



Date of Council Meeting: April 12, 2016

**TOWN OF LEESBURG
TOWN COUNCIL MEETING**

Subject: Refunding Series 2006 B General Obligation Bonds

Staff Contact: Clark Case, Director of Finance and Administrative Services

Council Action Requested: Adoption of a Resolution authorizing the issuance of a Series 2017A General Obligation Refunding Bond through a direct bank loan (bond) with American National Bank

Staff Recommendation: The Director of Finance and Administrative Services and Davenport & Company, the Town's Financial Advisor, recommend that Town Council approve the attached resolution authorizing the Town Manager to take all steps necessary to complete the sale of the Series 2017A General Obligation Refunding Bond through American National Bank.

Commission Recommendation: Not applicable.

Fiscal Impact: The Town plans to issue a privately placed bank loan bond for \$6,500,000 to refund all remaining maturities of the Series 2006 B General Obligation (GO) bonds, which is estimated to generate savings of no less than 6.3% net present value, or about \$340,000 over the remaining four-year life of the bonds. The 6.3% savings is over twice the minimum 3% net present value savings threshold that is industry standard.

The refinancing does not extend the life of the original bonds. The 6.3% savings is calculated including all costs of issuance which is estimated at \$75,000. All of the savings will benefit General Fund.

Executive Summary: The Town plans to issue a bond through American National Bank to refinance the Series 2006 GO bonds that were issued to pay for general governmental and utilities capital projects. Current market interest rates are at historically low levels making it an opportune time to refinance previously issued bonds.

The winning bid is for a non-bank qualified loan at 1.140% which provides the Town with the flexibility to do additional bank-qualified borrowing later should opportunities present. The principal amortization is not being extended, and the sole purpose in the refinancing is to save about \$85,000 annually and about \$340,000 over the remaining life of the bonds.

American National Bank was the low bidder on a Request For Proposal conducted by Davenport & Company. A large number of local, regional and national banks submitted

Adoption of Bond Resolution

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bids. Davenport & Company estimates that about one-third of the savings or about \$100,000 of the savings is attributable to the Town's Triple AAA ratings making the Town's bonds highly desirable in the market.

The loan is scheduled to close on April 18, 2016, and the funds will be available on June 19, 2017. The funds will be used to refund on September 15, 2017, the outstanding 2006B bonds.

Background: At the February 8, 2016 Town Council meeting, Davenport & Company, the Town's financial advisor, presented the plan of finance that described the savings to be obtained from refinancing previously issued Town general obligation bonds. Issuance costs of an estimated \$75,000 will be paid from the proceeds of the bond. It is not necessary to hold a public hearing on the issuance of a refunding bond. While American National Bank is not as well-known locally, it is a stable, well-rated bank that Davenport has worked with in the past.

Attachments: Bond Resolution

**UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA**

**TOWN OF LEESBURG, VIRGINIA
GENERAL OBLIGATION REFUNDING BOND,
SERIES 2017A**

DATED DATE	MATURITY DATE	INTEREST RATE
June 15, 2017	September 15, 2020	1.14%

REGISTERED OWNER: AMERICAN NATIONAL BANK AND TRUST COMPANY

PRINCIPAL AMOUNT: _____ AND 00/100 DOLLARS (\$_____)

The **TOWN OF LEESBURG, VIRGINIA** (the "Town"), for value received, acknowledges itself indebted and promises to pay to the registered owner of this Bond or such owner's attorney or legal representative the principal amount stated above on the maturity date set forth above and to pay interest on the principal amount of this Bond at the rate specified above, payable semi-annually on each March 15 and September 15, beginning on September 15, 2017. This Bond shall bear interest from the dated date set forth above. Principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America.

The principal of this Bond is payable upon presentation and surrender hereof at the office of the Director of Finance of the Town (the "Director of Finance"), as Bond Registrar and Paying Agent (the "Bond Registrar"). Interest on this Bond is payable by check or draft mailed to the registered owner hereof without presentation of this Bond at such owner's address as it appears on the registration books maintained by the Bond Registrar on the fifteenth day of the month preceding each interest payment date. Interest on this Bond shall be computed on the basis of a year of 360 days and twelve 30-day months. So long as American National Bank and Trust Company, or any affiliate of either is the sole registered owner then all payments shall be made pursuant to instructions provided by such party.

This Bond shall not be valid or obligatory for any purpose unless and until authenticated at the foot hereof by the Bond Registrar.

This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the Commonwealth of Virginia, and, more particularly, issued pursuant to the Public Finance Act of 1991, Chapter 26, Title 15.2 of the Code of Virginia of 1950, as amended, and a Resolution adopted by the Town Council (the "Council") on April 12, 2016, (the "Resolution").

This Bond is issued under a Bond Purchase and Loan Agreement dated _____, 2016 (the "Loan Agreement"), between the Town and American National Bank and Trust Company. Capitalized terms used and not defined herein shall have the meanings given such terms in the Loan Agreement.

The Town is issuing the Bond and using the proceeds of the sale thereof, along with any other available Town funds, to (a) currently refund on September 15, 2017, all of the outstanding principal balance of the Town's outstanding General Obligation Refunding Bonds, Series 2006B, and (b) pay or reimburse the Town for expenses incurred in connection with the issuance of the Bond.

The full faith and credit of the Town are irrevocably pledged to the payment of the principal of, premium, if any, and interest on this Bond in accordance with its terms. The Council is authorized to and shall levy and collect annually, at the same time and in the same manner as other taxes of the Town are assessed, levied and collected, a tax upon all taxable property within the Town, over and above all other taxes authorized or limited by law, and without limitation as to rate or amount, sufficient to pay when due the principal of, premium, if any, and interest on the Bond to the extent other funds of the Town are not lawfully available and appropriated for such purpose.

This Bond is subject to optional prepayment prior to maturity, in accordance with the terms of the Loan Agreement.

The principal amount of this Bond is payable on September 15 in the years and in the amounts set forth on Schedule 1 attached hereto. If a portion or portions of this Bond is optionally prepaid pursuant to the preceding paragraph, the Town may elect, no later than the date on which the optional prepayment is made, to apply such optional prepayment in accordance with the terms of the Loan Agreement; provided however, that if the Town does not make such an election the principal payments shall be reduced in inverse order of payment dates. The Town will receive a credit for payments required to be made on any principal payment date in an amount equal to the principal amount of this Bond subject to scheduled principal payment to be paid on such date that have been prepaid (otherwise than by scheduled principal payment to be paid) before such principal payment date or purchased by the Town or by anyone acting on behalf of the Town; provided, however, that the principal amount of this Bond has not previously been applied as a credit against any principal payment.

The Town shall not be required to provide the registered owner notice of any principal payment.

Provided funds for their payment or prepayment are on deposit at the place of payment on the date fixed for payment or prepayment, all Bonds or portions thereof so paid for redemption shall cease to bear interest on such date, shall no longer be secured by the Resolution and shall not be deemed to be outstanding.

The Bond may be exchanged for a like Bond of the same maturity in the principal amount of this Bond at the principal office of the Bond Registrar.

Upon surrender for transfer or exchange of this Bond at the principal office of the Bond Registrar, the Town shall execute and the Bond Registrar shall authenticate and deliver in the name of the registered owner and/or the transferee or transferees, as appropriate, a new Bond or Bonds in the principal amount of this Bond, and of the same form and maturity and bearing interest at the same rate, as this Bond, subject in each case to such reasonable regulations as the Council and the Bond Registrar may prescribe. If presented for transfer or exchange the Bond shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and substance reasonably satisfactory to the Bond Registrar, duly executed by the registered owner or by his or her duly authorized attorney-in-fact or legal representative. No Bond may be registered to bearer. Any such exchange or transfer shall be at the expense of the Town, except that the Bond Registrar may require payment by the person requesting such exchange or transfer of a sum sufficient to cover any tax or other governmental charge which may be imposed with respect to the exchange or transfer of this Bond.

The Town may designate a successor Bond Registrar and/or Paying Agent, provided that written notice specifying the name and location of the principal office of any such successor shall be given to the registered owner of the Bond. Upon registration of transfer of this Bond, the Bond Registrar shall furnish written notice to the transferee of the name and location of the principal office of the Bond Registrar and/or the Paying Agent.

The Bond Registrar shall treat the registered owner as the person exclusively entitled to payment of the principal and interest and the exercise of all other rights and powers of the owner, except that interest payments shall be made to the person shown as the owner on the registration books on the fifteenth day of the month preceding each interest payment date.

It is certified and recited that all acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia to happen, exist or be performed precedent to the issuance of this Bond have happened, exist or been performed in due time, form and manner as so required and that the indebtedness evidenced by this Bond is within every debt and other limit prescribed by the Constitution and statutes of the Commonwealth of Virginia.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Council of the Town of Leesburg, Virginia, has caused this Bond to be signed by the manual signatures of the Town Manager of the Town, the seal of the Town to be affixed hereon and attested by the manual signature of the Clerk of the Council, and this Bond to be dated the dated date set forth above.

TOWN OF LEESBURG, VIRGINIA

By: _____
Kaj H. Dentler, Town Manager

[SEAL]

ATTEST:

Lee Ann Green, Clerk of the Council,
Town of Leesburg, Virginia

Approved as to Form and Correctness:

Barbara Notar, Town Attorney
Town of Leesburg, Virginia

CERTIFICATE OF AUTHENTICATION

The undersigned Bond Registrar hereby certifies that this is one of the Bonds of the Town of Leesburg, Virginia, described in the within-mentioned Resolution.

Authentication Date: June 15, 2016

By: _____
Clark Case
Director of Financial and Administrative Services

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE: _____

the within Bond and does hereby irrevocably constitute and appoint

_____, attorney, to transfer said Bond on the books kept for registration of said Bond, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

(NOTICE: Signature(s) must be guaranteed by an Eligible Guarantor Institution such as a Commercial Bank, Trust Company, Securities Broker/Dealer, Credit Union or Savings Association which is a Member of a medallion program approved by The Securities Association, Inc.)

(NOTICE: The signature above must correspond with the name of the Registered Owner as it appears on the books kept for registration of this Bond in every particular, without alteration or change.)

SCHEDULE 1

Principal Payments

Payment Date (September 15)	Principal Amount
2017	
2018	
2019	
2020	

FINANCING AGREEMENT

between

TOWN OF LEESBURG, VIRGINIA

and

AMERICAN NATIONAL BANK AND TRUST COMPANY

Dated April __, 2016

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THIS FINANCING AGREEMENT is dated April ____, 2016, (the "Agreement"), and is between the TOWN OF LEESBURG, VIRGINIA, a political subdivision of the Commonwealth of Virginia (the "Town"), and AMERICAN NATIONAL BANK AND TRUST COMPANY (the "Lender");

W I T N E S S E T H :

WHEREAS, the Town and the Lender have agreed to a plan of refinance under which the Lender will loan \$_____ aggregate principal amount to the Town, and the Town will issue its General Obligation Refunding Bond, Series 2017A in the principal amount of \$_____ (the "Bond") to evidence the loan; and

WHEREAS, the Town will expend the proceeds of the Bond in accordance with this Agreement to refund the Refunded Bonds (hereinafter defined) on their first optional redemption dates;

NOW, THEREFORE, the parties hereby covenant and agree as follows:

ARTICLE I
FORWARD PURCHASE PROVISIONS

Section 1.1. Purpose of Financing and Refundings; Authorization and Security.

(a) The Bond shall be issued pursuant to the Public Finance Act of 1991, Chapter 26, Title 15.2 of the Code of Virginia of 1950, as amended, (the "Act"), and are authorized by a resolution adopted by the Town Council on April 12, 2016 (the "Resolution"), for the purpose of (i) currently refunding on September 15, 2017 (the "Redemption Date"), the outstanding principal balance of the Town's General Obligation Refunding Bonds, Series 2006B, issued on December 19, 2006 (the "Refunded Bonds"), and (ii) paying expenses incurred in connection with the issuance of the Bond (the "Costs of Refunding") such plan of refinance to be implemented by the funding of advances of the proceeds of the Bond on the Redemption Date as hereinafter provided.

(b) The Bond shall be dated the date of its delivery, shall mature on the date, shall be subject to prepayment and shall bear interest commencing on its Advance Date at the rate, all as set forth in Exhibit A hereto. The Bond shall otherwise be in the form authorized by the Resolution and the Act.

(c) The Bond shall constitute a general obligation of the Town to the payment of which the Town has pledged, pursuant to the Resolution, its full faith and credit.

Section 1.2. Representations, Warranties and Covenants of the Town. The Town makes the following representations, warranties and covenants, all of which shall survive the delivery of the Bond:

(a) The Town is a municipal corporation of the Commonwealth of Virginia duly created and validly existing under the Constitution and laws of the Commonwealth of Virginia, duly organized and validly existing under the Town's Charter, which Charter has been

validly enacted and is in full force and effect, and has full legal right, power and authority under the Town's Charter, the Act and the Resolution (i) to enter into this Agreement, (ii) to issue and deliver the Bond to the Lender as provided herein and (iii) to carry out and consummate the transactions contemplated by this Agreement and the Resolution; and the Town has complied, and will on each of the Advance Dates (hereinafter defined) be in compliance in all respects with the terms of the Town's Charter, the Act, the Resolution and this Agreement as they pertain to such transactions;

(b) By all necessary official action of the Council prior to or concurrently with the acceptance hereof, the Town has duly enacted the Resolution, has duly authorized and approved the execution and delivery of, and the performance by the Town of the obligations on its part contained in, the Bond, the Resolution, and this Agreement, and the consummation by it of all other transactions contemplated by the Resolution and this Agreement; this Agreement constitutes a legal, valid and binding obligation of the Town, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; and the Bond, when issued, authenticated and delivered to the Lender in accordance with the Resolution and this Agreement, will constitute legal, valid and binding general obligations of the Town enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights;

(c) The Town covenants that the proceeds of the Bond shall be used and applied for the sole purpose of paying the Costs of Refunding.

(d) The Town covenants that it shall levy and collect annually, at the same time and in the same manner as other taxes of the Town are assessed, levied and collected, a tax upon all taxable property within the Town, over and above all other taxes authorized or limited by law, and without limitation as to rate or amount, sufficient to pay when due the principal of, premium, if any, and interest on the Bond to the extent other funds of the Town are not lawfully available and appropriated for such purpose;

(e) The Town is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation of the Commonwealth of Virginia or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, ordinance, resolution, agreement or other instrument to which the Town is a party or to which the Town or any of the property or assets of the Town are otherwise subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Town under any such instrument; and the execution and delivery of the Bond and this Agreement and the enactment of the Resolution and compliance with the provisions on the Town's part contained therein and herein will not in any material respect conflict with or constitute a breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, ordinance, resolution, agreement or other instrument to which the Town is a party or to which the Town is otherwise subject;

(f) All authorizations, approvals, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction over the matters which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Town of its obligations under, the Resolution, this Agreement and the Bond have been duly obtained;

(g) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the Town after due inquiry, threatened against the Town, affecting the corporate existence of the Town or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the issuance or delivery of the Bond or in any way contesting or affecting the validity or enforceability of the Bond, the Resolution, or this Agreement or contesting the exclusion from gross income of interest on the Bond for federal income tax purposes, or contesting the powers of the Town or any authority for the issuance of the Bond, the enactment of the Resolution or the execution and delivery of this Agreement, nor, to the best knowledge of the Town after due inquiry, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bond, the Resolution or this Agreement or the performance by the Town of its obligations hereunder or thereunder; and

(h) The financial statements of, and other financial information regarding, the Town as posted on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("EMMA") fairly present the financial position and results of operations of the Town as of the dates and for the periods therein set forth; the Town's audited financial statements have been prepared in accordance with generally accepted accounting principles consistently applied.

Section 1.3. Issuance of the Bond. On the basis of the representations, warranties and covenants contained herein and, subject to the terms and conditions set forth herein (including without limitation Section 5.1), on the date hereof (the "Closing Date"), the Town agrees to deliver the Bond into escrow for the benefit of the Lender, the Lender agrees to accept delivery of the Bond from the Town, and the Lender agrees that it will advance the proceeds of the Bond in its entirety to the Town on June 15, 2016 (the "Advance Date").

On the Closing Date, as a condition to the effectiveness of this Agreement as described in Section 1.4(c), the Town shall deliver or cause to be delivered the certificates, opinions and other documents required to be delivered pursuant to Section 1.5 hereof. The delivery of the certificates, opinions and documents as described in Section 1.5 hereof shall be made at the office of McGuireWoods LLP ("Bond Counsel") in Richmond, Virginia, or at such other place as shall have been mutually agreed upon by the Town and the Lender. Such delivery is herein referred to as the "Closing." In the event the Closing is completed in accordance with the provisions of this Agreement, the Lender shall be obligated to accept delivery of the Bond, and the Town shall be obligated to deliver the Bond into escrow for the benefit of the Lender as provided in this Agreement and to request Advances as provided in this Agreement.

On or before 10:00 a.m., Leesburg, Virginia time on the Advance Date, the Town shall deliver or cause to be delivered the certificates, opinions and other documents required to be

delivered pursuant to Section 1.6 hereof and, upon satisfaction of the provisions of Section 1.4 and Section 1.6 hereof, the Lender shall advance the proceeds of the Bond in an amount equal to its stated principal amount.

On the Closing Date, the original Bond shall be delivered to the Lender in registered form, registered in the name of the Lender, as registered owner of the Bond, each duly executed by the Town in accordance with the Resolution and the Act. The Lender shall hold the Bond in escrow until the Advance Date.

Section 1.4. Conditions. The Lender's obligations hereunder are subject to:

- (a) The accuracy on both the Closing Date and on each Advance Date, as if made as of such date, of all representations of the Town contained herein;
- (b) The due performance by the Town of its obligations hereunder;
- (c) Delivery of all documentation required by, and compliance with all conditions set forth in, Sections 1.5 and 1.6; and

If the Lender is no longer obligated to make an Advance because of a failure of any condition set forth in (a) – (c) above, escrow with respect to the Bond shall not be broken, and each of the Lender and the Town shall cooperate with the other to arrange for the destruction of the Bond or the return of the Bond to the Town.

Section 1.5. Documentation at Closing. There shall be delivered to the Lender at the Closing the following, all dated the Closing Date and in form and substance reasonably satisfactory to the Lender:

- (a) Certificates of appropriate officers of the Town confirming the matters as to the Town referred to in paragraphs (a) and (b) of Section 1.4;
- (b) The executed original Bond and a certified copy of the Resolution;
- (c) A certificate of the Town Attorney of the Town in substantially the form attached as Exhibit B-1;
- (d) An opinion of Bond Counsel in substantially the form attached as Appendix C-1;
- (e) Evidence that Bond Counsel has received in escrow (for delivery on each Advance Date, subject to release by the signatories of all such documents), the following documents, in each case to be dated as of each applicable Advance Date, unless otherwise indicated, all in form and substance satisfactory to the Lender:

- (1) The opinion of Bond Counsel in substantially the form attached as Exhibit C-2 (with such changes as may pertain to the Bond);

(2) A certificate of the Town Attorney of the Town in substantially the form attached as Exhibit B-2;

(3) A certificate of appropriate officers of the Town setting forth facts, estimates and circumstances (including covenants of the Town) in existence on the Advance Date sufficient to support the conclusion that it is not expected that the proceeds of the Bond will be used in a manner that would cause the Bond to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable rules and regulations; and

(4) Internal Revenue Service form 8038-G prepared with respect to the Bond and ready for filing; and

(f) Such additional legal opinions, certificates, proceedings, mathematical computations, instruments and other documents as either the Lender or Bond Counsel may reasonably request to evidence compliance by the Town with legal requirements relevant to the Closing, the truth and accuracy as of the Closing Date of the representations of the Town herein and the due performance or satisfaction by the Town at or prior to the Closing Date of all its agreements contained herein to be satisfied by the Town.

Section 1.6. Documentation on Advance Date. There shall be delivered to the Lender on the Advance Date the following, all dated the Advance Date and in form and substance reasonably satisfactory to the Lender:

(a) Certificates, of appropriate officers of the Town confirming the matters as to the Town referred to in paragraphs (a) and (b) of Section 1.4;

(b) Original executed and delivered originals of the opinions and documents described in Section 1.5 (f);

(c) A copy of the audited financial statements of the Town for the fiscal year ended June 30, 2016, on or prior to the Advance Date; and

(d) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Lender or Bond Counsel may reasonably request to evidence compliance by the Town with legal requirements, the truth and accuracy as of the Advance Date of the representations of the Town herein and the due performance or satisfaction by the Town at or prior to such Advance Date of all actions and conditions then to be satisfied.

ARTICLE II LOAN PROVISIONS

Section 2.1. Use of Proceeds; Loan. The Town shall use the proceeds of the Bond solely to pay the Costs of Refunding. The loan of the proceeds of the Bond advanced by the Lender shall be evidenced by the Bond.

Section 2.2. Obligations of Town Unconditional. The obligations of the Town to make the payments on the Bond and to perform and observe all other covenants, conditions and

agreements hereunder shall be absolute and unconditional, irrespective of any defense or any rights of setoff, recoupment or counterclaim it might otherwise have against the Lender. As provided in the Resolution, the Bond shall constitute a general obligation of the Town to the payment of which the Town has pledged its full faith and credit.

ARTICLE III SPECIAL COVENANTS

Section 3.1. Tax Covenants. The Town shall take no action, and shall not approve the taking of any action that would cause the Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code and the regulations thereunder as such may be applicable to the Bond at the time of such action. The Town covenants that it will not take any action which will, or fail to take any action which failure will, cause interest on the Bond to become includable in the gross income of the owners thereof for federal income tax purposes pursuant to the provisions of Section 103 of the Code and regulations promulgated thereunder.

Section 3.2. Reporting Requirements. The Town shall provide, either directly to the Lender or by posting to EMMA, on or before March 31, the complete audited financial statements of the Town for the fiscal year that ended on the prior June 30. The Town shall also provide to the Lender, upon reasonable written request, such other information with respect to the affairs, condition or operations, financial or otherwise, of the Town as may be (1) customarily prepared by the Town in the ordinary course of operations, and (2) otherwise made publicly available by the Town.

ARTICLE IV EVENTS OF DEFAULT AND REMEDIES

Section 4.1. Event of Default Defined. Each of the following events is hereby declared an "Event of Default" under this Agreement and the term "Event of Default" shall mean, whenever it is used in this Agreement, any one of the following events:

(a) Any representation or warranty made herein or any statement or representation made in any certificate, report or opinion, financial statement or other instrument furnished in connection with this Agreement proves to have been incorrect, false or misleading in any material respect when made;

(b) The Town fails to pay (1) on the date on which the same is due and payable the principal of, premium, if any, or interest on the Bond, or (2) on or before the date that is ten (10) days after the date on which the same is due and payable, principal of, premium, if any or interest on any other general obligation indebtedness of the Town (a "Payment Default");

(c) An Act of Bankruptcy occurs with respect to the Town, or the Town becomes generally unable to pay its debts as they become due; provided, however, that if a proceeding with respect to an Act of Bankruptcy is filed or commenced against the Town, the same shall not constitute an Event of Default if such proceeding is dismissed within 60 days after the date of such Act of Bankruptcy. "Act of Bankruptcy" shall mean with respect to the Town, the filing of a petition in bankruptcy under the United States Bankruptcy Code, 11 U.S.C. § 101

et seq., and all future acts supplemental thereto or amendatory thereof, or the commencement of a proceeding under any other applicable law concerning insolvency, reorganization or bankruptcy, by or against the Town, as debtor;

(d) Any actual or asserted invalidity of this Agreement or the Bond.

Section 4.2. Remedies in Default. Whenever any Event of Default referred to in Section 4.1 occurs and is continuing, the Lender may exercise any and all remedies available to it under the Resolution or the Act.

Section 4.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Lender is intended to be exclusive of any other remedy, and every remedy shall be cumulative and in addition to every other remedy herein or now or hereafter existing at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon an Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, 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 Lender to exercise any remedy reserved herein, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

Section 4.4. Delay, Failure to Act. No delay, act or failure to act by the Lender, however long continued, shall be construed as a waiver of any of its rights hereunder or of any Event of Default.

Section 4.5. No Additional Waiver Implied by One Waiver. If the Lender or its assignee waives a default by the Town under any covenant, condition or agreement herein, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 4.6. No Obligation to Expend Money. Nothing in this Agreement shall be construed to impose any obligation upon the Lender to expend any money or to take any other discretionary act herein permitted, and the Lender shall not have any liability or obligation for any delay or failure to take any discretionary act.

Section 4.7. No Diminution of Obligation or Defense. No lawful act of commission or omission of any kind or at any time on the part of the Lender in respect of any matter whatsoever shall in any way affect or impair the rights of any successor or assignee to enforce any right, power or benefit of the Lender under this Agreement, and no set-off, claim, reduction or diminution of any obligation or any defense of any kind or nature which the Town may have against the Lender shall be available against any such assignee or successor in any suit or action brought by the Lender, its successors or assigns to enforce any right, power or benefit under this Agreement.

ARTICLE V PREPAYMENT OF BOND

Section 5.1. Option to Prepay Bond and Terminate Agreement. The Town may prepay the Bond, in whole or in part and terminate this Agreement at any time upon payment of the outstanding principal amount thereof and all accrued interest thereon to the date of redemption.

Section 5.2. Prepayment in Part. All partial prepayments shall be applied to installments of principal as directed by the Town.

ARTICLE VI
MISCELLANEOUS

Section 6.1. Registration of the Bond; Person Treated as Owners. The Director of Finance of the Town shall act as Registrar and shall maintain registration books for the registration and the registration of transfer of the Bond. The transfer of any Bond may be registered only upon the books kept for the registration and registration of transfer of such Bond upon surrender thereof to the Registrar together with an assignment duly executed by the registered owner in person or by his duly authorized attorney or legal representative in such form as shall be reasonably satisfactory to the Registrar. The Registrar shall not be required to make any such registration or transfer during the five days immediately preceding any principal or interest payment date. Prior to due presentment for registration of transfer of any Bond, the Registrar shall treat the registered owner as the person exclusively entitled to payment of principal, premium, if any, and interest and the exercise of all other rights and powers of the owner of any Bond.

Section 6.2. Expenses.

(a) The Lender shall be under no obligation to pay, and the Town shall cause to be paid, all of its expenses incident to the performance of the Town's obligations hereunder, including, but not limited to, (i) the fees and disbursements of Bond Counsel, counsel to the Lender and any other experts, advisors or consultants, retained by the Town, and (ii) the fees and expenses, including travel expenses, incurred by the Town in connection with the issuance and delivery of the Bond.

(b) The Town shall be under no obligation to pay and the Lender shall cause to be paid all of its expenses, except for those expenses identified in subparagraph (a) above and any expenses incurred by the Lender in connection with the enforcement of this Agreement.

(c) In the event that either the Town or the Lender shall have paid obligations of the other as set forth in this Section, appropriate adjustments shall promptly be made.

Section 6.3. Notices. All communications hereunder shall be in writing and shall be deemed delivered, if delivered in person or sent by certified mail, return receipt requested, to the respective parties as follows: to the Lender at: American National Bank and Trust Company [628 Main Street, Danville, VA 24541 (Attention: _____), and to the Town Leesburg Town Hall, 25 West Market Street, Leesburg, Virginia 20176 (Attention: Town Manager).

Section 6.4. Applicable Law. This Agreement shall be governed by and constructed in accordance with the laws of the Commonwealth of Virginia, without regard to its conflicts of laws principles.

Section 6.5. Miscellaneous. This Agreement is made solely for the benefit of and is binding on each of the parties and their respective successors and assigns. It is the entire agreement of the parties, superseding all prior agreements, and may not be modified except in writing signed by both parties hereto.

Section 6.6. Term of Agreement. This Agreement shall be effective upon its execution and delivery and, subject to earlier termination upon prepayment in full of the Bond, shall expire at midnight on the date payment of the Bond in full shall have been made.

Section 6.7. Amendments to Agreement. This Agreement shall not be amended or supplemented without the consent of the parties hereto.

Section 6.8. Successors and Assigns. This Agreement shall be binding on, inure to the benefit of, and be enforceable by the parties and their respective successors and assigns.

Section 6.9. Severability. If any provision of this Agreement shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof.

Section 6.10. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

Section 6.11. USA Patriot Act Notice. The Lender hereby gives the Town notice that pursuant to the requirements of the USA Patriot Act, the Lender is required to obtain, verify and record information that identifies the Town, which information includes the name and address of the Town and other information that will allow the Lender to identify the Town in accordance with the USA Patriot Act.

[SIGNATURE PAGE FOLLOWS]

TOWN OF LEESBURG, VIRGINIA

By: _____

Its: _____

**AMERICAN NATIONAL BANK AND TRUST
COMPANY**

By: _____

Its: _____

FORM OF BOND

[See Attached]

Form of Certificate of Town Attorney at Closing

CERTIFICATE OF TOWN ATTORNEY

I, Barbara A. Notar, Esq., do hereby certify as of April ____, 2016 (the "Closing Date"), that:

1. I am the duly appointed, qualified and serving Town Attorney of the Town of Leesburg, Virginia (the "Town").

2. The Town Council of the Town (the "Town Council") duly adopted by a majority vote of all members of the Town Council at a regular public meeting held on April 12, 2016, a resolution (the "Resolution") authorizing the issuance of the Town's \$_____ General Obligation Refunding Bond, Series 2017A (the "Bond"). A certified copy of the Resolution was duly filed with the Circuit Court of the County of Loudoun, Virginia in accordance with §15.2-2607, Code of Virginia of 1950, as amended. The Resolution is in full force and effect and has not been amended, modified or rescinded by the Town Council.

3. No litigation or administrative action of any kind is pending or, to the best of my knowledge after due investigation, threatened against the Town to (a) restrain or enjoin the issuance or delivery of the Bond or the levy and collection of taxes to pay the principal of and interest on the Bond, (b) contest or challenge the due adoption of the Resolution or otherwise affect, contest or challenge the validity of the Bond or in any manner question the proceedings and authority under which the Bond is issued, or (c) affect the existence of the Town or contest in any way its authority to undertake the projects to be financed from the proceeds of the Bond or the titles of the officers executing the Bond.

IN WITNESS WHEREOF, the undersigned Town Attorney is signing this Certificate as of the Closing Date.

Barbara A. Notar, Esq., Town Attorney
Town of Leesburg, Virginia

Form of Certificate of Town Attorney at the Advance Date

CERTIFICATE OF TOWN ATTORNEY

I, Barbara A. Notar, Esq., do hereby certify as of June 15, 2017 (the "Advance Date"), that:

1. I am the duly appointed, qualified and serving Town Attorney of the Town of Leesburg, Virginia (the "Town").

2. The Town Council of the Town (the "Town Council") duly adopted by a majority vote of all members of the Town Council at a regular public meeting held on April 12, 2016, a resolution (the "Resolution") authorizing the issuance of the Town's \$_____ General Obligation Refunding Bond, Series 2017A (the "Bond"). A certified copy of the Resolution was duly filed with the Circuit Court of the County of Loudoun, Virginia in accordance with §15.2-2607, Code of Virginia of 1950, as amended. The Resolution is in full force and effect and has not been amended, modified or rescinded by the Town Council.

3. No litigation or administrative action of any kind is pending or, to the best of my knowledge after due investigation, threatened against the Town to (a) restrain or enjoin the issuance or delivery of the Bond or the levy and collection of taxes to pay the principal of and interest on the Bond, (b) contest or challenge the due adoption of the Resolution or otherwise affect, contest or challenge the validity of the Bond or in any manner question the proceedings and authority under which the Bond is issued, or (c) affect the existence of the Town or contest in any way its authority to undertake the projects to be financed from the proceeds of the Bond or the titles of the officers executing the Bond.

IN WITNESS WHEREOF, the undersigned Town Attorney is signing this Certificate as of the Advance Date.

Barbara A. Notar, Esq., Town Attorney
Town of Leesburg, Virginia

Form of Opinion of McGuireWoods LLP at Closing

Town of Leesburg, Virginia
Leesburg, Virginia

American National Bank and Trust
Company
Danville, Virginia

Town of Leesburg, Virginia
\$_____ General Obligation Refunding Bond,
Series 2017A

Ladies and Gentlemen:

Reference is made to our opinion as Bond Counsel to be dated the date of issuance of the Bond (the "Bond Opinion"), to be delivered upon the issuance by the Town of Leesburg, Virginia (the "Town") of its (i) \$_____ General Obligation Refunding Bond, Series 2017A (the "Bond"). We hereby advise you (the "Lender") that simultaneously with the delivery of such opinion to the Town, we will deliver such opinion for your benefit, as well as for the benefit of the Town, and upon delivery, you will be entitled to rely upon such opinion as if it were addressed to you. Unless otherwise defined, terms used herein are as defined in the Bond Opinion.

At your request, we have undertaken a review of certain other matters pertaining to the Bond. We have reviewed the Financing Agreement dated April ____, 2016, between the Lender and the Town (the "Agreement").

Based upon the foregoing and upon such other information and documents as we have considered necessary for the purposes hereof, we are of the opinion that as of the date hereof:

If the Bond was issued on the date hereof and the proceeds thereof applied on the date hereof to refund the Refunded Bonds, we would be able to deliver the Bond Opinion in substantially the form attached as Exhibit C-2 to the Agreement.

We are furnishing this opinion solely for your benefit at the request of our client, the Town. It is not to be relied upon by any other firms or individuals without our express written consent.

Very truly yours,

Form of Opinion of McGuireWoods LLP at the Advance Date

June 15, 2017

Mayor and Council of the
Town of Leesburg, Virginia
Leesburg, Virginia

\$ _____
**Town of Leesburg, Virginia
General Obligation Refunding Bond,
Series 2017A**

Ladies and Gentlemen:

We have served as bond counsel to the Town of Leesburg, Virginia (the "Town") in connection with the issuance by the Town of its \$ _____ General Obligation Refunding Bond, Series 2017A (the "Bond"), dated the date hereof.

In connection with this opinion, we have examined (i) the Constitution of Virginia (the "Constitution"), (ii) the applicable laws of (A) the Commonwealth of Virginia (the "Commonwealth"), including without limitation the Public Finance Act of 1991, Chapter 26, Title 15.2, Code of Virginia of 1950, as amended, and (B) the United States of America, including without limitation the Internal Revenue Code of 1986, as amended (the "Code"), and (iii) copies of proceedings and other documents relating to the issuance of the Bond by the Town as we have deemed necessary to render the opinions contained herein.

As to questions of fact material to the opinions, we have relied upon (i) representations of the Town, including, without limitation, representations as to the use of proceeds of the Bond, (ii) certifications of public officials furnished to us, and (iii) certifications and representations contained in certificates of the Town and others delivered at closing and on the advance date, without undertaking to verify them by independent investigation. In addition, without undertaking to verify the same by independent investigation, we have relied on computations provided to us by Davenport & Company LLC, financial advisor to the Town.

We have assumed that all signatures on documents, certificates, and instruments examined by us are genuine, all documents, certificates, and instruments submitted to us as originals are authentic, and all documents, certificates, and instruments submitted to us as copies conform to the originals. In addition, we have assumed that all documents, certificates, and instruments relating to this financing have been duly authorized, executed, and delivered by all parties to them other than the Town, and we have further assumed the due organization, existence, and powers of all parties other than the Town.

Based on the foregoing, in our opinion, under current law:

1. The Bond has been authorized and issued in accordance with the Constitution and laws of the Commonwealth and constitute valid and binding general obligations of the Town.

2. The Council of the Town has the power and is authorized and required by law to levy and collect annually, at the same time and in the same manner as other taxes of the Town are assessed, levied and collected, a tax upon all taxable property within the Town, over and above all other taxes authorized or limited by law, and without limitation as to rate or amount, sufficient to pay when due the principal of and premium, if any, and interest on the Bond to the extent other funds of the Town are not lawfully available and appropriated for such purpose.

3. Interest on the Bond, including any accrued "original issue discount" properly allocable to the owner of the Bond, (i) is excludable from gross income for purposes of federal income taxation under Section 103 of the Code and (ii) is not a specific item of tax preference for purposes of the federal alternative minimum income tax imposed on individuals and corporations. We express no opinion regarding other federal tax consequences arising with respect to the Bond.

In delivering this opinion, we are (i) relying upon and assuming the accuracy of certifications and representations of representatives of the Town as to facts material to the opinion, and (ii) assuming continuing compliance with the Covenants, as hereinafter defined, by the Town, so that interest on the Bond will remain excludable from gross income for federal income tax purposes. The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied after the issuance of the Bond in order for interest on the Bond to be and remain excludable from gross income for purposes of federal income taxation. These requirements include, by way of example and not limitation, restrictions on the use, expenditure and investment of the proceeds of the Bond and the use of the property financed or refinanced by the Bond, limitations on the source of the payment of and the security for the Bond, and the obligation to rebate certain excess earnings on the gross proceeds of the Bond to the United States Treasury. The tax certificates and related documents for the Bond (the "Tax Certificates") contain covenants (the "Covenants") with which the Town and certain affiliated parties have agreed to comply. Failure to comply with the Covenants could cause interest on the Bond to become includable in gross income for federal income tax purposes retroactive to their date of issue. In the event of noncompliance with the Covenants, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the Bond from becoming includable in gross income for federal income tax purposes.

We have no responsibility to monitor compliance with the Covenants after the date of issue of the Bond.

Certain requirements and procedures contained, incorporated or referred to in the Tax Certificates, including the Covenants, may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such document. We express no opinion concerning any effect on the excludability of interest on the

Bond from gross income for federal income tax purposes of any such subsequent change or action that may be made, taken or omitted upon the advice or approval of counsel other than this firm.

4. Interest on the Bond is excludable from gross income of the owners thereof for purposes of income taxation by the Commonwealth. We express no opinion regarding (i) other tax consequences arising with respect to the Bond under the laws of the Commonwealth, or (ii) any consequences arising with respect to the Bond under the tax laws of any state or local jurisdiction other than the Commonwealth.

The rights of the owners of the Bond and the enforceability of the Bond are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or equity.

Our services as bond counsel to the Town have been limited to rendering the foregoing opinion based on our review of such legal proceedings as we deem necessary to approve the validity of the Bond and the income tax status of the interest on them. We express no opinion as to the accuracy, completeness or sufficiency of any information that may have been relied upon by any owner of the Bond in making a decision to hold the Bond. This opinion is solely for the benefit of the addressees. It may not be distributed or relied upon by any other person, quoted in whole or in part, otherwise reproduced in any other documents, or filed with any governmental agency without our prior written consent. This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Very truly yours,

PRESENTED: April 12, 2016

RESOLUTION NO.: _____

ADOPTED _____

A RESOLUTION: AUTHORIZING THE ISSUANCE OF A GENERAL OBLIGATION
REFUNDING BOND

WHEREAS, the Town of Leesburg, Virginia (the "Town"), has previously issued its \$20,035,000 General Obligation and Refunding Bonds, Series 2006B (the "Prior Bonds");

WHEREAS, economic conditions are favorable to refund all or a portion of the Prior Bonds;

WHEREAS, Town staff, in consultation with Davenport & Company LLC ("Davenport"), financial advisor to the Town, has evaluated proposals for a loan (the "Loan") to finance all or a portion of the costs of the refunding all or a portion of the Prior Bonds and the closing costs of the Loan (collectively, the "Plan of Refunding");

WHEREAS, Town staff and Davenport have presented selected proposals and the Plan of Refunding to the Town Council of the Town (the "Town Council");

WHEREAS, the Loan will be evidenced by a general obligation refunding bond (a "Refunding Bond"), which will be issued pursuant to a Financing Agreement, and the form of the Refunding Bond will be attached as an exhibit to the Financing Agreement;

WHEREAS, in order to take advantage of tax-exempt interest rates, the Refunding Bond may be issued on a "forward" refunding basis whereby the Town agrees to issue the Refunding Bond in 2017 and secures a tax-exempt rate in 2016;

WHEREAS, the Financing Agreement and the Refunding Bond will be referred to herein as the "Financing Documents;" and

WHEREAS, no public hearing is required under the Code of Virginia of 1950, as amended (the "Virginia Code") for the issuance of the Refunding Bond.

A RESOLUTION: AUTHORIZING THE ISSUANCE OF A GENERAL OBLIGATION
REFUNDING BOND

**NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of
Leesburg, Virginia, as follows:**

1. **Authorization of Bond and Use of Proceeds.** The Town Council hereby determines that it is advisable to contract a debt and to issue the Refunding Bond as evidence of the Loan in the aggregate principal amount not to exceed \$6,500,000. The Town Council hereby finds that the issuance of the Refunding Bond will promote the health, safety, welfare, morals and propriety of the citizens of the Town. The Town Council hereby authorizes the issuance of the Refunding Bond, upon the terms set forth herein, directly to a lender to be selected by the Town Manager in accordance with this Resolution. The Town Council hereby approves of issuing the Refunding Bond pursuant to a "forward" refunding structure whereby the Town would agree to issue the Refunding Bond on or within 90 days before the redemption date of any of the Refunded Bonds. The proceeds from the issuance of the Refunding Bond shall be used, along with other available money, if any, to pay the costs of the Plan of Refunding, including the costs of issuing the Refunding Bond.

2. **Financing Documents.** The Financing Documents shall be in substantially the form on file with the Town, with such appropriate variations, omissions and insertions as are permitted or required by this Resolution. There may be endorsed on the Refunding Bond such legend or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto. The Town Manager, after consulting with Davenport, is hereby authorized to select a lender for the Loan; provided however, that (i) the principal amount of the Refunding Bond does not exceed the amount set forth in paragraph (1) and (ii) the issuance of the Refunding Bond and the refunding of the Refunded Bonds generates debt service savings in each fiscal year that the Refunding Bond is outstanding.

3. **Execution and Delivery of the Financing Documents.** The Town Manager and the Director of Finance and Administrative Services, or either of them, are hereby authorized to execute on behalf of the Town and, if required, the Clerk of the Town Council is authorized to affix and attest the seal of the Town to the Financing Agreement.

The Town Manager is hereby authorized and directed to execute the Refunding Bond by manual or facsimile signature, the Town's seal to be affixed thereto or a facsimile thereof printed thereon and attested by the manual or facsimile signature of the Clerk of the Town Council, to deliver the Refunding Bond to the paying agent, for authentication if both such signature is by facsimile, and to cause the Refunding Bond so executed and authenticated to be delivered to the party providing the Loan upon funding of the Loan as provided in the related Financing Agreement. The Town Manager is hereby authorized to appoint a registrar or paying agent for the Refunding Bond. The Town Manager is hereby authorized to appoint a subsequent registrar or paying agent (or both) upon giving written notice to the owner of the Refunding Bond specifying the name and location of the principal office of any such registrar or paying agent.

A RESOLUTION: AUTHORIZING THE ISSUANCE OF A GENERAL OBLIGATION
REFUNDING BOND

4. **Pledge of Full Faith and Credit.** The full faith and credit of the Town are hereby irrevocably pledged for the payment of the principal of, premium, if any, and interest on the Refunding Bond as the same become due and payable. The Town Council shall levy an annual ad valorem tax upon all property in the Town, subject to local taxation, sufficient to pay the principal of, premium, if any, and interest on the Refunding Bond as the same shall become due for payment unless other funds are lawfully available and appropriated for the timely payment thereof.

5. **Details of the Refunding Bond.** The Refunding Bond shall be issued upon the terms established pursuant to this Resolution and the Financing Agreement. Absent further direction from the Town Council, after consulting with Davenport, the Town Manager and the Director of Finance and Administrative Services, or either of them, are hereby authorized and directed to accept one or more proposals for a Loan to finance the Plan of Refunding and to determine and approve the final details of the Loan and related Refunding Bond, including, without limitation, the principal amount, the interest rate, interest payment dates, and redemption provisions; provided that (i) the refunding of the bonds selected for refunding (collectively, the "Refunded Bonds") shall produce a net present value savings of not less than 3% of the principal amount of the Refunded Bonds; (ii) no Refunding Bond shall mature in a fiscal year later than the last fiscal year in which a Refunded Bond matures; and (iii) the aggregate principal amount of the Refunding Bond shall not exceed the amount set forth in paragraph 1. The Refunding Bond shall be issued in fully registered form.

6. **Registration, Transfer and Exchange.** Upon surrender for transfer or exchange of any Refunding Bond at the principal office of the bond registrar, the Town shall execute and deliver and the bond registrar shall authenticate in the name of the transferee or transferees a new Refunding Bond of any authorized denomination in an aggregate principal amount equal to the Refunding Bond surrendered and of the same form and maturity and bearing interest at the same rate as the Refunding Bond surrendered, subject in each case to such reasonable regulations as the Town and the bond registrar may prescribe. Any Refunding Bond presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and substance reasonably satisfactory to the Town and the bond registrar, duly executed by the registered owner or by his or her duly authorized attorney-in-fact or legal representative. No Refunding Bond may be registered to bearer.

New Refunding Bonds delivered upon any transfer or exchange shall be valid obligations of the Town, evidencing the same debt as the Refunding Bonds surrendered, shall be secured by this Resolution and entitled to all of the security and benefits hereof to the same extent as the Refunding Bonds surrendered.

7. **Charges for Exchange or Transfer.** No charge shall be made for any exchange or transfer of the Refunding Bond, but the Town may require payment by the registered owner of any Refunding Bond of a sum sufficient to cover any tax or other governmental charge which may be imposed with respect to the transfer or exchange of such Refunding Bond.

A RESOLUTION: AUTHORIZING THE ISSUANCE OF A GENERAL OBLIGATION
REFUNDING BOND

8. **Non-Arbitrage Certificate and Tax Covenants.** The Town Manager and the Director of Finance and Administrative Services are hereby authorized and directed to execute a Non-Arbitrage Certificate and Tax Covenants setting forth the expected use and investment of the proceeds of the Refunding Bond and containing such covenants as may be necessary in order to comply with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), including without limitation the provisions of Section 148 of the Code and applicable regulations relating to "arbitrage bonds." The Town Council covenants on behalf of the Town that the proceeds from the issuance and sale of the Bonds shall be invested and expended as set forth in the Town's Non-Arbitrage Certificate and Tax Covenants, and one will be delivered simultaneously with the issuance and delivery of the Refunding Bond, and that the Town shall comply with the other covenants and representations contained therein.

9. **Further Actions.** The Town Manager, the Mayor, the Town Attorney and the Director of Finance and Administrative Services and such officers and agents of the Town as any of them may designate, are authorized and directed to take such further action as they deem necessary or appropriate regarding the issuance of the Refunding Bond, including without limitation the preparation, execution and delivery of instruments, agreements and documents such as an escrow agreement or verification agent. All actions previously taken by such officers and agents in connection with the issuance of the Refunding Bond are hereby ratified and confirmed. The authorizations granted in this Resolution to the Town Manager, Director of Finance and Administrative Services, Clerk or Town Attorney, as applicable, may be carried out by any Acting, Interim or Deputy Town Manager (in the case of the Town Manager), Acting, Interim or Deputy Director of Finance and Administrative Services (in the case of the Director of Finance and Administrative Services), Acting, Interim or Deputy Clerk (in the case of the Clerk) and Acting, Interim or Assistant Town Attorney (in the case of the Town Attorney, or such other officer as any of the named officers may designate in writing. When this Resolution authorizes one or more officers to act, it shall be sufficient for one of the authorized officers to act and bind the Town.

10. **Evidence of Approval.** The approval or determination of all of the details and provisions of any Loan, Refunding Bond or Supplemental Indenture and all other documents executed under the authority of this Resolution shall be evidenced conclusively by the execution and delivery of the Refunding Bond, Bond Purchase Agreement and such other document by the officer or officers authorized hereby.

11. **Public Finance Act.** The Town Council hereby elects pursuant to Section 15.2-2601 of the Virginia Code to issue the Refunding Bond under the Public Finance Act of 1991, Chapter 26, Title 15.2 of the Virginia Code without regard to the requirements, restrictions or other provisions contained in any charter or special or local act.

12. **Filing of Resolution.** The appropriate officers or agents of the Town are authorized and directed to file or cause to be filed a certified copy of this Resolution with the Circuit Court of the Town of Leesburg, Virginia pursuant to Sections 15.2-2607 and 15.2-2627 of the Virginia Code.

A RESOLUTION: AUTHORIZING THE ISSUANCE OF A GENERAL OBLIGATION
REFUNDING BOND

13. **Effective Date.** This Resolution shall take effect immediately.

PASSED this ___ day of _____, 2016.

David S. Butler
Mayor

ATTEST:

Clerk of Council

At a regular meeting of the Town Council of the Town of Leesburg, Virginia, held on April 12, 2016, the following Town Council members were recorded as present:

PRESENT:

The attached Resolution was adopted by a majority of the members of the Town Council, the votes being recorded as follows:

MEMBER

VOTE

Attached is a true and correct copy of the Resolution adopted by the Town Council at a meeting duly called and held on April 12, 2016. The Resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on the date hereof.

Clerk, Town Council,
Town of Leesburg, Virginia