid under the Bond is no longer exempt from gross income for federal income tax purposes (each an "Event of

Taxability"), the Issuer shall pay to the Purchaser upon demand (x) an amount which, with respect to payments previously paid under this Agreement and taking into account all penalties, fines, interest and additions to tax (including all federal, state and local taxes imposed through the date of such event), will restore to the Purchaser to its after-tax yield (assuming tax at the highest marginal tax rate and taking into account the time of receipt of payments under this Agreement and reinvestment at the after-tax yield rate) on the transaction evidenced by the Bond through the date of such event and (y) as additional payments to the Purchaser on each succeeding payment date, as set forth in Section 2.2 hereof, such amount as will maintain such after-tax yield to the Purchaser.

ARTICLE VI. DEFAULT

Section 6.1 **Events of Default Defined.** Any of the following shall constitute an "Event of Default" under this Agreement:

- (a) Failure by the Issuer to make any payment of principal of, or interest or premium on, the Bond, or other payment required to be paid under this Agreement, including amounts due under Section 5.3 herein, within twenty (20) days of the time specified therein;
- (b) Failure by the Issuer to observe and perform any covenant, condition or agreement on its part to be observed or performed with respect to the Bond or this Agreement, other than as referred to in subparagraph (a) above, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to the Issuer by the Purchaser, unless the Purchaser shall agree in writing to an extension of such time prior to its expiration; provided that, if the failure stated in the notice cannot be corrected within the applicable period, the Purchaser will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Issuer within the applicable period and diligently pursued until the default is corrected;
- (c) Any statement, representation or warranty made by the Issuer in this Agreement or the Bond shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made;
- (d) The Issuer shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of the Issuer, or of all or a substantial part of the assets of the Issuer, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against it under applicable federal bankruptcy law, or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against the Issuer in any bankruptcy, reorganization or insolvency proceeding;
- (e) The Issuer shall default on any of its indebtedness (including appropriation-based loans, moral obligation loans, and long-term capital leases) issued whether or not on a parity basis with the Bond, which indebtedness remains uncured after any applicable cure period permitted by such indebtedness; or
- (f) An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator of the Issuer or of all or a substantial part of the assets of the Issuer, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 60 consecutive days.

Section 6.2 **Remedies on Default.** If an Event of Default shall have occurred, the Purchaser may proceed against the Issuer and its agents, officers and employees to protect and enforce the rights of the Purchaser under the Bond and this Agreement by mandamus or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained in the Bond or in this Agreement, or in an award of execution of any power herein granted for the enforcement of any proper, legal or equitable remedy as the Purchaser may deem most effectual to protect and to enforce its rights under the Bond or this Agreement, or to enjoin any act or thing which may be unlawful or in violation of any right of the Purchaser under the Bond or this Agreement, or to require the Issuer to act as if it were the trustee of an express trust, or any combination of such remedies. While any Event of Default exists, the unpaid principal amount of the Bond shall, at the Purchaser's election, bear interest at the rate of nine percent per annum (9%) or the

maximum rate permitted by applicable law, whichever is less.

Section 6.3 No Remedy Exclusive. No remedy conferred upon or reserved to the Purchaser in this Agreement or the Bond is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or the Bond now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Purchaser to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article.

Section 6.4 Costs and Attorney Fees. Upon the occurrence of an Event of Default by the Issuer in the performance of any term of this Agreement or the Bond, the Issuer agrees to pay to the Purchaser or reimburse the Purchaser for, in addition to all other amounts due hereunder, all of the Purchaser's costs of collection, including reasonable attorney fees, whether or not suit or action is filed thereon. Any such costs shall be immediately due and payable upon written notice and demand given to the Issuer, and shall bear interest at the rate of nine percent per annum (9%) or the maximum amount permitted by law, whichever is less. In the event suit or action is instituted to enforce any of the terms of this Agreement or the Bond, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorneys' fees at trial or on appeal of such suit or action or in any bankruptcy proceeding, in addition to all other sums provided by law.

ARTICLE VII. MISCELLANEOUS

Section 7.1 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by certified mail, postage prepaid, to the parties hereto at the addresses immediately after the signatures to this Agreement (or at such other address as either party hereto shall designate in writing to the other for notices to such party), to any assignee at its address as it appears on the registration books maintained by the Issuer.

Section 7.2 Anti-Money, Laundering, Bank Secrecy and Patriot Act Compliance. The Issuer and its Paying Agent agrees to observe and comply, to the extent applicable, with all anti-money laundering laws, rules and regulations including, without limitation, regulations issued by the Office of Foreign Assets Control of the United States Department of Treasury and the Financial Crimes Enforcement Network of the U.S. Department of Treasury. The Issuer and its Paying Agent shall provide to the Purchaser such information as the Purchaser may require to enable the Purchaser to comply with its obligations under the Bank Secrecy Act of 1970, as amended ("BSA"), or any regulations enacted pursuant to the BSA or any regulations, guidance, supervisory directive or order of the New York State Department of Financial Services or Federal Deposit Insurance Corporation. To help the United States government fight funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account or enters into a loan/lease transaction. When an account is opened and from time to time as be required by the Purchaser's internal policies and procedures, the Purchaser shall be entitled to ask for such information that will allow it to identify relevant parties. For a non-individual person such as a business entity, a charity, a trust, or other legal entity, the Purchaser may ask for documentation to verify its formation and existence as a legal entity. The Purchaser may also ask to see financial statements, licenses, identification, and authorization documents from individuals claiming authority to represent the entity or other relevant documentation. The Parties acknowledge that a portion of the identifying information set forth herein is being requested by the Purchaser in connection with Title III of the USA Patriot Act, Pub.L. 107-56 (the "Act"), and the Issuer and its Paying Agent agree to provide any additional information requested by the Purchaser in its sole discretion in connection with the Act or any other legislation, regulation, regulatory order or published guidance to which the Purchaser is subject, in a timely manner.

Section 7.3 Further Assurances. The Issuer agrees to execute such other and further documents and to take all such action as may be necessary or appropriate, from time to time, in the reasonable opinion of the Purchaser, to consummate the transactions contemplated hereby and thereby, and to carry out the purposes and intentions of this Agreement.

Section 7.4 Binding Effect. The Agreement and the Bond shall inure to the benefit of and shall be binding upon the Purchaser and the Issuer and their respective successors and permitted assigns.

Section 7.5 **Severability.** In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 7.6 **Waiver of Jury Trials.** The Issuer and the Purchaser hereby irrevocably waive all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to the Bond or this Agreement or the actions of the Purchaser or the Issuer in the negotiation, administration, performance or enforcement hereof.

Section 7.7 **Amendments, Changes and Modifications.** The Agreement may be amended in writing by the Purchaser and the Issuer.

Section 7.8 **Execution in Counterparts.** The Agreement hereunder may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 7.9 **Applicable Law.** The Agreement shall be governed by and construed in accordance with the laws of the State.

Section 7.10 **Captions.** The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Purchaser and the Issuer have caused the Bond Purchase Agreement to be executed in their names by their duly authorized representatives as of the date first above written.

Purchaser:
By:
Name: Donald S. Keough
Title: Senior Managing Director

Issuer: County of Cumberland, Virginia
By:
Name: Brian Stanley
Title: Chairman, Board of Supervisors

Address for Notice:
Signature Public Funding Corp.
600 Washington Ave., Suite 305
Towson, MD 21204
Telephone: (410) 704-0027
Attention: Senior Managing Director

Attest:
By:
Name: Donald Unmussig
Title: County Administrator

Address for Notice:
PO Box 110
Cumberland, VA, 23040
Telephone: (804) 492-3625
Attention: County Administrator

Form of Bond

[See Transcript Tab 3]

PROPERTIES SUBJECT TO NEGATIVE PLEDGE

- (a) County Administration Building, 1 Courthouse Circle, Cumberland, VA 23040; and
- (b) County Sheriff's Office, 1492 Anderson Hwy, Cumberland, VA 23040

**CERTIFICATE OF THE CLERK OF THE
BOARD OF SUPERVISORS**

COUNTY OF CUMBERLAND, VIRGINIA

The undersigned Clerk of the Board of Supervisors, County of Cumberland, Virginia (the "County"), certifies that:

1. Upon notice duly give, a meeting of the Board of Supervisors (the "Board") of the County was duly called and held on April 28, 2020 (the "Meeting").

2 Attached hereto is a true, correct and complete copy of a resolution (the "Resolution") of the Board entitled "Resolution of the Board of Supervisors of the County of Cumberland, Virginia, Authorizing the Issuance and Sale of its Public Facilities Refunding Bond, Series 2020 in a Maximum Principal Amount Not to Exceed \$3,060,000, and the Execution and Delivery of Certain Documents Prepared in Connection Therewith," as recorded in full in the minutes of the Meeting and duly adopted by a majority of the members of the Board present and voting during the Meeting.

3. A summary of the members of the Board members present or absent at the Meeting, and the recorded vote with respect to the Resolution, is set forth below:

Member Name	Voting				
	Present	Absent	Yes	No	Abstaining
Brian Stanley, Chairman	_____	_____	_____	_____	_____
Eurika Tyree, Vice-Chairman	_____	_____	_____	_____	_____
Gene Brooks	_____	_____	_____	_____	_____
Robert Saunders, Jr.	_____	_____	_____	_____	_____
Ron Tavernier	_____	_____	_____	_____	_____

4. The Resolution has not been repealed, revoked, rescinded or amended, and is in full force and effect on the date hereof.

WITNESS my signature and the seal of the County, this ____ day of April, 2020.

(SEAL)

Clerk of the Board of Supervisors
County of Cumberland, Virginia

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF CUMBERLAND, VIRGINIA, AUTHORIZING THE ISSUANCE AND SALE OF ITS PUBLIC FACILITIES REFUNDING BOND, SERIES 2020 IN A MAXIMUM PRINCIPAL AMOUNT NOT TO EXCEED \$3,060,000, AND THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS PREPARED IN CONNECTION THEREWITH

WHEREAS, the County of Cumberland, Virginia (the “County”), issued its \$5,000,000 Public Facilities Note, Series 2009A (the “2009A Note”), in order to finance certain improvements to the County’s Administration Building and its Sheriff’s Office Building; and

WHEREAS, the County has determined that it is beneficial and advisable to refinance the 2009A Note, together with the related administrative and financing costs (“the Project”); and

WHEREAS, the County intends to effect the refinancing of the 2009A Note by and through the issuance of its subject to appropriation bond in the maximum amount of \$3,100,000; and

WHEREAS, the Board of Supervisors (the “Board”) of the County has previously approved the services of the Virginia Municipal League/Virginia Association of Counties’ Finance Program (“VML/VACo”) to solicit proposals from banking institutions and received a proposal from Signature Public Funding Corp. (the “Lender”) to purchase the Bond (as defined below); and

WHEREAS, the Lender has indicated its willingness to purchase such Bond in accordance with the terms of the Bond Purchase Agreement between Lender and the County (the “Agreement”), the form of which has been presented to the Board at this meeting; and

WHEREAS, the Lender’s proposal saves the County debt service in an amount of approximately \$375,000 on a net present value basis; and

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF CUMBERLAND, VIRGINIA:

1. Authorization of Bond and Use of Proceeds. Pursuant to the Constitution of the Commonwealth of Virginia and the Public Finance Act of 1991, as amended (the “Public Finance Act”), Title 15.2, Chapter 26 of the Code of Virginia of 1950, as amended (the “Virginia Code”), and without regard to any requirements or restrictions contained in any charter or special act of the County, the Board hereby authorizes the issuance and sale of a bond of the County in an aggregate principal amount not to exceed \$3,100,000 to fund the Project, including costs incurred in issuing the Bond (as hereinafter defined).

2. Authorization of Bond Purchase Agreement. The Board accepts the proposal of the Lender, on recommendation by VML/VACo, to purchase the County’s Bond on the terms set forth in Lender's proposal dated April 21, 2020 (the "Proposal"). The form of the Bond Purchase Agreement (the “Agreement” and, together with the Bond, the “Loan Documents”) related to the Bond and as submitted to the Board at this meeting is hereby approved. The Chairman of the

Board and the County Administrator, either of whom may act (each an “Authorized Signatory”), are authorized to execute the Agreement in substantially such form, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by such official, whose approval shall be evidenced conclusively by the execution and delivery thereof. The issuance and sale of the Bond to the Lender shall be upon the terms and conditions of the Agreement. The proceeds of such Bond shall be applied in the manner set forth in the Agreement. All capitalized terms used but not otherwise defined herein shall have the same meaning as set forth in the Agreement.

3. Bond Details. The Bond shall be issued as a single, fully registered bond designated “Public Facilities Refunding Bond, Series 2020” (the “Bond”), shall be numbered R-1, and shall be in substantially the form of Exhibit A to this Resolution as hereby approved, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the officers signing such Bond. The Board authorizes the issuance and sale of the Bond on such terms as shall be satisfactory to the Authorized Signatory; provided however, that the Bond (i) shall be in a principal amount not to exceed \$3,100,000, (ii) shall mature no later than November 1, 2029 and (iii) shall bear interest on the outstanding principal balance thereof at a rate of interest not to exceed 2.50% per year (provided that either default interest or interest in an event of taxability of the Bond may be payable at a rate in excess thereof as provided in the related Agreement). As set forth in the Agreement, the County agrees to pay any applicable late payment or similar costs and expenses described therein. Subject to the preceding terms, the Board further authorizes the Authorized Signatory to determine the final terms, purchase price, initial interest rate, interest rate adjustment provision, maturity date and amortization schedule of the Bond, all of which shall be evidenced by the execution and delivery of the Bond, and no further action shall be necessary on the part of the Board so long as such provisions are within the limits prescribed in this Resolution.

4. Payment and Redemption Provisions. The principal of and premium, if any, and interest on the Bond shall be payable as set forth in the Bond and the related Agreement. The Bond shall be subject to redemption on the terms set forth in the related Agreement. The principal of and premium, if any, and interest on the Bond shall be payable via wire transfer in lawful money of the United States of America, without presentation or surrender.

5. Execution and Form of Bond. The Bond shall be signed by the Chairman or Vice-Chairman and the County’s seal shall be affixed thereon and attested by the Clerk or Deputy Clerk of the Board. The Bond shall be issued as a typewritten bond in substantially the form of the Bond, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the Authorized Signatory, whose approval shall be evidenced conclusively by the execution and delivery of the Bond.

6. No General Obligation or Other Pledge. Neither the faith and credit of the County, the Commonwealth of Virginia nor any other political subdivision thereof shall be pledged for the payment of principal of and premium, if any, and interest on the Bond. The Board approves a moral obligation and a pledge of such funds appropriated on a yearly basis to the payment of monies due under the Agreement, including principal of and premium, if any, and interest on the Bond, and such other fees or charges as set forth in the Loan Documents. The Board further agrees, pursuant to the terms of the Agreement, that it shall not sell, lease, encumber or otherwise pledge

either the County's Administration Building or the Sheriff's Office to any third party or lender without the prior written consent of the Lender.

7. Annual Budget; Moral Obligation. As referenced above, while recognizing that it is not empowered to make any binding commitment to make such payments beyond the current fiscal year, the Board hereby states its intent to make annual appropriations for future fiscal years in amounts sufficient to make all such payments under the Loan Documents and hereby recommends that future Boards do likewise during the terms of the Agreement. The Board directs the County Administrator, or such other officer who may be charged with the responsibility for preparing the County's annual budget, to include in the budget request for each fiscal year during the term of the Agreement an amount sufficient, including Revenues, to pay all amounts coming due under the Agreement during such fiscal year. As soon as practicable after the submission of the County's annual budget to the Board, the County Administrator is authorized and directed to deliver to the Lender evidence that a request for an amount sufficient to make the payment of all amounts payable under the Agreement has been made. Throughout the term of the Agreement, the County Administrator shall deliver to the Lender within 30 days after the adoption of the budget for each fiscal year, but not later than July 1, a certificate stating whether an amount equal all payments coming due or payable during the next fiscal year has been appropriated by the Board in such budget. If at any time during any fiscal year of the County, the amount appropriated in the County's annual budget is insufficient to pay when due all amounts payable under the Agreement, the Board directs the County Administrator, or such other officer who may be charged with the responsibility for preparing the County's annual budget, to submit to the Board at the next scheduled meeting, or as promptly as practicable but in any event within 45 days, a request for a supplemental appropriation sufficient to cover the deficit.

8. Preparation of Printed Bond; Mutilated or Destroyed Bond. The printed Bond may be executed by manual or facsimile signature of the Chairman or Vice-Chairman, the County's seal affixed thereto and attested by the Clerk or Deputy Clerk of the Board; provided, however, that if both such signatures are facsimiles, no bond shall be valid until it has been authenticated by the manual signature of the Registrar and the date of authentication noted thereon. If the Bond has been mutilated, lost or destroyed, the County shall execute and deliver a new bond of like date and tenor in exchange and substitution for, and upon cancellation of, such mutilated bond or in lieu of and in substitution for such lost or destroyed bond; provided, however, that the County shall so execute and deliver only if the registered owner has paid the reasonable expenses and charges of the County in connection therewith and, in the case of a lost or destroyed bond, (a) has filed with the County an affidavit reasonably satisfactory to the County that such bond was lost or destroyed and (b) has furnished to the County reasonably satisfactory indemnity. The typewritten Bond surrendered in any such exchange shall be canceled.

9. Registration and Transfer of the Bond. The County appoints the County Finance Director as registrar (the "Registrar") for the Bond. The Registrar shall maintain registration books for the registration of the Bond and transfers thereof. Upon surrender of the Bond at the office of the Registrar, together with an assignment duly executed by the registered owner or its duly authorized attorney or legal representative in such form as shall be reasonably satisfactory to the Registrar, the County shall execute, and the Registrar shall authenticate and deliver in exchange, a new bond or bonds having an equal aggregate principal amount, of the same form and maturity, bearing interest at the same rates and registered in such name as requested by the then registered

owner or its duly authorized attorney or legal representative. Any such exchange shall be at the expense of the County, except that the Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Registrar shall treat the registered owner as the person or entity exclusively entitled to payment of principal, interest and premium, if any, and the exercise of all other rights and powers of the owner. The Board further appoints the Virginia Local Government Finance Corporation (“Paying Agent” or “VLGFC”), a component unit of VML/VACo Finance and its governmental body, the Industrial Development Authority of the County of Stafford and the City of Staunton, Virginia, as Paying Agent for the Bond and directs the County Administrator to execute a Paying Agent Agreement with VLGFC for processing payments to the Lender due under the Loan Documents at a fee not greater than one tenth of one percent (.10%) of the outstanding amount due under the Bond.

10. Delivery of Bonds. The Chairman or Vice-Chairman and Clerk of the Board are authorized and directed to take all proper steps to have the Bond prepared and executed in accordance with its terms and to deliver it to the Lender as the purchaser thereof as set forth in the Agreement.

11. Tax Provisions. The County covenants that it shall not take or omit to take any action the taking or omission of which will cause the Bond to be an “arbitrage bond” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations issued pursuant thereto (the “Code”), or otherwise cause interest on the Bond to be includable in the gross income of the registered owner thereof under existing law. Without limiting the generality of the foregoing, the County shall comply with any provision of law that may require the County at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds of the Bond, unless the County receives an opinion of nationally recognized bond counsel that such compliance is not required to prevent interest on the Bond from being included in the gross income for federal income tax purposes of the registered owners thereof under existing law. The County shall pay any such required rebate from legally available funds. The Authorized Signatories, either of whom may act, are authorized to execute a Tax Compliance Agreement or any related document (the "Tax Documents") on behalf of the County, setting forth the expected use and investment of the proceeds of the Bond and covenants of the County regarding compliance with provisions of the Code governing obligations the interest on which is excluded from gross income for purposes of federal income taxation. Further, the County covenants that it shall at all times conduct or cause to be conducted the use of, or the expenditure of, the proceeds from the issuance of the Bond so as not to permit more than the five percent (5%) for Nonexempt Uses, as that term is used in the Section 141 of the Code.

12. Bank-Qualification Designation. The County designates the Bond as a “qualified tax-exempt obligation” for the purpose of Section 265(b)(3) of the Code. The County represents and covenants as follows:

(a) The County will in no event designate more than \$10,000,000 of obligations as qualified tax-exempt obligations in calendar year 2020, including the Bond, for the purpose of such Section 265(b)(3);

(b) The County, all its “subordinate entities,” within the meaning of such Section 265(b)(3), and all entities which issue tax-exempt obligations on behalf of the County and its subordinate entities have not authorized, in the aggregate, more than \$10,000,000 of tax- exempt obligations to be issued in calendar year 2020 (not including “private activity bonds,” within the meaning of Section 141 of the Code, other than “qualified 501(c)(3) bonds,” within the meaning of Section 145 of the Code), including the Bond;

(c) Barring circumstances unforeseen as of the date of delivery of the Bond, the County will not issue tax-exempt obligations itself or approve the issuance of tax-exempt obligations of any of such other entities if the issuance of such tax-exempt obligations would, when aggregated with all other tax-exempt obligations theretofore issued by the County and such other entities in calendar year 2020, result in the County and such other entities having issued a total of more than \$10,000,000 of tax-exempt obligations in calendar year 2020 (not including private activity bonds other than qualified 501(c)(3) bonds), including the Bond; and

(d) The County has no reason to believe that the County and such other entities will issue tax-exempt obligations in calendar year 2020 in an aggregate amount that will exceed such \$10,000,000 limit;

provided, however, that if the County receives an opinion of nationally recognized bond counsel that compliance with any covenant set forth in (a) or (c) above is not required for the Bond to be a qualified tax-exempt obligation, the County need not comply with such covenant.

13. Tax and Other Documents. Each of the Authorized Signatories is authorized and directed to execute and deliver an IRS Form 8038-G in a form approved by such officers and the County’s bond counsel.

14. Limitation of Liability of Officials of County. No covenant, condition or agreement contained herein shall be deemed to be a covenant, agreement or obligation of an officer, employee, member of the Board, or agent of the County in his or her individual capacity, and no officer of the County or member of the Board executing the Bond shall be liable personally on the Bond or be subject to any personal liability or accountability by reason of the issuance thereof. No officer, employee or agent of the County shall incur any personal liability with respect to any other action taken by him or her pursuant to this Resolution provided he or she acts in good faith.

15. Other Actions. All other actions of officials of the County in conformity with the purposes and intent of this Resolution and the Agreement and in furtherance of the issuance and sale of the Bond are ratified, approved and confirmed. The officials of the County are authorized and directed to execute and deliver on behalf of the County such agreements and other instruments, documents or certificates, and to do and perform such things and acts, as they shall deem necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Bond or the Agreement, and all of the foregoing, previously done or performed by such officers of the County, are in all respects approved, ratified and confirmed.

16. Headings. Any headings in this resolution are solely for convenience of reference and shall not constitute a part of the resolution nor shall they affect its meaning, construction or effect.

17. Severability. If any court of competent jurisdiction shall hold any provision of this Resolution to be invalid and unenforceable, such holding shall not invalidate any other provision hereof.

18. Filing of Resolution. The Authorized Signatory and Clerk to the Board are authorized and directed to see to the prompt filing of a certified copy of this Resolution in the Circuit Court having jurisdiction over the County, in accordance with Sections 15.2-2607 and 15.2-2627 of the Public Finance Act.

19. Effective Date. This Resolution shall take effect immediately.

Adopted: April 28, 2020.

Chairman of the Board of Supervisors
County of Cumberland, Virginia

ATTEST:

Clerk of the Board of Supervisors

(Form of Bond)

Interest on this bond is intended by the issuer thereof to be exempt from gross income for federal income tax purposes.

REGISTERED

DATED DATE

R-1

April 30, 2020

**UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA
COUNTY OF CUMBERLAND
\$3,060,000
PUBLIC FACILITIES REFUNDING BOND
SERIES 2020**

THE COUNTY OF CUMBERLAND, VIRGINIA (the "County"), for value received, acknowledges itself indebted and promises to pay to **SIGNATURE PUBLIC FUNDING CORP.** (the "Lender"), its registered assigns or legal representative, the principal amount of:

THREE MILLION SIXTY THOUSAND DOLLARS (\$3,060,000)

on or before November 1, 2029, together with interest on the outstanding principal amount of this Bond at a rate of 2.31% per year, calculated on the basis of a 360-day year of twelve 30-day months. Interest on this Bond shall be payable in semi-annual installments, and principal of this Bond shall be payable in annual installments, all in the amounts and on the dates set forth in Schedule I attached hereto which is incorporated herein by this reference.

If any installment of principal of and interest on this Bond is not paid to the registered owner of this Bond within 20 days of its due date, the County shall pay to the registered owner a late payment charge in an amount equal to five percent (5.00%) of the overdue installment. Principal and other sums hereunder are payable in lawful money of the United States.

Subject to the provisions of the Bond Purchase Agreement dated as of April 1, 2020 (the "Agreement"), between the Lender and the County, so long as this Bond is held by the Lender or its registered assigns or legal representative, principal of and premium, if any, and interest is payable (without presentation or surrender) by wire transfer, check or draft mailed to the registered owner of this Bond at the address that appears on the registration books kept by the Finance Director of the County, who has been appointed registrar and paying agent, or any successor lender or trust company (the "Registrar"). Principal of and premium, if any, and interest on this Bond shall be payable in lawful money of the United States of America. In case any payment date on this Bond shall not be a Business Day (as defined below), then payment of principal, premium, if

any, and interest need not be made on such date, but may be made on the next succeeding Business Day, and, if made on such next succeeding Business Day, no additional interest shall accrue for the period after such payment date. "Business Day" means any Monday, Tuesday, Wednesday, Thursday or Friday on which commercial banking institutions generally are open for business in New York and Virginia. If an Event of Default has occurred and is continuing under the Agreement, the unpaid principal amount of this Bond shall bear interest at the rate of nine percent per annum (9%) or the maximum rate permitted under applicable law, whichever is less.

This Bond has been authorized by a resolution adopted by the Board of Supervisors of the County on April 28, 2020 (the "Bond Resolution"), and is issued pursuant to the Constitution and the Public Finance Act of 1991 of the Commonwealth of Virginia, and the Agreement. Proceeds of this Bond will be used to provide funds to (a) finance the Project, as defined in the Resolution, and (b) pay the issuance and financing costs incurred in issuing this Bond.

Principal of and interest on this Bond shall be payable solely from funds appropriated on an annual basis for such purpose. THIS BOND IS A LIMITED OBLIGATION OF THE COUNTY AND IS PAYABLE SOLELY FROM CERTAIN FUNDS APPROPRIATED ON AN ANNUAL BASIS AS SET FORTH PURSUANT TO THE AGREEMENT REFERENCED ABOVE AND AS THE SAME MAY FROM TIME TO TIME EXIST, WHICH FUNDS HAVE BEEN PLEDGED TO SECURE THE PAYMENT HEREOF. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE COUNTY SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THE BOND OR OTHER COSTS INCIDENTAL THERETO FROM ANY OTHER FUNDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE COUNTY, IS PLEDGED TO THE PAYMENT OF PRINCIPAL OF OR INTEREST ON THE BOND OR OTHER COSTS INCIDENT THERETO.

The Bond is designated by the County as a qualified tax-exempt obligation under Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the "Code"). Qualified tax-exempt obligations are commonly referred to as "bank qualified bonds." The County covenants and agrees that it will comply with the exception to the provisions of Section 265 of the Code in order that the Bond may qualify as a qualified tax-exempt obligation.

Notwithstanding anything in this Bond to the contrary, in addition to the payments of the principal, premium, if any, and interest provided for by this Bond, the County shall also pay such additional amounts, if any, which may be necessary to provide for payment in full of all amounts due under the Agreement.

This Bond may be redeemed at the option of the County upon the terms and conditions set forth in the Agreement. Capitalized terms used herein and not defined shall have the meaning as set forth in the Agreement.

Transfer of this Bond may be registered upon the registration books of the Bond Registrar. The Registrar shall treat the registered owner as the person exclusively entitled to payment of principal, premium, if any, and interest on this Bond and the exercise of all other rights and powers

of the owner; provided that the regular installment payments of principal and interest shall be made to the person shown as the owner on the fifteenth day of the month preceding each payment date.

All acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia to happen, exist or to be performed precedent to and in the issuance of this Bond have happened, exist and have been performed, and this Bond, together with all other indebtedness of the County, is within every debt and other limitation prescribed by the Constitution and statutes of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the County has caused this Bond to be signed by its Chairman and the seal of the County to be affixed hereto and attested by the Clerk of the Board of Supervisors, and this bond to be dated the date first above written.

(SEAL)

Chairman of the Board of Supervisors
County of Cumberland, Virginia

ATTEST:

Clerk of the Board of Supervisors

SCHEDULE I

**COUNTY OF CUMBERLAND
PUBLIC FACILITIES REFUNDING BOND
SERIES 2020**

<u>Date</u>	<u>Funding Amount</u>	<u>Semi Annual Payment*</u>	<u>Interest</u>	<u>Principal</u>
4/30/2020	3,060,000.00	-	-	-
11/1/2020	-	180,305.99	35,539.35	144,766.64
5/1/2021	-	180,305.99	33,670.95	146,635.04
11/1/2021	-	180,305.99	31,977.31	148,328.68
5/1/2022	-	180,305.99	30,264.11	150,041.88
11/1/2022	-	180,305.99	28,531.14	151,774.85
5/1/2023	-	180,305.99	26,778.13	153,527.86
11/1/2023	-	180,305.99	25,004.88	155,301.11
5/1/2024	-	180,305.99	23,211.16	157,094.83
11/1/2024	-	180,305.99	21,396.71	158,909.28
5/1/2025	-	180,305.99	19,561.31	160,744.68
11/1/2025	-	180,305.99	17,704.71	162,601.28
5/1/2026	-	180,305.99	15,826.67	164,479.32
11/1/2026	-	180,305.99	13,926.93	166,379.06
5/1/2027	-	180,305.99	12,005.25	168,300.74
11/1/2027	-	180,305.99	10,061.37	170,244.62
5/1/2028	-	180,305.99	8,095.05	172,210.94
11/1/2028	-	180,305.99	6,106.02	174,199.97
5/1/2029	-	180,305.99	4,094.00	176,211.99
11/1/2029	-	180,305.99	2,058.76	178,247.23
Total	3,060,000.00	3,425,813.81	365,813.81	3,060,000.00

* Note that the payments reflected in the above chart do not include a 0.10% Paying Agent Fee, pursuant to a Paying Agent Agreement dated April 1, 2020.

Interest on this bond is intended by the issuer thereof to be exempt from gross income for federal income tax purposes.

REGISTERED

DATED DATE

R-1

April 30, 2020

UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA
COUNTY OF CUMBERLAND
\$3,060,000
PUBLIC FACILITIES REFUNDING BOND
SERIES 2020

THE COUNTY OF CUMBERLAND, VIRGINIA (the "County"), for value received, acknowledges itself indebted and promises to pay to **SIGNATURE PUBLIC FUNDING CORP.** (the "Lender"), its registered assigns or legal representative, the principal amount of:

THREE MILLION SIXTY THOUSAND DOLLARS (\$3,060,000)

on or before November 1, 2029, together with interest on the outstanding principal amount of this Bond at a rate of 2.31% per year, calculated on the basis of a 360-day year of twelve 30-day months. Interest on this Bond shall be payable in semi-annual installments, and principal of this Bond shall be payable in annual installments, all in the amounts and on the dates set forth in Schedule I attached hereto which is incorporated herein by this reference.

If any installment of principal of and interest on this Bond is not paid to the registered owner of this Bond within 20 days of its due date, the County shall pay to the registered owner a late payment charge in an amount equal to five percent (5.00%) of the overdue installment. Principal and other sums hereunder are payable in lawful money of the United States.

Subject to the provisions of the Bond Purchase Agreement dated as of April 1, 2020 (the "Agreement"), between the Lender and the County, so long as this Bond is held by the Lender or its registered assigns or legal representative, principal of and premium, if any, and interest is payable (without presentation or surrender) by wire transfer, check or draft mailed to the registered owner of this Bond at the address that appears on the registration books kept by the Finance Director of the County, who has been appointed registrar and paying agent, or any successor lender or trust company (the "Registrar"). Principal of and premium, if any, and interest on this Bond shall be payable in lawful money of the United States of America. In case any payment date on this Bond shall not be a Business Day (as defined below), then payment of principal, premium, if any, and interest need not be made on such date, but may be made on the next succeeding Business Day, and, if made on such next succeeding Business Day, no additional interest shall accrue for the period after such payment date. "Business Day" means any Monday, Tuesday, Wednesday,

Thursday or Friday on which commercial banking institutions generally are open for business in New York and Virginia. If an Event of Default has occurred and is continuing under the Agreement, the unpaid principal amount of this Bond shall bear interest at the rate of nine percent per annum (9%) or the maximum rate permitted under applicable law, whichever is less.

This Bond has been authorized by a resolution adopted by the Board of Supervisors of the County on April 28, 2020 (the "Bond Resolution"), and is issued pursuant to the Constitution and the Public Finance Act of 1991 of the Commonwealth of Virginia, and the Agreement. Proceeds of this Bond will be used to provide funds to (a) finance the Project, as defined in the Resolution, and (b) pay the issuance and financing costs incurred in issuing this Bond.

Principal of and interest on this Bond shall be payable solely from funds appropriated on an annual basis for such purpose. THIS BOND IS A LIMITED OBLIGATION OF THE COUNTY AND IS PAYABLE SOLELY FROM CERTAIN FUNDS APPROPRIATED ON AN ANNUAL BASIS AS SET FORTH PURSUANT TO THE AGREEMENT REFERENCED ABOVE AND AS THE SAME MAY FROM TIME TO TIME EXIST, WHICH FUNDS HAVE BEEN PLEDGED TO SECURE THE PAYMENT HEREOF. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE COUNTY SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THE BOND OR OTHER COSTS INCIDENTAL THERETO FROM ANY OTHER FUNDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE COUNTY, IS PLEDGED TO THE PAYMENT OF PRINCIPAL OF OR INTEREST ON THE BOND OR OTHER COSTS INCIDENT THERETO.

The Bond is designated by the County as a qualified tax-exempt obligation under Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the "Code"). Qualified tax-exempt obligations are commonly referred to as "bank qualified bonds." The County covenants and agrees that it will comply with the exception to the provisions of Section 265 of the Code in order that the Bond may qualify as a qualified tax-exempt obligation.

Notwithstanding anything in this Bond to the contrary, in addition to the payments of the principal, premium, if any, and interest provided for by this Bond, the County shall also pay such additional amounts, if any, which may be necessary to provide for payment in full of all amounts due under the Agreement.

This Bond may be redeemed at the option of the County upon the terms and conditions set forth in the Agreement. Capitalized terms used herein and not defined shall have the meaning as set forth in the Agreement.

Transfer of this Bond may be registered upon the registration books of the Registrar. The Registrar shall treat the registered owner as the person exclusively entitled to payment of principal, premium, if any, and interest on this Bond and the exercise of all other rights and powers of the owner; provided that the regular installment payments of principal and interest shall be made to the person shown as the owner on the fifteenth day of the month preceding each payment date.

All acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia to happen, exist or to be performed precedent to and in the issuance of this Bond have happened, exist and have been performed, and this Bond, together with all other indebtedness of the County, is within every debt and other limitation prescribed by the Constitution and statutes of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the County has caused this Bond to be signed by its Chairman and the seal of the County to be affixed hereto and attested by the Clerk of the Board of Supervisors, and this bond to be dated the date first above written.

(SEAL)

Chairman of the Board of Supervisors
County of Cumberland, Virginia

ATTEST:

Clerk of the Board of Supervisors

SCHEDULE I

**COUNTY OF CUMBERLAND
PUBLIC FACILITIES REFUNDING BOND
SERIES 2020**

<u>Date</u>	<u>Funding Amount</u>	<u>Semi Annual Payment*</u>	<u>Interest</u>	<u>Principal</u>
4/30/2020	3,060,000.00	-	-	-
11/1/2020	-	180,305.99	35,539.35	144,766.64
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5/1/2024	-	180,305.99	23,211.16	157,094.83
11/1/2024	-	180,305.99	21,396.71	158,909.28
5/1/2025	-	180,305.99	19,561.31	160,744.68
11/1/2025	-	180,305.99	17,704.71	162,601.28
5/1/2026	-	180,305.99	15,826.67	164,479.32
11/1/2026	-	180,305.99	13,926.93	166,379.06
5/1/2027	-	180,305.99	12,005.25	168,300.74
11/1/2027	-	180,305.99	10,061.37	170,244.62
5/1/2028	-	180,305.99	8,095.05	172,210.94
11/1/2028	-	180,305.99	6,106.02	174,199.97
5/1/2029	-	180,305.99	4,094.00	176,211.99
11/1/2029	-	180,305.99	2,058.76	178,247.23
Total	3,060,000.00	3,425,813.81	365,813.81	3,060,000.00

* Note that the payments reflected in the above chart do not include a 0.10% Paying Agent Fee, pursuant to a Paying Agent Agreement dated April 1, 2020.

**GENERAL CERTIFICATE OF
CUMBERLAND COUNTY, VIRGINIA**

April 30, 2020

The undersigned County Administrator of Cumberland County, Virginia (the "County") certifies as follows:

1. He is the duly appointed, qualified and acting County Administrator of the County, and as such is familiar with its books and corporate records.

2. The duly elected and qualified members of the Board of Supervisors of the County (the "Board") at April 28, 2020, through the date hereof, are set forth below:

Name

Brian Stanley, Chairman
Eurika Tyree, Vice-Chairman
Gene Brooks
Robert Saunders, Jr.
Ron Tavernier

Brian Stanley is the duly elected, qualified and serving Chairman of the Board of Supervisors of the County, and whose true signature is as follows:

Don Unmussig is the duly appointed, qualified and serving County Administrator of the County, and whose true signature is as follows:

Jennifer Crews is the duly appointed, qualified and serving Finance Director of the County, and whose true signature is as follows:

Each of the persons named above required by law to do so has qualified for office by taking the oath prescribed by law on or before the day on which his or her term of office began.

2. A duly noticed meeting of the Board was duly called and held on April 28, 2020. At this meeting, a resolution (the "Resolution") was adopted by a majority of the members of the Board present and voting during such meeting. A true, correct and complete copy of the Resolution adopted at the meeting is attached hereto as Exhibit A. A summary of the members of the Board present or absent at the meeting and the recorded vote with respect to the Resolution are attached thereto.

3. The Resolution approved and authorized the execution and delivery by the authorized officers of the County of the Loan Documents (as defined in the Resolution).

4. The Loan Documents, including the Paying Agent Agreement, to which the County is a party, have been duly executed and delivered by the County. The Resolution has not been repealed, revoked, rescinded or amended and is, as of the date hereof, in full force and effect.

5. The County has performed all of its obligations, complied with all agreements and covenants and has satisfied all conditions on its part required to be performed or satisfied on or prior to the date hereof in connection with the undertaking of the Project (as defined in the Resolution). The proceeds of the Bond, together with other available funds expected to be available for such purposes, will be sufficient to provide payment in full, and of all costs, of the refunding of the 2009A Note (as defined in the Resolution).

6. There is no litigation of any kind or any proceeding before any governmental agency pending, or, to the best of my information, knowledge and belief, threatened against the County with respect to (a) the organization or existence of the County, (b) its authority to execute and deliver or adopt the Documents or the Resolution, (c) the validity or enforceability of any such instruments or the transactions contemplated thereby, (d) the title of the officers who executed such instruments, (e) any authority or proceedings relating to the execution and delivery of any such instruments by the County, (f) the ability of the County to undertake the Project, or (g) in which a judgment, order or resolution may have a material adverse effect on the County or its business, assets, condition (financial or otherwise), operations or prospects.

7. Each of the representations of the County contained in the Loan Documents has been examined by the County Administrator and is true, accurate and complete in all material respects as of the date hereof, and the County has performed all of its obligations under the Loan Documents required to be performed by it at or before the date of this Certificate.

8. In furtherance of the authority set forth in the Resolution, each of the County Administrator and the Chairman of the Board are designated as authorized representatives of the County for all purposes set forth in the Documents.

9. The official seal of the County is the same seal of which an impression appears below.

WITNESS the following signature and the seal of Cumberland County, Virginia as of the date first above written

CUMBERLAND COUNTY, VIRGINIA

(SEAL)

County Administrator
Cumberland County, Virginia

ATTEST:

Assistant Clerk, Board of Supervisors
Cumberland County, Virginia

EXHIBIT A

RESOLUTION ADOPTED APRIL 28, 2020

**CERTIFICATE OF THE CLERK OF THE CIRCUIT COURT
OF CUMBERLAND, VIRGINIA**

The undersigned Clerk of the Circuit Court of Cumberland, Virginia, does hereby certify that:

1. A certified copy of the resolution entitled “Resolution of the Board of Supervisors of the County of Cumberland, Virginia, Authorizing the Issuance and Sale of its Public Facilities Refunding Bond, Series 2020 in a Maximum Principal Amount Not to Exceed \$3,060,000, and the Execution and Delivery of Certain Documents Prepared in Connection Therewith” adopted by the Board of Supervisors (the “Board”) of Cumberland County, Virginia (the “County”) on April 28, 2020 (the “Resolution”), has been filed with this Circuit Court, as required by Section 15.2-2607 of the Code of Virginia of 1950, as amended (the “Code”).
2. As of the date hereof, no litigation is pending in the Circuit Court of Cumberland, Virginia, contesting the validity of the Resolution or the transactions contemplated thereby.
3. Each of the members of the Board has taken and subscribed the oath prescribed by law on or before the date on which his term of office began pursuant to Section 15.2-1522 of the Code, and the elected officials of the County are as follows:

Members of Elected Body

Brian Stanley, Chairman
Eurika Tyree, Vice-Chairman
Gene Brooks
Robert Saunders, Jr.
Ron Tavernier

Dated: April ____, 2020

Clerk, Circuit Court of Cumberland, Virginia

(SEAL)

PAYING AGENT AGREEMENT

THIS PAYING AGENT AGREEMENT (the “Agreement”) is entered into and effective this 1st day of April, 2020, between the Virginia Local Government Finance Corporation, a component unit vendor of the Industrial Development Authority of the County of Stafford and the City of Staunton, Virginia (“Paying Agent” or “VLGFC”), and County of Cumberland, Virginia (“Issuer”) (individually each a “Party” and collectively the “Parties”);

WHEREAS, Issuer has issued to Signature Public Funding Corp. (“Lender”) that certain Public Facilities Refunding Bond, Series 2020 (the “Obligation”) dated April 30, 2020; and

WHEREAS, the Issuer desires to open an account (the “Paying Agent Account”) with the Virginia Investment Pool (“VIP”) into which the Issuer shall make timely deposits and out of which Paying Agent shall make disbursements in accordance with this Agreement.

NOW, THEREFORE, in consideration of the premises herein, the Parties hereto agree as follows:

I. TERMS AND CONDITIONS

1.1 The Issuer hereby appoints VLGFC as its Paying Agent and VLGFC hereby accepts its duties as provided herein.

1.2 The Paying Agent shall bill Issuer in accordance with the terms of the Bond Purchase Agreement, plus a Paying Agent Administration fee, as set forth in the Billing and Disbursement Schedule attached and incorporated herein as **Exhibit A**. Upon deposit of funds from Issuer into its VIP debt service account, the Paying Agent shall disburse funds as provided in this Agreement and in accordance with the Billing and Disbursement Schedule and the Bond Purchase Agreement. The Paying Agent shall disburse funds as provided in such Schedule, but only to the extent that funds are collected and available.

1.3 The Paying Agent shall promptly advise the Issuer and the Lender if the Issuer’s payment is late, unpaid or in a partial amount due. The Lender shall advise the Paying Agent of any revised billing schedule to reflect interest and late fees due from Issuer and shall provide the Paying Agent with a revised Billing and Disbursement Schedule, to which the Paying Agent Administration fee will be added.

1.4 The Paying Agent shall provide, on a regular basis but not less than annually, statements and reports as to interest earned on any funds, balances and all debit and credit activity in the Paying Agent Account.

1.5 The Issuer acknowledges and agrees to abide by the Disclosure Provisions attached to the Agreement as **Exhibit C**, and as amended from time to time by Paying Agent.

II. PROVISIONS AS TO PAYING AGENT

2.1 This Agreement expressly and exclusively sets forth the duties of Paying Agent with respect to any and all matters pertinent hereto and no implied duties or obligations shall be read into this Agreement against Paying Agent.

2.2 Paying Agent acts hereunder as an agent only, and is not responsible or liable in any manner whatsoever for the sufficiency, correctness, genuineness or validity of the subject matter of the Agreement or any part thereof, or of any person executing or depositing such subject matter.

2.3 This Agreement constitutes the entire agreement between the Paying Agent and the Issuer in connection with the subject matter herein, and no other agreement entered into between the parties, or any of them, shall be considered as adopted or binding, in whole or in part, upon the Paying Agent notwithstanding that any such other agreement may be deposited with Paying Agent or the Paying Agent may have knowledge thereof.

2.4 Paying Agent shall in no way be responsible for nor shall it be its duty to notify any party hereto or any other party interested in this Agreement of any payment required or maturity occurring under this Agreement or under the terms of any instrument deposited therewith unless such notice is explicitly provided for in this Agreement.

2.5 Paying Agent shall be protected in acting upon any written notice, request, waiver, consent, certificate, receipt, authorization, power of attorney or other paper or document which Paying Agent in good faith believes to be genuine and what it purports to be, including, but not limited to, items directing investment or non-investment of funds, items requesting or authorizing release, disbursement or retainage of the subject matter of this Agreement and items amending the terms of this Agreement.

2.6 Paying Agent may consult with legal counsel in the event of any dispute or question as to the construction of any of the provisions hereof or its duties hereunder, and it shall incur no liability and shall be fully protected in acting in accordance with the advice of such counsel.

2.7 In the event of any disagreement between any of the parties to this Agreement, or between any of them and any other party, resulting in adverse claims or demands being made in connection with the matters covered by this Agreement, or in the event that Paying Agent, in good faith, be in doubt as to what action it should take hereunder, Paying Agent may, at its option, refuse to comply with any claims or demands on it, or refuse to take any other action hereunder, so long as such disagreement continues or such doubt exists, and in any such event, Paying Agent shall not be or become liable in any way or to any party for its failure or refusal to act, and Paying Agent shall be entitled to continue to refrain from acting until (i) the rights of all interested parties shall have been fully and finally adjudicated by a court of competent jurisdiction, or (ii) all differences shall have been adjudged and all doubt resolved by agreement among all of the interested parties, and Paying Agent shall have been notified thereof in writing signed by all such parties. Notwithstanding the preceding, Paying Agent may in its discretion obey the order, judgment, decree or levy of any court, whether with or without jurisdiction, or of an agency of the United States or any political subdivision thereof, or of any agency of the Commonwealth of Virginia or of any political subdivision thereof, and Paying Agent is hereby authorized in its sole discretion, to comply with and obey any such orders, judgments, decrees or levies. The rights of Paying Agent under this sub-paragraph are cumulative of all other rights which it may have by law or otherwise.

2.8 Paying Agent shall be indemnified and held harmless from anything which it may do or refrain from doing in connection herewith, or for any claims, demands or losses, or for any damages made or suffered by any party to this Agreement, excepting such as may arise through or be caused by Paying Agent's willful misconduct or gross negligence.

2.9 In the event that any controversy should arise among the parties with respect to this Agreement or should the Paying Agent resign and the parties fail to select another Paying Agent to act in its stead, the Paying Agent shall have the right to institute a bill of interpleader in any court of competent jurisdiction to determine the rights of the parties.

III. COMPENSATION OF PAYING AGENT

3.1 Paying Agent shall be entitled to reasonable compensation in connection with the performance by it of services under this Agreement. The Issuer binds and obligates itself to pay to Paying Agent the compensation to which it is entitled and further agrees that Paying Agent shall have a lien on the assets of the Paying Agent Account for payment of its fees and expense if they are not otherwise paid and without judicial action to foreclose the said lien. Paying Agent's fee is as provided in **Exhibit B** to this Agreement.

3.2 In case of termination of this Agreement by Issuer, due to refunding of the Obligation, prepayment, by operation of law, or otherwise, Issuer agrees to pay Paying Agent an early termination fee calculated as the sum total of the present value of the remaining unpaid annual fees set forth in the Fee Schedule in Exhibit B, discounted at the interest rate on the Obligation to the date of termination.

IV. MISCELLANEOUS

4.1 Paying Agent shall make no disbursement, investment or other use of funds until and unless funds have been deposited into the Paying Agent Account. Paying Agent shall not be liable for collection items until the proceeds of the same in actual cash have been received or the Federal Reserve has given Issuer credit for the funds and that access to funds is consistent with the Disclosure Provisions.

4.2 Paying Agent shall have no duty as to the funds in the Paying Agent Account or protection of the funds in the Paying Agent Account or any income or distribution thereon, beyond the safe custody of such funds as may come into the possession of Paying Agent, and shall have no duty as to the preservation of rights against prior parties or any other rights pertaining thereto. Funds held in the Paying Agent Account shall be invested as directed by the Issuer. The investments made under this Agreement are to be made by the Paying Agent, as directed, and the Paying Agent shall not be liable to any party for any loss incurred in connection with any such investment. The Paying Agent shall make its best effort to invest funds on a timely basis upon receipt of such funds. However, the Paying Agent shall not be liable for compensation to any party related to funds which are held un-invested or funds which are not invested timely.

4.3 The Paying Agent shall not be responsible for providing any IRS tax reporting or any other tax reporting, including any 1099 tax reporting related to this Agreement.

4.4 Any notice, request for consent, report, or any other communication required or permitted in this Agreement shall be in writing and shall be deemed to have been given when personally delivered to the party specified or when placed in the United States mail, registered or certified, with return receipt requested, postage prepaid and addressed as follows:

If to the Paying Agent: Virginia Local Government Finance Corporation
8 East Canal Street, Suite 100
Richmond, VA 23219
Attention: Managing Director
Telephone: 804-648-0635

If to Lender: Signature Public Funding Corp.
600 Washington Avenue, Suite 305
Towson, Maryland 21204
Attention: Douglas Dillion
Telephone: 480-419-3634

If to the Issuer: County of Cumberland, Virginia
PO Box 110
1 Courthouse Circle
Cumberland, VA, 23040
Attention: County Administrator
Telephone: 804-492-3625

Any party may unilaterally designate a different address by giving notice of each change in the manner specified above to each other party.

4.5 This Agreement is being made in and is intended to be construed according to the laws of the Commonwealth of Virginia. It shall inure to and be binding upon the parties hereto and their respective successors, heirs and assigns. All representations, covenants, and indemnifications contained in this Agreement shall survive the termination of this Agreement.

4.6 The terms of this Agreement may be altered, amended, modified or revoked only by an instrument in writing signed by all the parties hereto.

4.7 If any provision of this Agreement shall be held or deemed to be or shall in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatsoever.

4.8 The Paying Agent may resign at any time from its obligations under this Agreement by providing written notice to the parties hereto. Such resignation shall be effective not later than thirty (30) days after such written notice has been given. The Paying Agent shall have no responsibility for the appointment of a successor depository agent. Unless otherwise provided in this Agreement, final termination of this Agreement shall occur on the date on which all funds have been disbursed.

4.9 The Parties agrees to observe and comply, to the extent applicable, with all anti-money laundering laws, rules and regulations including, without limitation, regulations issued by the Office of Foreign Assets Control of the United States Department of Treasury and the Financial Crimes

Enforcement Network of the U.S. Department of Treasury. The Issuer and Paying Agent shall provide to the Lender such information as the Lender may require to enable the Lender to comply with its obligations under the Bank Secrecy Act of 1970, as amended (“BSA”), or any regulations enacted pursuant to the BSA or any regulations, guidance, supervisory directive or order of the New York State Department of Financial Services or Federal Deposit Insurance Corporation. To help the United States government fight funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account or enters into a loan/lease transaction. When an account is opened and from time to time as be required by the Lender’s internal policies and procedures, the Lender shall be entitled to ask for such information that will allow it to identify relevant parties. For a non-individual person such as a business entity, a charity, a trust, or other legal entity, the Lender may ask for documentation to verify its formation and existence as a legal entity. The Lender may also ask to see financial statements, licenses, identification, and authorization documents from individuals claiming authority to represent the entity or other relevant documentation. The Parties acknowledge that a portion of the identifying information set forth herein is being requested by the Lender in connection with Title III of the USA Patriot Act, Pub.L. 107-56 (the “Act”), and the Issuer and Paying Agent agree to provide any additional information requested by the Lender in its sole discretion in connection with the Act or any other legislation, regulation, regulatory order or published guidance to which the Lender is subject, in a timely manner.

4.10 All titles and headings in this Agreement are intended solely for convenience of reference and shall in no way limit or otherwise affect the interpretation of any of the provisions hereof.

4.11 This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

[Signatures on the following page]

IN WITNESS WHEREOF, the undersigned have caused this Paying Agent Agreement to be duly executed as of the date and year first above written.

County of Cumberland, Virginia

By: _____
Donald Unmussig, County Administrator

Virginia Local Government Finance Corporation

By: _____
Timothy Bunch, Secretary/Treasurer

Signature Page to Paying Agent Agreement

BILLING AND DISBURSEMENT SCHEDULE

Invoice Issuer 60 days prior to the payment Due Date. See Payment Due Dates, every May 1 and November 1.

SCHEDULE OF FEES

(Paying Agent)

The annual fee for the services set forth in this Paying Agent Agreement, and for loan origination services provided, is payable in arrears and is due semi-annually on May 1 and November 1 each year, commencing November 1, 2020. The Fee is to be deducted from the Paying Agent Account by the Paying Agent semi-annually as shown on the schedule in Exhibit A.

Fee Schedule

Date	Annual Fee (0.10%)
04/30/2020	-
11/01/2020	1,538.50
05/01/2021	1,457.62
11/01/2021	1,384.30
05/01/2022	1,310.14
11/01/2022	1,235.12
05/01/2023	1,159.23
11/01/2023	1,082.47
05/01/2024	1,004.82
11/01/2024	926.27
05/01/2025	846.81
11/01/2025	766.44
05/01/2026	685.14
11/01/2026	602.90
05/01/2027	519.71
11/01/2027	435.56
05/01/2028	350.44
11/01/2028	264.33
05/01/2029	177.23
11/01/2029	89.13
Total	15,836.16

These fees do not include extraordinary services, which will be priced according to time and scope of duties. The fees shall be deemed earned in full upon receipt by the Paying Agent, and no portion shall be refundable for any reason, including without limitation, termination of the Paying Agent Agreement.

It is acknowledged that the fees shown above are acceptable for the services mutually agreed upon and the undersigned authorizes VLGFC to perform said services.

Accepted by:

County of Cumberland, Virginia

By: _____
Donald Unmussig, County Administrator

DISCLOSURE PROVISIONS

None at Closing

CUMBERLAND COUNTY, VIRGINIA

NONARBITRAGE AND TAX COMPLIANCE CERTIFICATE (REFUNDING ONLY)

This **NONARBITRAGE AND TAX COMPLIANCE CERTIFICATE** is made this 30th day of April, 2020 (the "Certificate"), by the **CUMBERLAND COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the "Locality").

RECITALS

A. On the date hereof (the "Closing Date"), the Locality has issued its \$3,060,000 Public Facilities Refunding Bond, Series 2020 ("2020 Bond" or "Local Bond"), pursuant to a Bond Purchase Agreement dated as of April 1, 2020 (the "Bond Purchase Agreement"), between Signature Public Funding Corp. ("SPFC") and the Locality.

B. The Locality is using the proceeds of the 2020 Bond to (i) refund the Locality's \$5,000,000 Public Facilities Note, Series 2009A ("2009A Note"), and (ii) pay the costs of issuance of the 2020 Bond.

C. Pursuant to Section 3.1 of the Bond Purchase Agreement, the Locality has agreed, among other things, not to take or omit to take any action that would cause interest on the Local Bond to be includable in gross income for federal income tax purposes or to become a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt of which is hereby acknowledged, the Locality certifies, represents, and warrants for the benefit of the owner of the Local Bond as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. Unless otherwise defined, each capitalized term used in this Certificate shall have the meaning set forth below:

"AMT Bond" means a "specified private activity bond" as defined in Section 57(a)(5)(C) of the Code, the interest on which is a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations.

"Bona Fide Debt Service Fund" means a fund, which may include Sale Proceeds and Investment Proceeds, that (i) is used primarily to achieve a proper matching of revenues with principal and interest payments on the Local Bond

within each Bond Year and (ii) is depleted at least once each Bond Year, except for a reasonable carryover amount not to exceed the greater of:

(a) the earnings on the fund for the immediately preceding Bond Year; or

(b) one-twelfth of the principal and interest payments on the Local Bond for the immediately preceding Bond Year.

"Bond Year" means the twelve-month period beginning on November 2 of one year and ending on November 1 of the following year, except that the first Bond Year begins on the Closing Date and ends on November 1, 2020. The Locality acknowledges that this will result in a "short" first Bond Year.

"Closing Date" means the date of this Certificate, which is the date of the issuance of the Local Bond and its sale to SPFC.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor statute. Each citation to a Code section shall include the applicable Treasury Regulations, revenue procedures and revenue rulings.

"Costs of Issuance" means costs to the extent incurred in connection with, and allocable to, the issuance of the Local Bond.

"Exempt Person" means any Person that is a state or local governmental unit within the meaning of Section 141 of the Code (or any instrumentality thereof).

"Gross Proceeds" has the meaning set forth in Treas. Regs. § 1.148-1(b) and, with respect to the Local Bond includes, without limitation, the Sale Proceeds and the Investment Proceeds.

"Investment Proceeds" shall have the meaning set forth in Section 2.4 below.

"Local Resolution" means the resolution adopted by the Locality's governing body authorizing the issuance of the Local Bond.

"New Money Sale Proceeds" shall have the meaning set forth in Section 2.6 below.

"Nonexempt Person" means any Person that is not an Exempt Person, and includes the federal government and its agencies and instrumentalities.

"Nonexempt Use Portion" means five percent (5%).

"Nonpurpose Investment" means any security, obligation, annuity, or other investment-type property (excluding any Tax-Exempt Bond or Tax-Exempt Mutual Fund) in which Gross Proceeds of the Local Bond are invested and that is

not acquired to carry out the governmental purpose of the Local Bond. Cash is not a Nonpurpose Investment.

"Person" means any natural person, firm, joint venture, association, partnership, business trust, corporation, limited liability company, corporation or partnership, or any other entity (including a governmental entity).

"Private Business Use" means Use of bond proceeds or bond-financed property directly or indirectly in a Trade or Business carried on by a Nonexempt Person.

"Project" means the project described in the Bond Purchase Agreement.

"Purchase Price" shall have the meaning set forth in Section 2.4 below.

"Replacement Proceeds" shall have the meaning set forth in Treas. Regs. Section 1.148-1.

"Sale Proceeds" shall have the meaning set forth in Section 2.4 below.

"Service Contract" means a contract under which a Nonexempt Person will provide services involving all, a portion or any function of the Project. For example, a Service Contract includes a contract for the provision of management services for all or any portion of the Project. Contracts for services that are solely incidental to the primary governmental function or functions of the Project (for example, contracts for janitorial, office equipment repair, billing, or similar services) are not included in this definition. Additional contracts not included in this definition are (i) a contract to provide for services by a Nonexempt Person if the only compensation is the reimbursement of the Nonexempt Person for actual and direct expenses paid by the Nonexempt Person to unrelated parties and (ii) a contract to provide for the operations by a Nonexempt Person of a facility or system of facilities that consists predominately of public utility property (within the meaning of Section 168(i)(10) of the Code), if the only compensation is the reimbursement of actual and direct expenses of the Nonexempt Person and reasonable administrative overhead expenses of the Nonexempt Person.

"Tax-Exempt Bond" means any bond, note or other obligation the interest on which is excludable from gross income under Section 103(a) of the Code, but shall not include an AMT Bond.

"Tax-Exempt Mutual Fund" means an interest in a regulated investment company to the extent that at least 95 percent of the income to the holder thereof constitutes interest that is derived from Tax-Exempt Bonds.

"Trade or Business" means any activity carried on by a Person, except for a natural person. "Trade or Business" for a natural person means any activity carried on by such natural person that constitutes a "trade or business" within the meaning of Section 162 of the Code.

"Use" or "Used" shall have the meaning set forth in Section 141(b)(1) of the Code. Under Section 141(b)(1), the Use of bond-financed property is treated as Use of bond proceeds. A Nonexempt Person may Use bond proceeds and bond-financed property as a result of, among other ways, (i) ownership of bond-financed property, (ii) actual or beneficial use of bond-financed property pursuant to a lease, a Service Contract or an incentive payment contract, or (iii) any other arrangement such as a take-or-pay or other output-type contract. Use by a Nonexempt Person on the same basis as the general public is not taken into account. However, Use in a Trade or Business by all Nonexempt Persons on a basis different from the general public shall be aggregated in determining whether the threshold set forth in Section 4.2(a) below has been exceeded.

ARTICLE II

NONARBITRAGE CERTIFICATIONS OF LOCALITY

Section 2.1 Responsible Officers, Reasonable Expectations. (a) The undersigned officer of the Locality is one of the Locality's officers charged with the responsibility of issuing the Local Bond by the Local Resolution.

(b) The undersigned officer hereby certifies in good faith that set forth in this Article II are the reasonable expectations of the Locality as of the Closing Date regarding the amount, the investment and the use of the Gross Proceeds of the Local Bond.

Section 2.2 Issuance of Local Bond. The Locality will on the Closing Date issue and sell the Local Bond pursuant to the Local Resolution and the Bond Purchase Agreement.

Section 2.3 Purpose of Local Bond. The Locality is issuing the Local Bond to provide funds to be used, along with other available funds, if any, (i) to refinance the 2009A Note and (ii) to pay the Costs of Issuance related to the Local Bond.

Section 2.4 Sale of Local Bond; Definition of Sale Proceeds. (a) The Locality will physically deliver the written evidence of the Local Bond on the Closing Date to or upon the order of the SPFC in exchange for receipt of the amount of \$3,060,000 (the "Purchase Price").

(b) The Closing Date is not earlier than the first day on which interest begins to accrue on the Local Bond for federal income tax purposes.

(c) For purposes of the rest of this Certificate, the Purchase Price of the Local Bond will be referred to as the "Sale Proceeds" of the Local Bond. Investment earnings on the Sale Proceeds shall be referred to as "Investment Proceeds."

Section 2.5 Yield on the Local Bond. (a) The Yield on the Local Bond is fixed and determinable on the Closing Date. The Local Bond constitutes a fixed yield issue.

(b) Except for the Local Bond, no tax-exempt obligations of the Locality or any other issuer have been or will be (i) sold less than 15 days before or after April 30, 2020, (ii) sold

pursuant to the same plan of financing with the Local Bond, and (iii) reasonably expected to be paid from substantially the same source of funds as the Local Bond, determined without regard to guarantees from parties unrelated to the Locality, if any.

(c) The Locality has not entered and will not enter into any Hedge Contract (as defined below) with respect to the Local Bond. A "Hedge Contract" is a contract entered into primarily to modify a tax-exempt bond issuer's risk of interest rate changes with respect to a borrowing. For example, a Hedge Contract may be an interest rate swap, an interest rate cap, a futures contract, a forward contract or an option.

(d) The Locality has determined that, pursuant to Treas. Regs. § 1.148-4(a), the arbitrage yield on the Local Bond is 2.3100%. The Locality is issuing the 2020 Bond in order to refinance the 2009A Note.

Section 2.6 Current Refunding. (a) The Sale Proceeds of the 2020 Bond (\$3,060,000.00) (the "Current Refunding Sale Proceeds") will be used to pay the outstanding principal amount of the Locality's outstanding 2009A Note. No interest is accruing and unpaid on the 2009A Note up to the redemption date of May 1, 2020. The portion of the Local Bond allocable to the Current Refunding Sale Proceeds constitutes a current refunding issue.

(1) The Locality is effecting the refunding of the 2009A Note by applying a portion of the Current Refunding Sale Proceeds (\$3,060,000.00) to refund, defease and redeem the outstanding 2009A Note.

(2) The Industrial Development Authority of the County of Stafford and the City of Staunton, Virginia ("IDA") purchased the 2009A Note with the proceeds of a portion of the IDA's Variable Rate Demand Revenue Bonds (VML/VACo Commonwealth Loan Program), Series 2009A-1 ("Corresponding IDA Bonds"), pursuant to an Amended and Restated Trust Indenture dated as of May 1, 2009, and as subsequently supplemented, between the IDA and U.S. Bank National Association ("U.S. Bank"), as trustee. The Locality is effecting the refunding of the 2009A Note by directing U.S. Bank to apply the portion of the Current Refunding Sale Proceeds set forth in (a)(1) to refund, defease and redeem the outstanding Corresponding IDA Bonds. The final payment and discharge of the Corresponding IDA Bonds will occur on May 1, 2020. The 2009A Note will be cancelled and returned to the Locality effective thereon.

(3) There are no portion of the Sale Proceeds of the 2020 Bond allocable to nonrefunding purposes, and there are no Investment Proceeds thereon.

Section 2.7 Transferred Proceeds. As of the Closing Date, none of the sale and investment proceeds of the Refunded Bond remain unspent.

Section 2.8 Reimbursement. Any proceeds of the 2009A Note used by the Locality to reimburse itself for expenditures made prior to the corresponding issue date of such obligation was done in accordance with Treas. Regs. §1.150-2.

Section 2.9 Expenditure of Sale Proceeds and Investment Proceeds. (a) Except for Sale Proceeds and any Investment Proceeds to be used to refund the 2009A Note and the

Corresponding IDA Bonds, the Locality agrees that any Sale Proceeds or Investment Proceeds disbursed to it will be (i) immediately applied to reimburse the Locality for Costs of Issuance it has already incurred and paid or (ii) actually spent to pay Costs of Issuance not later than 5 banking days after such receipt.

(b) The Locality elects to waive the right to invest any of the Sale Proceeds or Investment Proceeds of the Local Bond in higher yielding investment during any temporary period under Treas. Regs. §1.148-9(d), as part of a reasonably required reserve or replacement fund under Treas. Regs. §1.148-9(e) or as part of the "minor portion" under Treas. Regs. §1.148-9(g).

Section 2.10 No Overburdening. The Sale Proceeds and Investment Proceeds of the Local Bond are not expected to exceed the amount necessary for the governmental purposes for which the Local Bond is being issued.

Section 2.11 Universal Cap. The Locality reasonably expects as of the Closing Date that the universal cap (as defined in Treas. Regs. § 1.148-6) will not reduce the amount of Gross Proceeds allocable to the Local Bond during the term of the Local Bond.

Section 2.12 No Replacement. (a) The Locality has or will have on hand no funds that are restricted, segregated, legally required or otherwise intended to be used, directly or indirectly, for the purposes for which the Local Bond is being issued.

(b) The weighted average maturity of the Local Bond does not exceed 120 percent of the reasonably expected economic life of the capital projects to be financed or refinanced by the Local Bond.

Section 2.13 No Other Proceeds. Other than amounts that may constitute or may be deposited in a Bona Fide Debt Service Fund, there will be no moneys, securities, obligations, annuity contracts, residential rental property, AMT Bonds, investment-type property or sinking funds, pledged funds, reserve funds, funds subject to a negative pledge or other funds or Replacement Proceeds that will be accumulated or held and pledged as security by the Locality or any other substantial beneficiary of the Local Bond (within the meaning of Treas. Regs. § 1.148-1(c)(1)) as security for or the direct or indirect source of the payment of the principal of or interest on the Local Bond. Amounts constituting or on deposit in a Bona Fide Debt Service Fund may be invested without yield restriction.

Section 2.14 Bond Year. The Locality selects the Bond Year as the "bond year" for the Local Bond.

Section 2.15 No Abusive Arbitrage Device. The Locality has not used and will not use an "abusive arbitrage device" in connection with the Local Bond. An action is an "abusive arbitrage device" if the action has the effect of (i) enabling the Locality to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, and (ii) overburdening the tax-exempt bond market; provided, however, that no action that is expressly permitted by Section 148 of the Code or Treas. Regs. §§ 1.148-1 through 1.148-11 is an abusive arbitrage device.

Section 2.16 Reasonable Expectations. To the best of the undersigned's knowledge, information and belief, the expectations stated in this Article are reasonable and there are no other facts, estimates or circumstances that would materially change such expectations.

ARTICLE III

ARBITRAGE REBATE

Section 3.1 In General. (a) The Locality shall take all steps necessary to cause the requirements of Section 148(f) of the Code applicable to the Local Bond to be complied with, including but not limited to all reporting and rebate requirements. The Locality recognizes that the provisions of Section 148(f) of the Code require a rebate of arbitrage profits to the United States in certain circumstances.

(b) The Locality shall not directly or indirectly invest, use or permit the use of the Gross Proceeds of the Local Bond except in accordance with Article II hereof.

(c) The Locality agrees that a specific remedy that shall be available to SPFC for a violation by the Locality of any covenant hereunder is that the Locality will pay or reimburse SPFC for any arbitrage rebate liability, yield reduction payment, interest or penalties assessed or incurred with respect to the Bond in any way attributable to such violation. This specific remedy shall be in addition to any other remedies available to SPFC under law or equity.

(d) The Locality agrees to provide to SPFC any records reasonably requested by SPFC in order to facilitate the calculation of rebate liability with respect to the Bond.

ARTICLE IV

GENERAL TAX COVENANTS

Section 4.1 Reasonable Expectations. The Locality reasonably expects, as of the Closing Date, to use or cause the use of the Gross Proceeds of the Local Bond and the Project in such manner and to take or refrain from taking all actions as may be necessary to establish and maintain the exclusion of interest on the Local Bond from federal gross income under Sections 103 and 141 through 150 of the Code over the entire stated term of the Local Bond.

Section 4.2 Private Business Use Limitations. (a) The Locality shall at all times conduct or cause to be conducted the operation of the Project so as not to permit more than the Nonexempt Use Portion of the Sale Proceeds of the Local Bond to be Used for a Private Business Use. Use of the Project shall be deemed Use of the Sale Proceeds of the Local Bond.

(b) The Locality shall not enter into any Service Contract with a Nonexempt Person other than a Service Contract permitted under Rev. Proc. 97-13.

Section 4.3 No Private Loans. (a) The Locality (i) represents that it reasonably expects that it will be the only ultimate borrower receiving a loan made or financed directly or indirectly from the Gross Proceeds of the Local Bond and (ii) shall not intentionally use or permit the use of the Gross Proceeds of the Local Bond directly or indirectly to make a loan to an ultimate borrower other than itself.

(b) Any transaction that is generally characterized as a loan for federal income tax purposes is a "loan" for purposes of this Section. In addition, a loan may arise from the direct lending of bond proceeds or may arise from transactions in which indirect benefits that are the economic equivalent of a loan are conveyed, including any contractual arrangement which in substance transfers tax ownership and/or significant burdens and benefits of ownership.

(c) Except as provided below, a prepayment for property or services is treated as a "loan" for purposes of this Section if a principal purpose for prepaying is to provide a benefit of tax-exempt financing to the seller. A prepayment is not treated as a loan for purposes of this Section if prepayments on substantially the same terms are made by a substantial percentage of Persons who are similarly situated to the prepayer but who are not beneficiaries of tax-exempt financing. See also Treas. Regs. §1.141-5 regarding transactions characterized as "loans".

(d) The term "loan" as used in this Section does not refer to the purchase of Nonpurpose Investments.

Section 4.4 Use by United States or its Agencies. The Locality shall not permit the Project to be used or occupied other than as a member of the general public in any manner for compensation by the United States or of its agencies or instrumentalities, including any entity with statutory authority to borrow from the United States.

Section 4.5 No Federal Guaranty. The Locality shall not permit (i) the payment of the principal or interest with respect to the Local Bond to be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof) (the "Federal Government"), (ii) 5 percent or more of the Gross Proceeds of the Local Bond to be (A) used in making loans the payment of principal or interest with respect to which are to be guaranteed (in whole or in part) by the Federal Government or (B) invested (directly or indirectly) in federally insured deposits or accounts, or (iii) the payment of principal or interest on the Local Bond to be otherwise indirectly guaranteed (in whole or in part) by the Federal Government; provided that none of the above-described prohibitions shall apply to investments of Gross Proceeds of the Local Bond in a Bona Fide Debt Service Fund.

Section 4.6 Registration Requirement. The Locality shall not take any action or permit any action to be taken to cause the Local Bond to fail to satisfy the registration requirement of Section 149(a) of the Code.

Section 4.7 Information Reporting. The Locality represents that the information set forth in the IRS Form 8038-G prepared for the Local Bond is correct and the Locality will file the form as required under Section 149(e) of the Code.

Section 4.8 Bank Qualification; Small Issuer Exception. The Locality affirms its intent that the Bond will be "bank qualified" for federal tax exempt treatment. The Locality

reasonably expects that the aggregate face amount of all tax-exempt bonds (other than private activity bonds and refunding bonds not taken into account to determine small issuer status) issued by the Locality and any of the Locality's "on behalf of" issuers and "subordinate entities" (as such terms are defined in Treas. Regs. § 1.148-8(c)(2)), during the 2020 calendar year will not exceed \$10,000,000. To meet the "small issuer exception," the aggregate amount of tax-exempt obligations (other than "private activity bonds") issued and reasonably expected as of the date hereof to be issued in the current calendar year, including the Local Bond, by (1) the Locality, (2) all entities on behalf of whom the Locality issues tax-exempt obligations, (3) all entities that are "subordinate" to the Locality, within the meaning of Code Section 148(f)(4)(D), and (4) all entities which issue tax-exempt obligations on behalf of the same such entities, will not exceed \$5,000,000, except that pursuant to Section 148(f)(4)(D)(vii) of the Code, this amount of \$5,000,000 may increase by the lesser of \$5,000,000 or so much of the aggregate amount of all tax-exempt bonds (other than private activity bonds) issued by the Locality (and any of the Locality's "on behalf of" issuers and "subordinate entities") during the 2020 calendar year.

ARTICLE V

MISCELLANEOUS

Section 5.1 Term. The covenants contained in this Certificate shall be effective on the Closing Date. Except with respect to Section 3.1(c) above, which shall remain in effect until all arbitrage rebate liability is discharged with respect to the Local Bond, the Locality's obligations under this Certificate shall remain in effect so long as any of the Local Bond remains unpaid (whether or not defeased).

Section 5.2 Opinion of Bond Counsel. If the Locality shall provide an opinion of nationally-recognized bond counsel addressed and acceptable to SPFC to the effect that any action or forbearance required under this Certificate or otherwise is not required to maintain the exclusion from gross income of the interest on the Local Bond under Section 103 of the Code and to prevent such interest from becoming a specific item of tax preference for purposes of the federal alternative minimum tax, the Locality shall not be required to comply therewith.

Section 5.3 Enforcement by Trustee. The Locality acknowledges that its representations, warranties and covenants under this Certificate are incorporated by reference into the Bond Purchase Agreement and that any assignee of the Local Bond may enforce the Locality's obligations under this Certificate subject to the terms of the Bond Purchase Agreement.

Section 5.4 Reliance by Bond Counsel. It is understood by the Locality that bond counsel for the Locality is relying on the representations contained in this Certificate for the purpose of rendering its legal opinion in connection with the issuance of the Local Bond. Such reliance for such purpose is authorized. Further, the Locality authorizes and directs bond counsel to render such opinions to SPFC and its assigns as necessary to contemplate the transactions in the Bond Purchase Agreement and authorizes bond counsel to address his opinion to any assignee of SPFC.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

WITNESS the following signatures, all duly authorized.

CUMBERLAND COUNTY, VIRGINIA

By: _____
Don Unmussig, County Administrator

[SIGNATURE PAGE OF NONARBITRAGE AND TAX COMPLIANCE CERTIFICATE]

EXHIBITS:

None



County of Cumberland Virginia

EMERGENCY ORDINANCE TO EFFECTUATE TEMPORARY CHANGES IN CERTAIN DEADLINES AND TO MODIFY PUBLIC MEETING AND PUBLIC HEARING PRACTICES AND PROCEDURES TO ADDRESS CONTINUITY OF OPERATIONS ASSOCIATED WITH PANDEMIC DISASTER.

April 8, 2020

WHEREAS, on March 12, 2020, Governor Ralph S. Northam issued Executive Order Fifty-One declaring a state of emergency for the Commonwealth of Virginia arising from the novel Coronavirus (COVID-19) pandemic; and

WHEREAS, Executive Order Fifty-One acknowledged the existence of a public health emergency which constitutes a disaster as defined by Virginia Code § 44-146.16 arising from the public health threat presented by a communicable disease anticipated to spread; and

WHEREAS, Executive Order Fifty-One ordered implementation of the Commonwealth of Virginia Emergency Operations Plan, activation of the Virginia Emergency Operations Center to provide assistance to local governments, and authorization for executive branch agencies to waive “any state requirement or regulation” as appropriate; and

WHEREAS, on March 13, 2020, the President of the United States declared a national emergency, beginning March 1, 2020, in response to the spread of COVID-19; and

WHEREAS, on March 11, 2020, the World Health Organization declared the COVID-19 outbreak a pandemic; and

WHEREAS, on March 16, 2020, the Board of Supervisors of Cumberland County, Virginia (“BOARD”) declared a local emergency effective March 16, 2020 at 4:30 PM, EDT; and

WHEREAS, the BOARD finds that COVID-19 constitutes a real and substantial threat to public health and safety and constitutes a “disaster” as defined by Virginia Code §44-146.16 being a “communicable disease of public health threat;” and

WHEREAS, Virginia Code § 15.2-1413 provides that, notwithstanding any contrary provision of law, a locality may, by ordinance, provide a method to assure continuity of government in the event of a disaster for a period not to exceed six months; and

WHEREAS, Virginia Code § 44-146.21(C) further provides that a local director of emergency management or any member of a governing body in his absence may upon the declaration of a local emergency “proceed without regard to time-consuming procedures and formalities prescribed by law (except mandatory constitutional requirements) pertaining to performance of public work;” and

WHEREAS, Virginia Code § 2.2-3708.2(A)(3) allows, under certain procedural requirements including public notice and access, that members of BOARD may convene solely by electronic means “to address the emergency;” and

WHEREAS, the open public meeting requirements of the Virginia Freedom of Information Act (“FOIA”) are limited only by a properly claimed exemption provided under that Act or “any other statute;” and

WHEREAS, the Governor and Health Commissioner of the Commonwealth of Virginia and the President of the United States have recommended suspension of public gatherings of more than ten attendees; and

WHEREAS, The Attorney General of Virginia issued an opinion dated March 20, 2020 stating that localities have the authority during disasters to adopt ordinances to ensure the continuity of government; and

WHEREAS, this emergency ordinance in response to the disaster caused by the COVID-19 pandemic promotes public health, safety and welfare and is consistent with the law of the Commonwealth of Virginia, the Constitution of Virginia and the Constitution of the United States of America.

NOW, THEREFORE, BE IT ORDAINED by the Board of Supervisors of Cumberland County, Virginia:

1. That the COVID-19 pandemic makes it unsafe to assemble in one location a quorum for public bodies including the Board of Supervisors, the School Board, the Planning Commission, Board of Zoning Appeals, Board of Equalization, and all local and regional boards, commissions, committees and authorities created by the Board or to which the Board appoints all or a portion of its members (collectively “Public Entities” and individually “Public Entity”), or for such Public Entities to conduct meetings in accordance with normal practices and procedures.

2. That in accordance with Virginia Code § 15.2-1413, and notwithstanding any contrary provision of law, general or special, the following emergency procedures are adopted to ensure the continuity of government during this emergency and disaster:

a. Any meeting or activities which require the physical presence of members of the Public Entities may be held through real time electronic means (including audio, telephonic, video or other practical electronic medium) without a quorum physically present in one location; and

b. Prior to holding any such electronic meeting, the Public Entity shall provide public notice of at least 3 days in advance of the electronic meeting identifying how the public may participate or otherwise offer comment; and

c. Any such electronic meeting of Public Entities shall state on its agenda and at the beginning of such meeting that it is being held pursuant to and in compliance with this Ordinance; identify Public Entity members physically and/or electronically present; identify the persons responsible for receiving public comment; and identify notice of the opportunities for the public to access and participate in such electronic meeting; and

d. Any such electronic meeting of the Public Entities shall be open to electronic participation by the public and closed to in-person participation by the public; and

e. For any matters requiring a public hearing, public comment may be solicited by electronic means in advance and shall also be solicited through telephonic or other electronic means during the course of the electronic meeting. All such public comments will be provided to members of the Public Entity at or before the electronic meeting and made part of the record for such meeting; and

f. The minutes of all electronic meeting shall conform to the requirements of law, identify how the meeting was conducted, members participating, and specify what actions were taken at the meeting. The Public Entities may approve minutes of an electronic meeting at a subsequent electronic meeting and shall later approve all such minutes at a regular or special meeting after the emergency and disaster has ended.

IT IS FURTHER ORDAINED that notwithstanding any provision of law, regulation or policy to the contrary, any deadlines requiring action by a Public Entity, its officers (including Constitutional Officers) and employees of its organization shall be suspended during this emergency and disaster, however, the Public Entities, officers and employees thereof are encouraged to take such action as is practical and appropriate to meet those deadlines. Failure to meet any such deadlines shall not constitute a default, violation, approval, recommendation or otherwise.

IT IS FURTHER ORDAINED, that non-emergency public hearings and action items of Public Entities may be postponed to a date certain provided that public notice is given so that the public are aware of how and when to present their views.

IT IS FURTHER ORDAINED, that each incorporated town within the boundaries of Cumberland County, Virginia are encouraged, authorized and/or directed to declare its own state of local emergency and disaster or incorporate by reference the County's local state of emergency and disaster and to adopt an ordinance for the continuity of town government.

IT IS FURTHER ORDAINED, that the provisions of this Emergency Ordinance shall remain in full force and effect for a period of 60 days, unless amended, rescinded or readopted by the Board of Supervisors in conformity with the notice provisions set forth in Virginia Code §15.2-1427 but in no event shall such ordinance be effective for more than 6 months. Upon rescission by the BOARD or automatic expiration as described herein, this emergency ordinance shall terminate, and normal practices and procedures of government shall resume.

Nothing in this Emergency Ordinance shall prohibit Public Entities from holding in-person public meetings provided that public health and safety measures as well as social distancing are taken into consideration.

An emergency is deemed to exist, and this ordinance shall be effective upon its adoption.

ADOPTED by the CUMBERLAND COUNTY BOARD OF SUPERVISORS THIS 8TH DAY OF APRIL

2020.

APPROVED:

Brian Stanley, Chairman
Cumberland County Board of Supervisors

ATTEST:

Don Unmussig, County Administrator

APPROVED AS TO FORM:

Brian T. Butler, County Attorney

**COUNTY OF CUMBERLAND
NOTICE OF PUBLIC HEARING
PROPOSED REAL PROPERTY TAX INCREASE**

Notice is hereby provided pursuant to Section 58.1-3321 of the Code of Virginia that the County of Cumberland Virginia proposes to increase property tax levies for the Fiscal Year 2020-2021.

1. **Assessment Increase:** Total assessed value of real property, excluding additional assessments due to new construction or improvements to property, exceeds last year's total assessed value of real property by 10.87 percent.
2. **Lowered Rate Necessary to Offset Increased Assessment:** The tax rate which would levy the same amount of real estate tax as last year, when multiplied by the new total assessed value of real estate with the exclusions mentioned above, would be \$.71 per \$100 of assessed value. This rate will be known as the "lowered tax rate."
3. **Effective Rate Increase:** The County of Cumberland proposes to adopt a tax rate of no more than its current rate of \$.78 per \$100 of assessed value. The difference between the lowered tax rate and the proposed rate would be \$.07 per \$100, or 10 percent. This difference will be known as the "effective tax rate increase."

Individual property taxes may, however, increase at a percentage greater than or less than the above percentage.

4. **Proposed Total Budget Increase:** Based on the proposed real property tax rate and changes in other revenues, the total operating budget of the County of Cumberland will exceed last year's by 2.40 percent.

A public hearing on the increase will be held on Tuesday, April 28, 2020 at 7:00 p.m., or as soon thereafter as may be heard, in the Cumberland Courthouse Circuit Courtroom at Cumberland, Virginia. Final budget approval will take place following this hearing.

Don Unmussig, County Administrator
BY ORDER OF THE BOARD OF SUPERVISORS
Cumberland County, Virginia

COUNTY OF CUMBERLAND
NOTICE OF PUBLIC HEARINGS
TAX RATE EFFECTIVE 2020 CALENDAR YEAR
BUDGET FOR THE FISCAL YEAR COMMENCING JULY 1, 2020
5-YEAR CAPITAL IMPROVEMENTS PROGRAM
COMMENCING JULY 1, 2020

This budget synopsis is prepared and published for information and fiscal planning purposes only. The inclusion in the budget of any item or items does not constitute an obligation or commitment on the part of the Board of Supervisors of this County to appropriate any funds for that purpose. There is no allocation or designation of any funds of this County for any purpose until there has first been an appropriation for that purpose by the Board of Supervisors. The Board of Supervisors will continue to monitor changes in County revenues, including state funding sources, and make every effort to reduce expenditures wherever appropriate.

A **PUBLIC HEARING** will be held by the Board of Supervisors on April 14, 2020 at 7:00 p.m., or as soon thereafter as may be heard, in the Cumberland Courthouse Circuit Courtroom at Cumberland, Virginia to consider the proposed tax levies for the calendar year beginning January 1, 2020.

A **PUBLIC HEARING** will be held by the Board of Supervisors on April 14, 2020 at 7:00 p.m., or as soon thereafter as may be heard, in the Cumberland Courthouse Circuit Courtroom at Cumberland, Virginia to consider proposed budget estimates for the fiscal year beginning July 1, 2020.

A **PUBLIC HEARING** will be held by the Board of Supervisors on April 14, 2020 at 7:00 p.m., or as soon thereafter as may be heard, in the Cumberland Courthouse Circuit Courtroom at Cumberland, Virginia to consider the 5-Year Capital Improvments Program for the fiscal years beginning July 1, 2020 and ending June 30, 2025.

GENERAL FUND REVENUE ESTIMATES

GENERA FUND REVENUES

REVENUE FROM LOCAL SOURCES	
General Property Taxes	\$ 10,078,821
Other Local Taxes	\$ 1,132,000
Permits, Prvilege Fees & Reg.	\$ 84,500
Fines & Forfeitures	\$ 135,000
Revenue from Use of Money & Property	\$ 64,000
Charges for Services	\$ 286,900
Miscellaneous Revenue	\$ 1,152,800
 TOTAL REVENUE FROM LOCAL SOURCES	 \$ 12,934,021
 REVENUE FROM THE COMMONWEALTH	 \$ 2,987,314
 TOTAL GENERAL FUND REVENUE	 <u>\$ 15,921,335</u>

GENERAL FUND EXPENDITURE ESTIMATES

GENERAL FUND EXPENDITURES

General Government Administration	\$	1,652,298
Judicial Administration	\$	615,830
Public Safety	\$	3,500,665
Public Works	\$	1,715,414
Health	\$	150,076
Education - Community Colleges	\$	40,199
Parks, Recreational & Cultural	\$	187,512
Community Services	\$	250,116
Non-departmental expenditures	\$	<u>19,300</u>
TOTAL GENERAL FUND EXPENDITURES	\$	8,131,410

TRANSFERS TO OTHER FUNDS

Transfer to School Fund	\$	3,905,419
Transfer to Social Services Fund	\$	425,242
Transfer to Comprehensive Services Act (CSA) Fund	\$	250,000
Transfer to Debt Services Fund	\$	3,114,179
Transfer to Utilities Fund	\$	27,621
Transfer to EDA Fund	\$	67,464
Transfer to Capital Improvements Program Fund	\$	<u>-</u>
TOTAL TRANSFERS TO OTHER FUNDS	\$	7,789,925

GRAND TOTAL GENERAL FUND EXPENDITURES **\$ 15,921,335**

SCHOOL OPERATING FUND

Revenue	
Local Funding	\$ 3,905,419
Miscellaneous Funding	\$ 145,199
State Funding	\$ 10,291,589
Federal Funding	\$ 1,788,027
Total	<u>\$ 16,130,234</u>
Expenditures	\$ 16,130,234

GOVERNOR'S SCHOOL FUND REVENUES

Revenue	
Local Funding	\$ 452,000
State Funding	\$ 583,873
Miscellaneous Funding	\$ 198,908
Total	<u>\$ 1,234,781</u>
Expenditures	\$ 1,234,781

UTILITIES OPERATING FUND

Revenue - Local	\$	458,521
Expenditures	\$	458,521

EDA FUND

Revenue - Local	\$	112,464
Revenue - State	\$	999,880
Total	\$	<u>1,112,344</u>
Expenditures	\$	1,112,344

ASSET FORFEITURE FUND

Revenue - Local	\$	25,030
Expenditures	\$	25,030

HEALTH INSURANCE FUND

Revenue - Local	\$	-
Expenditures	\$	-

DEBT SERVICE FUND

Revenue - Local	\$ 3,114,179
Expenditures	\$ 3,114,179

SOCIAL SERVICES FUND

Revenue	
Local Funding	\$ 425,242
State Funding	\$ 690,884
Federal Funding	\$ 944,118
Total	\$ <u>2,060,244</u>
Expenditures	\$ 2,060,244

SPECIAL WELFARE FUND

Revenue - Local	\$ 23,500
Expenditures	\$ 23,500

CHILD SERVICES ACT

Revenue	
Local Funding	\$ 250,000
State Funding	\$ 575,000
Total	\$ <u>825,000</u>
Expenditures	\$ 825,000

CAPITAL IMPROVEMENTS PROGRAM

Local Funding	\$ -
Expenditures	\$ -

TOTAL PROPOSED BUDGET
\$33,115,243

<u>Levy</u>	<u>2019 Actual Levy</u>	<u>2020 Proposed Levy</u>
Real Estate & Manufactured Homes	\$ 0.78	\$ 0.77
Personal Property	\$ 4.50	\$ 4.50
Personal Property - Emergency Services	\$ 4.50	\$ 4.50
Personal Property - Disabled Veterans	\$ 0.01	\$ 0.01
Airplanes	\$ 0.50	\$ 0.50
Machinery & Tools	\$ 3.75	\$ 3.75
Heavy Construction Machinery	\$ 3.75	\$ 3.75
Public Service Corporations	\$ 0.78	\$ 0.77

All interested citizens will have the opportunity to give written or oral comment at the hearing. However, in an effort to adhere to the Governor's Executive Order #53, we are recommending citizens attend the meeting electronically and submit comments in writing via email prior to the hearing, or by contacting the office of the County Administrator at 804-492-3625. Detailed directions for electronic participation by the public will be posted on the county website prior to the meeting. All public meetings are accessible to persons with disabilities. Any person requiring auxilliary aids, including sign language interpreters, or other assisance in connection with the public hearing should notify the office of the county administrator at least five (5) days prior to the hearing.

Don Unmussig, County Administrator
BY ORDER OF THE BOARD OF SUPERVISORS
Cumberland County, Virginia

Cumberland County Capital Improvements Program: FY 2020-2021 through FY 2024-2025

Project Description	Department making request	Requesting departments priority ranking	Reference page number	CIP Commission Evaluation	Planning Commission Ranking	Total Estimated Cost	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
County Administration											
Server Refresh	IT	3	2	11	3	\$ 150,000			\$ 150,000		
Landfill Fencing Admin/Old Jail Parking Lot Repair/Seal/Strip	Solid Waste Dept.	N/A	3	20	1	\$ 35,000	\$ 35,000				
Climate Control Program for the Courthouse	General Properties	3	4	12	3	\$ 30,000			\$ 30,000		
Additional Administrative Parking Lot	General Properties	2-3	5-11	15	1	\$ 21,415	\$ 21,415				
Older portion Admin Bldg ceiling/HVAC/lights	General Properties	3	13	16	4	\$ 126,000			\$ 126,000		
Replacement of IT Building Roof	Cumberland Schools	2	14	19	2	\$ 75,000	\$ 75,000				
Education											
Replacement of IT Building Roof	Cumberland Schools	3	15-16	13	3	\$ 23,850			\$ 23,850		
Emergency Services											
Rescue 21 Replacement	Cumberland Vol. Fire Dept.	1	20	17	3	\$ 500,000			\$ 500,000		
Air Pack Replacement Improve reliability and safety of ambulance 552	Randolph Vol. Fire Dept.	1	20	16	1	\$ 127,500	\$ 127,500				
	Cartersville Vol. Rescue Squad	2	22-23	21	3	\$ 20,403			\$ 20,403		
Utilities											
Pump Station Generators	Public Works	N/A	24	18	2	\$ 85,000		\$ 85,000			
Route 13 Waterline	Public Works	N/A	25	19	1	\$ 35,000	\$ 35,000				
Other											
Slip line 8" sewer line	Public Works	N/A	28	19	1	\$ 20,000	\$ 20,000				
							\$ 313,915	\$ 85,000	\$ 850,253	\$ -	\$ -

CIP Commission Evaluation: Score of 7-35 with 35 being the most urgent
 PC Ranking: (1) Required & Urgent, (2) Highly desirable, (3) Desirable, (4) Marginally beneficial, (5) Not justified