

KING GEORGE



VIRGINIA

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF KING GEORGE, VIRGINIA APPROVING PUBLIC FACILITY REVENUE BOND ISSUANCE, OFFER, AND SALE FOR SCHOOL AND PUBLIC SAFETY FACILITIES

WHEREAS, the County of King George, Virginia (**the "County"**) has a need to finance the acquisition, construction, installation and equipping of a variety of County and school capital projects, including, but not limited to, a new pre-school facility and fire and rescue facilities in the County (**the "Project"**); and

WHEREAS, the Board of Supervisors (**the "Board"**) of the County will request the Economic Development Authority of King George County, Virginia (**the "Authority"**) to (a) issue, offer and sell its public facility revenue bonds in an amount of up to \$22,500,000 (**the "Bonds"**) to finance a portion of the costs of the Project and to pay the costs of issuance of the Bonds, to accomplish certain purposes of the Virginia Industrial Development Revenue Bond Act (**the "Act"**), with the Board providing its moral obligation in support of the payment of the Bonds, (b) secure the Bonds by a financing agreement between the Authority and the County pursuant to which the County agrees to make payments to or on behalf of the Authority sufficient to pay principal of and interest on the Bonds when due, subject to annual appropriation by the Board and assign such rights (except the right to receive indemnification, to receive notices and to give consents and to receive its administrative expenses) to a corporate trustee to be selected by the County (**the "Trustee"**), under an indenture of trust between the Authority and the Trustee, which is to be acknowledged and consented to by the Board, all in accordance with a bond purchase agreement among (i) an underwriter or group of underwriters to be selected as described below (**the "Underwriter"**) based on input from Davenport & Company LLC (**the "Financial Advisor"**), financial advisor to the County, (ii) the County and (iii) the Authority; and

WHEREAS, the payments to be made to the Authority by the County pursuant to the financing agreement will be payable solely from funds appropriated therefor by the Board from time to time and will not under any circumstances constitute a pledge of the full faith and credit or taxing power of the County; and

WHEREAS, there have been presented to this meeting drafts of the following documents (**collectively, the "Documents"**) in connection with the transactions described above, copies of which shall be filed with the records of the County Administrator:

- a. an Indenture of Trust between the Authority and the Trustee, and approved by the Board, relating to the issuance of the Bonds (**the "Indenture"**);

- b. a Financing Agreement between the Authority and the County establishing the County's payments sufficient to pay debt service on the Bonds (**the "Financing Agreement"**);
- c. a Bond Purchase Agreement, among the Authority, the County and the Underwriter, pursuant to which the Bonds are to be issued, if sold through a negotiated sale (**the "Bond Purchase Agreement"**);
- d. a Specimen Bond.

WHEREAS, there has also been presented to this meeting a copy of the Preliminary Official Statement (**the "Preliminary Official Statement"**) relating to the public offering of the Bonds that has been prepared in connection with the issuance and sale of the Bonds;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF KING GEORGE, VIRGINIA:

1. The issuance and sale of the Bonds, pursuant to and upon the terms and conditions set forth herein and in the Indenture and the Bond Purchase Agreement and the financing of the Project for the benefit of the County are hereby approved and authorized. The following plan for financing the costs of the Project is approved. The Authority shall use the proceeds from the issuance of the Bonds to finance the Project. The County shall make basic payments under the Financing Agreement sufficient to pay when due the interest and principal on the Bonds. The obligation of the Authority to pay principal and interest on the Bonds will be limited to payments received from the County under the Financing Agreement. The obligation of the County to make payments under the Financing Agreement or rental payments under Section 8 as appropriate will be subject to the Board making annual appropriations for such purpose. The Board on behalf of the County has adopted this resolution as its moral obligation to the repayment of the Bonds.
2. The Documents shall be in substantially the forms submitted to this meeting, which are hereby approved with such completions, omissions, modifications, insertions and changes, including, but not limited to rates, redemption premium, payment dates, amounts, prices, maturities, as may be approved, based on the recommendation of the Financial Advisor, by the Chairman or in his absence, the Vice Chairman, of the Board (**together, the "Chairman"**), the County Administrator (**the "County Administrator"**) or the other officers executing them, their execution to constitute conclusive evidence of his or her approval of any such completions, omissions, modifications, insertions and changes.
3. The Chairman or the County Administrator and all other appropriate officers of the County are each hereby authorized and directed to execute the Documents and to deliver the Documents to the other parties thereto and to execute all certificates and documents, including but not limited to a federal tax compliance certificate and agreement relating to the tax-exempt status of the interest on the Bonds and a continuing disclosure agreement relating to compliance with the below-described Rule, and to take all such further action

as they may consider necessary or desirable in connection with the issuance and sale of the Bonds and the financing of the Project.

4. The Preliminary Official Statement in the form presented to this meeting is approved with respect to the information contained therein pertaining to the County. The Underwriter is authorized to distribute to prospective purchasers of the Bonds, the Preliminary Official Statement in form deemed to be "near final," within the meaning of Rule 15c2-12 of the Securities and Exchange Commission (**the "Rule"**), with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the Chairman or the County Administrator. Such distribution shall constitute conclusive evidence that the County has deemed the Preliminary Official Statement to be final as of its date within the meaning of the Rule, with respect to the information therein pertaining to the County. The Chairman or the County Administrator is authorized and directed to approve such completions, omissions, insertions and other changes to the Preliminary Official Statement that are necessary to reflect the terms of the sale of the Bonds, determined as set forth in Section 5, and the details thereof and that are appropriate to complete it as an official statement in final form (**the "Official Statement"**) and distribution thereof by the Underwriter shall constitute conclusive evidence that the County has deemed the Official Statement final as of its date within the meaning of the Rule, with respect to the information contained therein pertaining to the County.

5. The Bonds shall mature not later than thirty years from the date of issuance thereof, with such shorter maturities and sinking fund and optional redemption provisions as the officers of the County approving such terms shall deem appropriate based on the recommendation of the Underwriter and the Financial Advisor but any redemption premium shall not exceed two percent (2%), and the true interest costs of such Bonds shall not exceed six percent (6.00%) per annum.

6. The Chairman or the County Administrator (**the "County Representative"**) is authorized and directed to cause an official notice of bond sale to be issued and accept a qualifying bid or qualifying bids for the sale of the Bonds to an Underwriter which results in the lowest "true" or "Canadian" interest cost to the County, and the Bonds shall bear interest at such rate or rates and shall be sold at such price or prices as may be set forth in the bid(s) accepted by the County Representative. Notwithstanding anything to the contrary herein, by 5:00 p.m. on the date prior to the sale date of any Bonds identified in the official notice of sale for the Bonds, if any, if either no underwriter or only one underwriter has advised of its intention to bid on the Bonds, the County Representative, after consultation with the County's financial advisor and the County's bond counsel, is authorized to remove such series or maturities of Bonds from the bidding process and to pursue a negotiated sale for such series or maturities of Bonds. The approval of the final terms and conditions of the Bonds subject to the foregoing parameters shall be evidenced conclusively by the execution and delivery of the Bonds in accordance with Sections 1 and 5 of this Resolution. The County Representative shall then, based on the recommendation of the County's Financial Advisor (a) determine the principal amount of the Bonds, subject to the limitations set forth herein, (b) determine the interest rates of the Bonds, maturity

schedule of the Bonds, and the price to be paid for the Bonds, subject to the limitations set forth herein, (c) determine the redemption provisions of the Bonds, and (d) determine the dated date, the principal and interest payment dates and the Record Date of the Bonds, and whether municipal bond insurance is appropriate to secure the same, all as the County Representative determines to be in the best interests of the County.

7. If the County Representative determines that it is in the best interest of the County to sell any Bonds in a negotiated sale rather than a competitive sale, then the County hereby authorizes the sale of the Bonds to the Underwriter to be selected by the County Representative who is authorized and directed to enter into the Bond Purchase Agreement containing the terms and the price or prices upon which the Bonds shall be sold to the Underwriter, which terms and prices shall be established by the County Representative, upon negotiation with the Underwriter, based on the recommendations of the Financial Advisor, and not inconsistent with the provisions of this Resolution.

8. If the County Representative, in consultation with the Financial Advisor and Bond Counsel, determines that it is in the best interest of the County to finance the Bonds through a lease/leaseback arrangement with the Authority, then the County Representative is authorized to enter into a ground lease and financing lease whereby the County leases to the Authority and leases back from the Authority one or more County-owned properties (**the "Leased Property"**), as approved by the Board, to establish rental payments sufficient to pay debt service on the Bonds. Any such ground lease may have a term of up to forty (40) years and any such financing lease shall have a term equivalent to the final maturity for the Bonds. The Authority's rights under the financing lease may be assigned to the Trustee for the benefit of the bondholder pursuant to an assignment agreement. The Leased Property, if any, is hereby declared to be essential to the efficient operation of the County, and the Board anticipates that the Leased Property will continue to be essential to the operation of the County during the term of the Bonds.

9. The Chairman or the County Administrator is authorized and directed to execute, deliver and, as appropriate under Section 7 hereof, record the Financing Agreement, any lease and assignment agreements and all necessary certificates and documents and to approve the terms of the Indenture and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Bonds and the financing of the Project. The Chairman or the County Administrator is authorized to select a corporate trustee to act as Trustee under the Indenture. The Chairman, the County Administrator, County Attorney, County Treasurer and County Finance Director and all other officers of the County are hereby authorized and directed to work with representatives of the Authority, the Financial Advisor, Bond Counsel (Sands Anderson PC), the Underwriter and counsel to the Underwriter to perform all services and prepare all documentation necessary to bring the Bonds to market and to issue the same.

10. Any authorization herein to execute a document shall include authorization to deliver it to the other parties thereto and to record such document where appropriate.

11. The County represents and covenants that it shall not take or omit to take any action the taking or omission of which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (**the "Code"**) or otherwise cause the interest on the Bonds to be includable in gross income for Federal income tax purposes under existing law. Without limiting the generality of the foregoing, the County shall comply with any provision of law that may require the Authority or the County at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds from the sale of the Bonds.

12. Nothing in this Resolution, the Bonds, the Documents or the Bond Purchase Agreement shall constitute a debt or a pledge of the faith and credit of the Authority or the County, and the Authority shall not be obligated to make any payments under the Bonds or the Documents except from payments made by or on behalf of the County under the Financing Agreement or similar lease arrangement pursuant to annual appropriation thereof in accordance with applicable law. The Board, while recognizing that it is not empowered to make any binding commitment to make appropriations beyond the current fiscal year, hereby states its intent to make annual appropriations in future fiscal years in amounts sufficient to make all payments under the Financing Agreement or similar lease arrangement, if any and hereby recommends that future Boards do likewise during the term of thereof.

13. The Board has determined to authorize the County, if and as necessary, to utilize the State Non-Arbitrage Program of the Commonwealth of Virginia ("SNAP") in connection with the investment of the proceeds of the Bonds.

14. The Board of Supervisors hereby approves Sands Anderson PC serving as Bond Counsel.

15. All other acts of the officers of the County that are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bonds and the undertaking and financing of the Project are ratified and approved.

16. This Resolution shall take effect immediately.



CERTIFICATION OF ADOPTION OF RESOLUTION

The undersigned Clerk of the Board of Supervisors of the County of King George, Virginia hereby certifies that the Resolution set forth above was adopted in an open meeting on September 19, 2023, by the Board of Supervisors with the following votes:

Aye: 5

Nay: 0

Absent: 0

Abstain: 0

Signed this 19th day of SEPTEMBER 2023.

By: Mir. Day
Chair, Board of Supervisors

Witness: John R. Day
County Administrator