

**ECONOMIC DEVELOPMENT AUTHORITY OF CARROLL COUNTY, VIRGINIA,
\$5,800,000 LEASE REVENUE REFUNDING BOND, SERIES 2022**

BOND PURCHASE AGREEMENT

Dated as of April 1, 2022

Economic Development Authority of
Carroll County, Virginia
Hillsville, Virginia

County of Carroll, Virginia
Hillsville, Virginia

Ladies and Gentlemen:

Webster Bank, National Association (**the “Lender”**), hereby agrees to enter into this Bond Purchase Agreement (**the “Agreement”**) with the Economic Development Authority of Carroll County, Virginia (**the “Authority”**) and the County of Carroll, Virginia (**the “County”**) for a loan to the Authority for the benefit of the County evidenced by the purchase by the Lender and sale by the Authority of its \$5,800,000 Lease Revenue Refunding Bond, Series 2022 (**the “Bond”**), dated as of April __, 2022, such Bond maturing in the years and amounts, with principal amortizing, subject to optional redemption, and bearing interest at the rates as set forth in the form of the Bond attached as Exhibit A. The Bond will be “tax-exempt” for purposes of Section 103 of the Internal Revenue Code of 1986, as amended (**the “Code”**).

The proceeds of the Bond will be utilized to refund the Authority's \$5,932,500 Lease Revenue Bond, Series 2014 (**the “Refunded Bond”**) originally issued to finance a portion of capital needs for Carroll County Public Schools, consisting of capital costs related to HVAC projects, an Agriculture STEM lab and gas transmission lines within district school buildings (**the “Project”**).

The Bond will be secured by an Assignment Agreement, dated as of April 1, 2022 (**“Assignment Agreement”**), whereby the Authority, as assignor, assigns to the Lender, as assignee, the rights of the Authority under the Ground Lease (as defined below) and the Lease Agreement (as defined below) (except the right to receive payment of certain expenses, if any, to receive indemnification and to receive notices) and shall be payable, to the extent moneys are not otherwise available therefor, solely from revenues to be derived by the Authority from rental payments pursuant to a Lease Agreement, dated as of April 1, 2022 (**the “Lease Agreement”**). The Authority and the Carroll County School Board (**the “School Board”**) will enter into a Ground Lease, dated as of April 1, 2022, (**the “Ground Lease”**) providing for the lease to the Authority of the Carroll County High School property (**the “Leased Property”**). **Hereinafter the Bond, the**

Lease Agreement, the Ground Lease, the Assignment Agreement and this Bond Purchase Agreement shall be referred to as the “Documents.”

Section 1. TERMS AND CONDITIONS

Upon the terms and conditions and upon the basis of the representations set forth herein, the Lender hereby agrees to purchase from the Authority, and the Authority hereby agrees to sell to the Lender, the Bond at the purchase price of 100% of the aggregate principal amount of such Bond (**the “Purchase Price”**) on the date of Closing referred to in Section 4 hereof. The Bond shall be as described in, and shall have the terms and conditions, including but not limited to the payment dates for interest, principal and redemption or prepayment provisions, set forth in the form of the Bond attached as **Exhibit A** hereto and incorporated by this reference. The Bond and all other documents providing for the issuance of the Bond shall be in the form heretofore delivered to us, with only such changes as shall be mutually agreeable to the Lender and the Authority. The Secretary of the Authority is appointed Registrar of the Bond. Notwithstanding any other provision of this Agreement, the Bond shall not be a general obligation of the Authority, but the obligations of the Authority to make payments of principal, premium, if any, and interest on the Bond shall be in accordance with Article IV of the Lease Agreement, and, in all respects, funds of the Authority pledged to payment of debt service on the Bond shall be subject to appropriation by the Board of Supervisors of the County from time to time. The Bond shall not constitute a debt or pledge of the faith and credit of the Commonwealth of Virginia or any political subdivision thereof, including the County and the Authority, other than as the limited obligation of the Authority.

Section 2. REPRESENTATIONS AND WARRANTIES OF THE AUTHORITY

The Authority represents, warrants and agrees with the Lender that:

(a) the Authority is, and will be at Closing (as defined below), duly organized and validly existing as an industrial development authority under the Virginia Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (**the “Act”**) and has the power and authority (1) to issue, sell and deliver the Bond to the Lender as provided herein and (2) to consummate all transactions contemplated by, and perform its obligations under, the Documents.

(b) when delivered to, and paid for by, the Lender at the Closing in accordance with the provisions of this Agreement, the Bond will have been duly authorized, executed, issued and delivered;

(c) the adoption of the resolution authorizing the Bond and the execution and delivery of the Documents and compliance with the provisions thereof, under the circumstances contemplated hereby and thereby, do not and will not (1) violate the Constitution or laws of the Commonwealth of Virginia, including, without limitation, the Act, the ordinances or resolutions creating the Authority, the Authority’s Bylaws or any other existing law, rule, regulation, order, writ, judgment, injunction, decree, or

determination of any court, regulatory agency or other governmental unit by which the Authority is bound, or (2) conflict with, result in a breach of, or constitute a default under, any existing resolution, ordinance, indenture of trust or mortgage, loan or credit agreement, or any other existing agreement or instrument to which the Authority is a party or by which the Authority may be bound;

(d) the Authority has duly authorized, executed and delivered, and approved the performance by the Authority of its obligations contained in the Documents;

(e) prior to the Closing, all approvals, consents and orders, if any, of any governmental authority, board, agency or commission having jurisdiction over the Authority which would constitute a condition precedent to the performance by the Authority of its obligations hereunder and under the Bond have been obtained;

(f) no suit, action, proceeding or investigation is pending or, to the knowledge of the Authority, threatened against or affecting any of the Authority's properties, or against or affecting the Authority, before any court or governmental department, commission, board, bureau, agency or instrumentality which involves or would materially affect any of the transactions contemplated hereby, or which, if determined adversely, could have a material adverse effect on (i) the organization or existence of the Authority, (ii) the execution and delivery by the Authority of the Documents, (iii) the performance by the Authority of its obligations under the Documents, (iv) the validity or enforceability of the Documents or the transactions contemplated thereby, (v) the title or authority of any Authority officials executing the Documents or other documents relating to the transactions contemplated thereby, or (vi) any authority or proceeding relating to the execution and delivery of the Documents on behalf of the Authority;

(g) no set of facts exists that, either immediately upon execution and delivery of any of the Documents or with the passage of time or giving of notice, or both, thereafter, would cause or lead to a default or Event of Default under any the Documents;

(h) as of the Closing, the Authority will have complied with all the agreements and satisfied all the conditions on its part required to be performed or satisfied at or prior to the Closing other than those specified hereunder which have been waived by the Lender;

(i) The Authority has not created or suffered to be created or agreed to create or suffer to be created any lien, encumbrance or charge upon the revenues and funds pledged under the Lease Agreement except the pledge, lien and charge for the security of the Bond, and covenants and agrees not to sell or allow the creation of any lien, encumbrance or charge upon such revenues and funds, until payment in full, or except in connection with financing or other action to accomplish the payment in full, of all interest, premium, if any, and principal of the Bond; and

(j) the representations and agreements of the Authority herein will be true and

correct in all material respects as of the Closing.

Section 3. REPRESENTATIONS AND WARRANTIES OF THE COUNTY

The County represents, warrants and agrees with the Lender that:

(a) the County has the power and authority to consummate all transactions contemplated by, and perform its obligations under and as contemplated by, the Documents;

(b) the adoption of the resolution authorizing the Documents and the execution and delivery of the Documents and compliance with the provisions thereof, under the circumstances contemplated hereby and thereby, do not and will not (1) violate the Constitution or laws of the Commonwealth of Virginia, or any other existing law, rule, regulation, order, writ, judgment, injunction, decree, or determination of any court, regulatory agency or other governmental unit by which the County is bound, or (2) conflict with, result in a breach of, or constitute a default under, any existing resolution, ordinance, indenture of trust or mortgage, loan or credit agreement, or any other existing agreement or instrument to which the County is a party or by which the County may be bound;

(c) the County has duly authorized, executed and delivered, and approved the performance by the County of its obligations contained in the Documents;

(d) prior to the Closing, all approvals, consents and orders, if any, of any governmental authority, board, agency or commission having jurisdiction over the County or the Projects which would constitute a condition precedent to the performance by the County of its obligations hereunder and under the other Documents have been obtained;

(e) no suit, action, proceeding or investigation is pending nor, to the knowledge of the County, threatened against or affecting any of the Authority's or the County's properties, or against or affecting the Authority or the County, before any court or governmental department, commission, board, bureau, agency or instrumentality which involves or would materially affect any of the transactions contemplated hereby or by the other Documents, or which, if determined adversely, could have a material adverse effect on (i) the organization or existence of the County, (ii) the execution and delivery by the County of the Documents, (iii) the performance by the County of its obligations under the Documents, (iv) the validity or enforceability of the Documents, the Bond or the transactions contemplated thereby, (v) the title or authority of any Authority or County officials executing the Documents, the Bond or other documents relating to the transactions contemplated thereby, (vi) any authority or proceeding relating to the execution and delivery of the Documents or the Bond on behalf of the Authority or the County or (vii) that will materially or adversely affect the County's financial condition or ability to operate;

(f) no set of facts exists that, either immediately upon execution and delivery of any of the Documents or with the passage of time or giving of notice, or both, thereafter, would cause or lead to a default or Event of Default under any of such Documents;

(g) as of the Closing, the County will have complied with all the agreements and satisfied all the conditions on its part required to be performed or satisfied at or prior to the Closing other than those specified hereunder which have been waived by the Lender;

(h) the County has not created or suffered to be created or agreed to create or suffer to be created any lien, encumbrance or charge upon the revenues and funds, including but not limited to, the Basic Rent under the Lease except the pledge, lien and charge for the security of the Bond; and

(i) the representations and agreements of the County herein will be true and correct in all material respects as of the Closing.

Section 4. CLOSING

At 10:00 a.m., Richmond, Virginia time, on April __, 2022 or at such other time or date as the Authority, the County and the Lender shall mutually agree upon, the Authority will deliver or cause to be delivered to the Lender, at the offices of Sands Anderson, PC, Richmond, Virginia (“**Bond Counsel**”), or at such other place as the Authority, the County and the Lender may mutually agree upon, the Bond in registered form, duly executed by the Authority and the documents in subsection 5(b) hereof. Concurrently with the notification to the Lender that delivery of the Bond has been made (**the “Closing”**), the Lender will accept such delivery and will cause the payment to the Authority, by immediately available funds, of the Purchase Price of the Bond, as set forth in the Closing Memorandum prepared by Davenport & Company dated as of April __, 2022 (**the "Closing Memo"**).

Section 5. CONDITIONS PRECEDENT TO CLOSING

The Lender has entered into this Agreement in reliance upon the Authority’s representations and agreements herein and the performance by the Authority of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Lender’s obligations under this Agreement are and shall be subject to the following further conditions:

(a) at the time of Closing, the Documents have been duly adopted or executed and delivered by the parties thereto and shall be in full force and effect and the Documents shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Lender, and the Authority shall have duly adopted and there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby and thereby;

(b) at the Closing, the Lender shall receive in addition to the Documents, the following:

(1) (A) the approving opinion, dated the date of Closing, in form and substance satisfactory to the Lender, of Bond Counsel; and (B) the opinion of the Authority Counsel and the County Attorney, in the forms attached hereto as **Exhibit B and Exhibit C**, with such changes in such opinion as Bond Counsel and the Lender shall approve;

(2) Such additional legal opinions, certificates, proceedings, instruments, and other documents, as the Lender or Bond Counsel may reasonably request to evidence (A) compliance by the Authority with legal requirements relating to the issuance of the Bond or the representations set forth in the Tax and Non-Arbitrage Certificate relating to the Bond, (B) the truth and accuracy, as of the date of Closing, of all representations herein contained, and (C) the due performance or satisfaction by the Authority at or prior to such date of all agreements then to be performed and all conditions then to be satisfied as contemplated under this Agreement; and

(3) the Authority Resolution and the County Resolution, each approving the terms of this Agreement and authorizing this financing.

If the Authority shall be unable to satisfy the conditions to the Lender's obligations contained in this Agreement or if the Lender's obligations shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate, and neither the Authority nor the Lender shall have any further obligations hereunder, except that the representations and warranties of the Authority set forth in Section 2 herein (as of the date made) will continue in full force and effect.

Section 6. DISBURSEMENTS OF BOND PROCEEDS

At Closing, the Lender will wire in immediately available funds, a portion of the Purchase Price of the Bond to (a) refund the Refunded Bond and (b) pay the costs of issuance of the Bond, each as set forth in the Closing Memorandum prepared by the Financial Advisor. The remaining monies from the Purchase Price of the Bond, if any, will be deposited in a separate and distinct account established by the County and disbursed to pay costs of issuance of the Bond.

Section 7. EXPENSES AND COSTS

The expenses and costs of the Authority incident to the issuance of the Bond, including the fees and expenses of Bond Counsel, Authority Counsel, County Attorney and the County's Financial Advisor, shall be paid from the proceeds of the Bond or by the County.

Section 8. FINANCIAL STATEMENTS

The County shall furnish to the Lender, annually during the term of the Bond, with financial statements of the County as soon as available but no later than 270 days after the end of the County's fiscal year, commencing with the fiscal year ending June 30, 2022. Such financial statements must be in a form and degree reasonably acceptable to the Lender and prepared in accordance with generally accepted accounting principles.

Section 9. OPTIONAL PREPAYMENT

The Bond may not be prepaid before November 1, 2029. On and after November 1, 2029, after giving at least thirty (30) days' written notice to the Lender, the County may prepay the Bond in whole only on any date upon payment of interest accrued and unpaid to such date, plus the outstanding principal amount thereof.

Section 10. NOTICES

Any notice or other communication to be given to the parties under this Agreement shall be in writing and shall be deemed delivered if delivered in person or sent by certified mail, return receipt requested, to the parties as follows: if to the Authority, at its address set forth above; and if to the Lender, to Webster Bank, National Association, 20 South Third Street, Columbus, Ohio 43215 (Attn: Troy Grasinger, Managing Director).

Section 11. LIMITED BENEFIT; SURVIVABILITY

This Bond Purchase Agreement is made solely for the benefit of the Authority, the County and the Lender (including the successor or assigns of the Lender), and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. All representations and agreements by the Authority, the County and the Lender in this Agreement shall survive the delivery of and payment for the Bond.

Section 12. APPLICABLE LAW

The rights and obligations of the parties to this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Virginia, exclusive of its conflicts of laws provisions.

Section 13. APPROVAL

The approval of the Lender when required hereunder, or the determination of its satisfaction as to any document referred to herein, shall be in writing signed by the Lender and delivered to the Authority and the County.

Section 14. ENTIRE UNDERSTANDING AND AMENDMENTS

This Agreement expresses the entire understanding and agreement of the parties with respect to the Bond, superseding all prior agreements, whether oral or written, and may not be modified, except in writing, signed by the Lender, the County and the Authority.

Very truly yours,

**WEBSTER BANK, NATIONAL
ASSOCIATION**

By: _____

Its: _____

ACCEPTED AND APPROVED:

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

By: _____
Chairman

ACCEPTED AND APPROVED:

COUNTY OF CARROLL, VIRGINIA

By: _____
Chairman, Board of Supervisors

EXHIBIT A

Form of Bond

EXHIBIT B

Form of Authority Counsel Opinion

EXHIBIT C

Form of County Attorney Opinion