AGENDA
FRANKLIN COUNTY BOARD OF SUPERVISORS
TUESDAY OCTOBER 20, 2020

THE MEETING WILL BE CONDUCTED IN COMPLIANCE WITH (**ORDINANCE #21-06-2020)) EMERGENCY ORDINANCE TO EFFECTUATE TEMPORARY CHANGES IN CERTAIN DEADLINES AND TO MODIFY PUBLIC MEETING AND PUBLIC HEARING PRACTICES AND PROCEDURES TO ADDRESS CONTINUITY OF OPERATIONS ASSOCIATED WITH PANDEMIC DISASTER**

All County residents are encouraged to continue participation in public meetings of the Franklin County Board of Supervisors. To facilitate public participation, the Board will continue to update their website with options for citizens to participate.

Please continue to monitor the County's Website (www.franklincountyva.gov) or call the County Administration office (540) 483-3030 for ways to continue citizen participation during this unprecedented time.

Citizens wishing to submit public comment are required to alert Madeline L. Sefcik, Clerk to the Board via email at madeline.sefcik@franklincountyva.gov or at (540) 483-3030 before 12:00 PM on October 20, 2020.

12:00 BROADBAND AUTHORITY MEETING (B-75)

1:30 Call to Order, Chairman Mitchell

1:31 Invocation, Supervisor Mike Carter

1:32 Pledge of Allegiance, Chairman Leland Mitchell

1:33 Approval of Agenda

1:35 Recognition of Virginia Teacher of the Year – Anthony Swann

1:40 Karie Walker, Virginia Association of Counties Achievement Award

1:45 Public Comment
1. Whitney Pugh (Agenacare Housecalls PLLC)

1:50 Ann Rogers, Blue Ridge Environmental Defense League / Preserve Franklin

2:05 CONSENT AGENDA (**REQUIRES ACTION**)

- Approval of Accounts Payable Listing, Appropriations, and approval of September 15, 2020 Board of Supervisors Meeting Minutes
    1. Western VA Water Authority Water Tank Ground Lease **(Attachment #1)**
    2. DEQ Erosion Sedimentation & Stormwater Plan Resolution **(Attachment #2)**
    3. HVAC Replacement Project Bid Award Contract Approval **(Attachment #3)**
    4. Ambulance Purchase Contract Approval **(Attachment #4)**
    5. Vehicle Chassis Surplus Disposal **(Attachment #5)**
    6. Emergency Procurement Approval **(Attachment #6)**

2:10 Todd Daniel, VDOT Resident Engineer
1. Monthly Report **(Attachment #7)**

2:15 Brian Carter, Director of Finance
1. Monthly Finance Report

2:20 David Rose, Davenport & Company, County Financial Advisors
1. Debt Refinancing **(Attachment #8)**

2:40 Margaret Torrence, Commissioner of the Revenue
1. Update on twice-a-year tax collection **(Attachment #9)**

2:50 BREAK

3:00 Dr. Mark Church, School Budget Carry Over **(Attachment #10)**

3:10 Mike Burnette, Director of Economic Development
1. Summit View Update
2. Road Segment D-3 **(Attachment #11)**

3:30 WORK SESSION – CARES Funding, Year End Carry Over

4:15 Steve Sandy, Director of Planning & Community Development
1. A-1 Zoning Ordinance Amendment Discussion **(Attachment #12)**

4:25 Christopher Whitlow, County Administrator
1. Legislative Agenda **(Attachment #13)**
2. Upcoming Events (reminder of virtual VACo Conference)
3. Other Matters

4:40 Other Matters by Supervisors
1. Housing Work Session Follow-up

5:00 Request for Closed Meeting in Accordance with 2.2-3711, (A)(1), Personnel Discussion of appointments to County Boards, Commissions, etc.; (A) (29) discussion of the terms of a public contract, where discussion in public would adversely affect the bargaining position or negotiating strategy of the County in regards to a potential boundary adjustment with a neighboring county, of the Code of Virginia, as Amended.

APPOINTMENTS
(Attachment #14)

Recess for Dinner

6:00 Call to Order, Chairman Mitchell

6:01 Recess for Previously Advertised Public Hearings as Follows:

1. **PUBLIC NOTICE- A HEARING ON AMENDMENTS TO THE ADOPTED 2020-2021 BUDGET**
In Accordance with Sections 15.2-2507 of the Code of Virginia, as amended, on ***Tuesday, October 20, 2020, at approximately 6:00 P.M.*** or soon thereafter, the Franklin County Board of Supervisors will conduct a public hearing on amending the adopted FY 2020-2021 County budget in the Board of Supervisors Meeting Room, located in the Franklin County Government Center, 1255 Franklin Street, Suite 104, Rocky Mount, Virginia.

The original FY 2020-2021 budget was adopted in the amount of $145,828,788. The FY 2020-2021 budget needs to be amended by a total of $4,889,448 to appropriate proceeds from the Commonwealth of Virginia through the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The new adjusted budget total is $150,718,236. A summary of the proposed budget amendment is on file in the Finance Department at the Franklin County Government Center. **(Attachment #15)**

2. APPLICATION for SPECIAL USE PERMIT – Application of Megan Lorson, Applicant, and Kevin D. Lorson and Megan R. Lorson, Owners, requesting a Special Use Permit with possible conditions, to allow for the short term tourist rental of a dwelling, located on an approximate 1.46 acre property. The property, currently zoned A-1, Agricultural, is located at 160 Blue Ridge Lane in the Rocky Mount District of Franklin County and is further identified by Franklin County Real Estate Records as Tax Map/Parcel # 0720017905CC. Short term tourist rental of a dwelling is a permitted use by issuance of a Special Use Permit by the Franklin County Board of Supervisors in A-1, Agricultural zoning districts and subject to the supplemental regulations found in Section 25-138 of the Franklin County Code. The property has a future land use designation of Low Density Residential (Case # SPEC-07-20-16662). **(Attachment #16)**

3. APPLICATION for SPECIAL USE PERMIT – Application of Russell Seneff, Applicant and Owner, requesting a special use permit, with possible conditions, to allow for the short term tourist rental of a dwelling. The property is approximately 14.13 acres with 1.00 acre requested to be used for the short term rental of four (4) cottages. The property is located on Bethel Lane in the Union Hall District of Franklin County and further identified by Franklin County Real Estate Records as Tax Map/Parcel # 0530010000. The short term tourist rental of a dwelling is a permitted use in A-1, Agricultural zoning districts by issuance of a special use permit by the Franklin County Board of Supervisors and subject to the supplemental regulations found in Section 25-138 of the Franklin County Code. The property has a future land use designation of Low Density Residential (Case # SPEC-07-20-16655). **(Attachment #17)**

Public Comment Period Continued (if any citizen wishes to speak)
Adjournment Thereafter

Franklin County
A Natural Setting for Opportunity

EXECUTIVE SUMMARY

AGENDA TITLE: ***WVWA Ground Lease in Burnt Chimney***	***AGENDA DATE:*** **October 20, 2020**
SUBJECT/PROPOSAL/REQUEST: ***Approval of Ground Lease for Burnt Chimney Water***	***ACTION:*** ***YES*** ***INFORMATION:*** ***ATTACHMENTS:*** ***YES***
STRATEGIC PLAN FOCUS AREA: ☑ *Economic Development* ☐ *Financial Stability* ☑ *Infrastructure* ☐ *Lifelong Learning* ☑ *Managed Growth* ☑ *Public Safety* ☐ *Operational Effectiveness*	***CONSENT AGENDA:*** ***YES*** ***STAFF CONTACT(S):*** ***Sandy, Smith*** ***REVIEWED BY:*** ***Christopher L. Whitlow, County Administrator***

BACKGROUND:
Franklin County joined the Western Virginia Water Authority (WVWA) in 2009 to help facilitate utility expansion in Franklin County. Since joining the Authority, the County has experienced water and sewer expansions in many areas of the County. In 2016, the WVWA performed a significant expansion of their water system in the Burnt Chimney and Route 122 area including the construction of a new water tank.

At the Board's August meeting, WVWA Executive Director, Mike McEvoy, provided an update on the Authority's recent activities in Franklin County. He also expressed the Authority's intention to develop a master plan for future WVWA activities.

DISCUSSION:

The WVWA water tank constructed on County property in 2016 at the intersection of Route 122 and Burnt Chimney Road shares the property with the County's compaction waste collection site.

This structure not only serves a water need but also contains public safety radio antennae. The recently approved Phase I fixed wireless broadband project includes the use of this water tank for fixed wireless antennae operated by Briscnet. During the process of reviewing the base arrangement details for the broadband project it was determined that the ground lease for the tank was never approved by the County of WVWA.

Accordingly, the County and WVWA have drafted a proposed ground lease (see attached) for the lease of 0.2689 acres of County property for the existing water tank site as well as a twenty (20) foot wide waterline easement to Burnt Chimney Road. The proposed waterline easement is one hundred (100) feet in length with eighty-five (85) feet on County property and fifteen (15) feet on school board property. A survey of the property and waterline easement is attached. Franklin County schools have already approved the waterline easement that crosses their property.

The lease provides the area to the WVWA at no charge. All expenses related to the water tank are the responsibility of WVWA. Any rent derived from communications antennae (i.e. cell phone carriers, etc.) of the water tank will be shared 50/50 between the County and WVWA. Lease term is one hundred (100) years.

There are no costs associated with this request. WVWA has prepared the survey and will record the necessary documents upon approval.

RECOMMENDATION:

County staff as well as the County Attorney have reviewed the ground lease and respectfully request approval of the document. Therefore, staff respectfully requests the Board of Supervisors authorize the County Administrator to sign and execute contract documents relative to this ground lease on behalf of Franklin County accordingly.

POSSIBLE BOARD ACTIONS:

MOTION to APPROVE:

I make a motion that the Board approval the presented ground lease document, and authorize the County Administrator to sign and execute contract documents relative to this ground lease on behalf of Franklin County accordingly.

MOTION to TABLE:

I make a motion to table the presented ground lease document until further information is provided.

MOTION to DENY:

I make a motion to deny the presented ground lease document.

GROUND LEASE

FRANKLIN COUNTY, VIRGINIA

TO

WESTERN VIRGINIA WATER AUTHORITY

THIS GROUND LEASE (this **"LEASE"**), is made as of the 20th day of October, 2020, by and between **FRANKLIN COUNTY, VIRGINIA** (The **"County"**), a political subdivision of the Commonwealth of Virginia, as landlord; and, the **WESTERN VIRGINIA WATER AUTHORITY ("the Authority")**, a political subdivision of the Commonwealth of Virginia under the Virginia Water and Waste Authorities Act, § 15.2-5100, *et seq.* of the Code of Virginia, 1950, as amended (the "Act"), as tenant.

RECITALS

A. The County is the owner of certain real property (the "Property") located at 50 Burnt Chimney Road, Wirtz, Virginia 24184, in Franklin County, Virginia, and now wants to lease a portion of such property adjacent to the Franklin County School Board's property, known as Franklin County Tax Parcel #0280013100 used as a residential solid waste drop-off site (the "Collection Site"), which portion is more particularly described on the plat attached hereto as Exhibit A (the "Leased Real Estate");

B. The County is willing to enter into this Lease for the purpose of permitting the Authority to construct, reconstruct, replace own, and maintain its 500,000 gallon bolted steel water storage tank (the "Water Storage Tank") and related infrastructure (the "Improvements") on the Leased Real Estate with such access as the Authority needs to conduct its operations.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree that the above Recitals are incorporated herein and further agree and follows:

1. PROPERTY AND CONDITIONS

1.1. Property.

1.1.1. Leased Real Estate: The County hereby leases and demises the Leased Real Estate to the Authority and the Authority hereby leases the Leased Real Estate from the County subject to and with the benefit of the terms, covenants, conditions and provision on this Lease. This Lease does pertain as set forth herein to Improvements, which Improvements shall be the Water Storage Tank

and its associated infrastructure, which shall not be annexed to the land and shall remain the property of the Authority.

1.1.2. Franklin County reserves the right to construct, reconstruct, use, and maintain other improvements on the Property outside of the Leased Real Estate. The County may also establish a public safety facility and public safety radio apparatus attached to the Water Storage Tank, and such additional public safety infrastructure as the Authority may permit within the Leased Real Estate at no charge to the County.

1.2. Condition of Leased Real Estate.

1.2.1. Title. The Leased Real Estate is demised and let to the Authority subject to:

a) All zoning regulations, restrictions, rules, laws, and ordinances now in effect or hereafter adopted by any government authority; and,

b) All matters of record as of the date hereof.

1.2.2. Encumbrances. The County covenants that it will not encumber or lien the title of the Leased Real Estate or cause or permit title to the Leased Real Estate to be encumbered or liened in any manner during the Term other than as expressly provided for herein.

1.2.3. Quiet Enjoyment. The County covenants and agrees with the Authority that, so long as no Event of Default (as defined in Section 9) has occurred under this Lease, the Authority shall and may, at all times during the Term, peaceably and quietly have, hold and enjoy the Leased Real Estate without hindrance or molestation.

2. TERM.

2.1. Effective Date. This Ground Lease shall become effective and be in full force for a term (the "Term") commencing on the day following the date on which the County and the Authority execute and deliver this Lease (the "Commencement Date") at 12:01 a.m.

2.2. Term. This Ground Lease shall start on the Commencement Date and continue in effect until December 31, 2120, unless terminated as stated herein.

2.3. Termination. This Ground Lease may be terminated at any time by either party following a ten (10) year notice period by the party requesting in writing such termination, or the Lease may be terminated as otherwise provided for in the Lease or by law.

3. COSTS.

3.1. Fees or Rent. The County is not charging any Fee or Rent to the Authority for the use of the Leased Real Estate.

3.1.1. Costs. The Authority covenants and agrees to pay or cause to be paid, without notice or demand and without set-off, abatement, suspension or deductions, all other costs or expenses of ownership that are due and payable during the Term at any time imposed or levied against the Leased Real Estate.

3.2. Net Lease. Other than as expressly set forth in this Lease, all costs, expenses, liabilities, charges or other deductions whatsoever with respect to the Leased Real Estate and the construction, ownership, operation, maintenance and repair of the Improvements shall be the sole responsibility of the Authority.

4. USE. The Authority shall only use the Leased Real Estate to operate a water storage tank with related infrastructure to provide water to residents of the County who are customers of the Authority.

5. IMPROVEMENTS; LIENS.

5.1. Improvements. The Authority shall construct, or shall cause to be constructed, any and all improvements necessary for the operation, maintenance, and repair of a water storage tank with related infrastructure (the "Improvements") in a good and workmanlike manner and in conformity with all applicable federal, state, and local laws, ordinances, and regulations. The Authority may make from time to time such modifications to the Improvements as shall be determined by the Authority in its sole discretion to be useful to the operation of the Improvements. The Authority shall be solely responsible for maintenance, upkeep, and repair of any Improvements placed on the Leased Real Estate. The County shall reasonably cooperate with the Authority and assist the Authority in obtaining all required licenses, permits, and governmental authorizations required or desirable for a water storage tank and related infrastructure, and shall sign all papers and documents at any time needed in connection therewith, including without limitation such instruments as may be required for maintaining, repairing, replacing and using of water, gas electric, telephone, sewer, or other utility service. However, the cost of such cooperation and assistance, as of the Commencement Date and continuing throughout the Term, shall be the Authority's sole responsibility.

5.1.a. Additional Maintenance by the Authority. The Authority shall also maintain and repair its access located within the Leased Real Estate leading to the Improvements.

5.2. Easements and Dedications. The County covenants and agrees that the County shall not unreasonably withhold, condition, or delay its consent to, and shall join with the Authority from time to time during the Term in granting easements affecting the Leased Real Estate for the purpose of providing for ingress/egress and utilities to the Improvements.

5.3. Mechanics' and Other Liens.

5.3.1. The Authority shall make, or cause to be made, prompt payment of all monies due and legally owing to all persons, firms, and corporations doing any work, furnishing any materials or supplies or renting any equipment to the Authority or any of its contractors or subcontractors in connection with any construction, reconstruction, furnishing, repair, maintenance, or operation of the Improvements, and shall use its best efforts throughout the Term to prevent any mechanics', materialmen's or other liens for work, labor, services, or materials from being filed or recorded against the Leased Real Estate or any portion thereof. In the event that any lien is filed against the Leased Real Estate, whether due to the actions of the Authority or any person other than the County, then, within fifteen (15) days thereafter, the Authority, at its sole expense, shall procure the release or discharge of such lien or shall cause such lien to be bonded with surety companies reasonably satisfactory to the County.

5.3.2. The Authority, at its sole expense, shall have the right to contest any lien or encumbrance by appropriate proceedings, provided, however, that such proceedings shall prevent the collection of or other realization upon such lien or encumbrance so contested, and shall prevent the sale, forfeiture or loss of the Leased Real Estate to satisfy the same during the pendency of such proceedings, and further provided that such contest shall not subject the County to the risk of any criminal liability or civil penalty. The Authority shall give such reasonable security as may be requested by the County to ensure payment of such lien or encumbrance and to prevent any sale or forfeiture of the Leased Real Estate by reason of such nonpayment, provided, however, that the amount of such security shall not exceed one hundred and fifty percent (150%) of the amount of the contested lien or encumbrance. Upon the termination after final appeal of any proceeding relating to any amount contested by the Authority pursuant to this section, the Authority shall immediately pay any amount determined in such proceeding to be due. In the event the Authority fails to make such payment, the County shall have the right, but not the obligation, after five (5) days' notice to the Authority, to make any such payment on behalf of the Authority and charge the Authority therefor as the Costs payable in accordance with Section 3.2. hereof.

5.3.3. Nothing contained in this Lease shall be construed as constituting the consent or request of the County, expressed or implied, to or for the performance of any labor or services or the furnishing of any materials by or on behalf of the Authority for construction, alteration, addition, repair or demolition of or to the Improvements or of any part thereof. Notice is hereby given that the County will not be liable for any labor, services, or materials furnished or to be furnished to the Authority and that no mechanics' or other liens for any such labor, services or materials shall attach to or affect the interest of the County in and to the Leased Real Estate.

5.4. Demolition. The Authority may in its sole discretion from time to time demolish or remove any structures, fixtures or other Improvements at any time placed in or upon the Leased Real Estate, except that no such action may longer than temporarily interfere with the County's use and/or operation of the School Property or the County's Collection Site for the deposit of solid waste.

5.5. Ownership of Improvements. Any Improvements made by the Authority on the Leased Real Estate shall be assets of the Authority but are subject to the terms of this Lease.

5.6. Rent Revenue. The Authority shall pay to the County one-half (1/2) of any rents or fees derived from the installation of any communications antenna on the water tank, net of any direct costs the Authority might have in providing such installations.

6. INSURANCE.

6.1. Maintenance of Insurance. Throughout the Term, the Authority shall maintain, at the Authority's expense, a policy of insurance or lawful self-insurance with a good and solvent insurance company in the Commonwealth of Virginia, including the following insurance coverage in a form consistent with the requirements of this Section:

6.1.1. Insurance against loss or liability in connection with bodily injury, death or property damage or destruction, occurring in or on any part of the Leased Real Estate or the Improvements or arising out of the use thereof by the Authority or its agents, contractors, employees, officers, tenants, subtenants, invitees, visitors, and guests;

6.1.2. Property insurance coverage against risks of physical loss of or damage to any of the Leased Real Estate and the Improvements; and

6.1.3. Worker's compensation insurance as required by law.

6.2. Requirements of Insurance. Insurance maintained by the Authority pursuant to this Section of this Lease shall:

6.2.1. With respect to liability insurance, be in an amount of coverage not less than One Million Dollars ($1,000,000) per occurrence and One Million Dollars ($1,000,000) in the aggregate, or such other lesser amount as is acceptable to the County;

6.2.2. Be obtained from good and solvent insurance companies or lawful self-insurance risk pools authorized to do business in the Commonwealth of Virginia;

6.2.3. Be written to become effective at the time the Authority becomes subject to the risk or hazard covered thereby, and shall be continued in full force and effect for such period as the Authority is subject to such risk or hazard;

6.2.4. Cover the County, its officials, officers, directors, contractors, agents, and employees as additional insureds with respect to liability arising out of or connected with the Leased Real Estate and/or its use and/or operation by the Authority and/or any subtenant; and

6.2.5. Be endorsed to provide for a minimum of thirty (30) days' notice to the Authority and the County of any cancellation or non-renewal of the insurance policy.

6.3. Notice. Upon the reasonable written request of the County, the Authority shall deliver certificates of insurance evidencing the existence of all required insurance coverage and, if so requested, complete copies of all original policies and endorsements.

7. CONDEMNATION.

7.1. Notice of Condemnation. Promptly upon receipt by either the County or the Authority any notice of any proceedings for a taking of the Leased Real Estate or any part thereof, the party receiving such notice shall promptly give notice thereof to the other, and such other party may also appear in such proceeding and be represented by counsel, who may be counsel for the party receiving such notice.

7.2. Total Taking. In the event of a permanent taking of the fee title to the Leased Real Estate, of control of the Leased Real Estate or of the entire leasehold estate hereunder, this Lease shall terminate as of the effective date of such taking. The County as landlord and the Authority as tenant may separately pursue their respective condemnation awards for damages due to such taking, the County's being for the Leased Real Estate and that of the Authority being for the Improvements.

7.3. Partial Taking. In the event of a permanent taking of less than all of the Leased Real Estate and the Improvements, then:

7.3.1. If the Authority reasonably determines that the continued use and occupancy of the remainder of the Leased Real Estate and/or Improvements by the Authority is or can reasonably be made to be economically viable, structurally sound, and otherwise feasible based upon the amount of the award and any available other funds the Authority as are demonstrably available for the purpose of paying for such restoration, then the Leased Real Estate and the Improvements shall be restored by the Authority pursuant to this section;

7.3.2. If the Authority reasonably determines that the continued use and occupancy of the remainder of the Leased Real Estate and/or Improvements by the Authority is not or cannot reasonably be made to be economically viable, structurally sound, and otherwise feasible, then the Authority may terminate this Lease as of the effective date of such taking.

8. INDEMNITIES.

8.1. The Authority Indemnities. The Authority covenants and agrees to indemnify, to the extent permissible by law, and without waiving sovereign immunity, the County, defend the County with counsel selected by the Authority and acceptable to the County in its reasonable discretion, and hold the County harmless from any and all liabilities, losses, claims, demands, fees and expenses of any kind or any nature whatsoever (including, without limitation, remediation costs, environmental assessment costs, governmental compliance costs, and reasonable experts' and attorneys' fees and expenses), known or unknown, foreseen or unforeseen, which may at any time be imposed upon, incurred by, or asserted or awarded against the County arising from:

8.1.1. Any accident, injury, or damage whatsoever occurring in, at, or upon any of the Leased Real Estate and/or the Improvements, unless such accident, injury, or damage results from the gross negligence or intentional act of the County.

8.1.2. Breach by the Authority of any agreement or condition of this Lease; or

8.1.3. Breach by the Authority, its employees, contractors, agents, tenants, or invitees of any of them, of any environmental restriction, statute, law, ordinance or regulation, including, without limitation, restrictions, statutes, law, ordinances or regulations relating to the presence, release or threat of release of oil or hazardous substances in each case affecting the Leased Real Estate or the Improvements or any part thereof or the ownership, occupancy or use thereof during the Term.

8.2. Scope of Indemnity. Any covenant or agreement to indemnify or defend the County or to hold the County harmless shall also serve to indemnify, defend or hold harmless any employees, agents, contractors, officers, and any successors thereof, of the County. Any obligation to indemnify, defend or hold harmless pursuant to this Section shall bind the successors and assigns of such party.

8.3. Notice of Claims; Survival. The County shall provide the Authority with prompt and timely notice of any claim made or suit instituted against the County or any other party of which it has knowledge, relating to any matter which in any way may result in indemnification pursuant to this entire Section 8. The obligations of the Authority under this entire Section 8 shall, without limitation, survive the expiration or any earlier termination of this Lease.

9. DEFAULT. Following written notice of an Event of Default to the breaching party and to any third parties as required by this Lease, and following an opportunity to cure of not less than thirty (30) days (provided, however, that if the cure cannot be completed within such period, and the breaching party commences the cure within such period and diligently prosecutes the cure to completion, such opportunity to cure shall be extended as reasonably necessary to permit completion of the cure, provided that any such extension shall not exceed twenty (20) additional days without the written consent of the County and the Authority) the non-breaching

party may terminate this Lease without any further notice to the breaching party. The occurrence of any of the following events shall constitute an event of default herein ("Event of Default"):

9.1. The Authority fails in any material respect to observe or perform any covenant, condition, agreement or obligation of this Lease; or

9.2. The Authority abandons the Leased Real Estate and/or Improvements or any substantial portion thereof; or

9.3. The Authority fails to properly and timely maintain, repair, or operate the Improvements.

10. REMEDIES.

10.1. Following Default by Either Party. If there shall occur an Event of Default on the part of either party, the other may seek any and all remedies available as set forth herein and as available at law or in equity.

11. MISCELLANEOUS.

11.1. Successors and Assigns. Unless repugnant to the context, the words the "County" and the "Authority" shall be construed to mean the original parties, their respective successors and assigns and those claiming through or under them respectively. The agreements and conditions in this Lease contained on the part of and to be performed and observed by the Authority shall be binding upon the Authority and its successors and assigns and shall inure to the benefit of the County and its successors and assigns, and the agreements and conditions in this Lease contained on the part of and to be performed and observed by the County shall be binding upon the County and its successors and assigns and shall inure to the benefit of the Authority and its successors and assigns. No holder of a mortgage of the leasehold interest hereunder shall be deemed to be the holder of said leasehold estate until such holder shall have acquired indefeasible title to said leasehold estate.

11.2. Amendment. This Lease may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

11.3. Notice. Any notice or other communication given or made pursuant to this Lease shall be in writing and shall be deemed given if: (i) delivered personally or by courier; (ii) sent by overnight express delivery; or (iii) mailed by registered or certified mail (return receipt requested), postage prepaid, to a party at its respective address set forth below (or at such other address as shall be specified by the party by like notice given to the other party);

If to the Authority: Western Virginia Water Authority
601 South Jefferson Street
Roanoke, Virginia 24011
Attention: Executive Director

If to the County: Franklin County, Virginia
1255 Franklin Street
Rocky Mount, Virginia 24151
Attention: County Administrator

All such notices and other communication shall be deemed given and received: (i) in the case of personal or local courier delivery, on the date of such delivery; (ii) in the case of delivery by overnight courier or express delivery service, on the date following dispatch; and (iii) in the case of mailing, three (3) business days after the date of mailing. For the sake of convenience and rapidity of transmission, copies of notices may be sent by telecopy transmission, but such transmission alone shall not be deemed to satisfy the notice requirements of this Lease absent actual receipt or the giving of notice by one of the other means stated above.

11.4. Headings. The headings used for the various articles and sections of this Lease are used only as a matter of convenience for reference and are not to be construed as part of this Lease or to be used in determining the intent of the parties of this Lease.

11.5. Construction. The County and the Authority agree that all provisions hereof are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate section thereof.

11.6. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia applicable to contracts made and to be performed therein.

11.7. Counterparts. This Lease may be executed in multiple counterparts and all such counterparts shall be deemed to be originals and together shall constitute but one and the same instrument.

11.8. Invalidity. If any term, covenant, provision or condition of this Lease or the application thereof to any person or circumstances shall be declared invalid or unenforceable by the final ruling of a court of competent jurisdiction having final review, the application of the remaining terms, covenants, provisions and conditions of this Lease shall not be affected thereby and shall continue to be enforced and recognized as valid agreements of the parties, and in the place of such invalid or unenforceable provision there shall be substituted a like, but valid and enforceable, provision which comports to the findings of the aforesaid court and most nearly accomplishes the original intention of the parties.

11.9. Exhibits. The exhibits referenced in this Lease are incorporated into this Lease by such references and are to be construed as a part of this Lease.

11.10. Entire Agreement. This instrument contains all the agreements made between the parties hereto with respect to the subject matter hereof and may not be modified in any other manner than by an instrument in writing executed by the parties or their respective successors in interest.

[SIGNATURE PAGE TO FOLLOW]

DRAFT

IN WITNESS WHEREOF, the parties have executed this Ground Lease as of the date first written above.

FRANKLIN COUNTY, VIRGINIA

By: _____
Christopher Whitlow, County Administrator

WESTERN VIRGINIA WATER AUTHORITY, VIRGINIA

By: _____
Michael T. McEvoy, Executive Director

DRAFT

EXHIBIT A

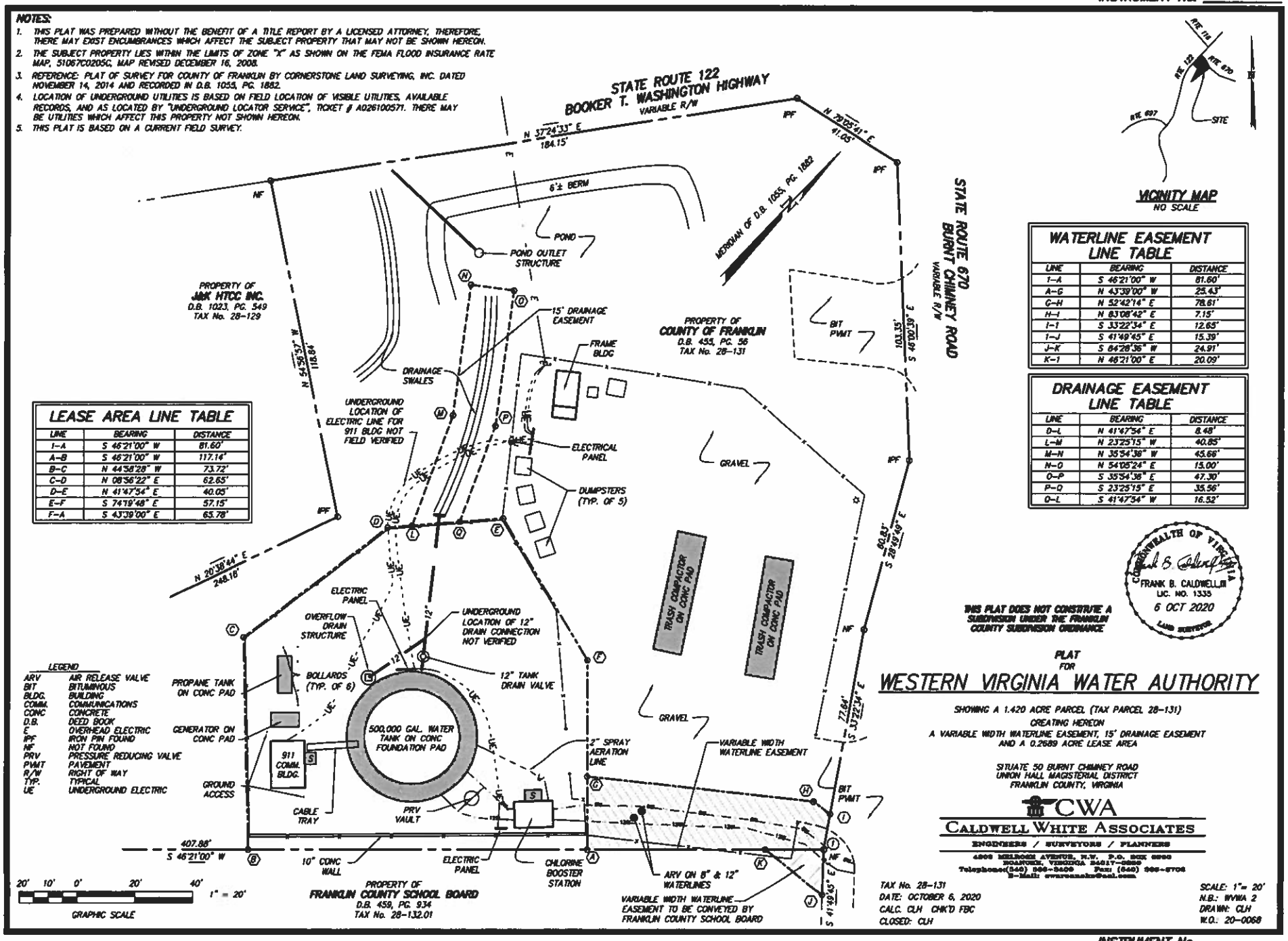
TO GROUND LEASE BETWEEN FRANKLIN COUNTY, VIRGINIA AND THE WESTERN VIRGINIA WATER AUTHORITY

DESCRIPTION OF LEASED REAL ESTATE

DRAFT

NOTES:

1. THIS PLAT WAS PREPARED WITHOUT THE BENEFIT OF A TITLE REPORT BY A LICENSED ATTORNEY, THEREFORE, THERE MAY EXIST ENCUMBRANCES WHICH AFFECT THE SUBJECT PROPERTY THAT MAY NOT BE SHOWN HEREON.
2. THE SUBJECT PROPERTY LIES WITHIN THE LIMITS OF ZONE "X" AS SHOWN ON THE FEMA FLOOD INSURANCE RATE MAP, 51067C0205C, MAP REVISED DECEMBER 16, 2008.
3. REFERENCE: PLAT OF SURVEY FOR COUNTY OF FRANKLIN BY CORNERSTONE LAND SURVEYING, INC. DATED NOVEMBER 14, 2014 AND RECORDED IN D.B. 1055, PG. 1882.
4. LOCATION OF UNDERGROUND UTILITIES IS BASED ON FIELD LOCATION OF VISIBLE UTILITIES, AVAILABLE RECORDS, AND AS LOCATED BY "UNDERGROUND LOCATOR SERVICE", TICKET # A026100571. THERE MAY BE UTILITIES WHICH AFFECT THIS PROPERTY NOT SHOWN HEREON.
5. THIS PLAT IS BASED ON A CURRENT FIELD SURVEY.



LEGEND

ARV	AIR RELEASE VALVE
BIT	BITUMINOUS
BLDG.	BUILDING
COMM.	COMMUNICATIONS
CONC	CONCRETE
D.B.	DEED BOOK
E	OVERHEAD ELECTRIC
IPF	IRON PIN FOUND
NF	NOT FOUND
PRV	PRESSURE REDUCING VALVE
PVMT	PAVEMENT
R/W	RIGHT OF WAY
TYP.	TYPICAL
UE	UNDERGROUND ELECTRIC

LEASE AREA LINE TABLE

LINE	BEARING	DISTANCE
1-A	S 46°21'00" W	81.60'
A-B	S 46°21'00" W	117.14'
B-C	N 44°58'28" W	73.72'
C-D	N 08°56'22" E	62.65'
D-E	N 41°47'54" E	40.05'
E-F	S 74°19'48" E	57.15'
F-A	S 43°39'00" E	65.78'

VICINITY MAP
NO SCALE

WATERLINE EASEMENT LINE TABLE

LINE	BEARING	DISTANCE
1-A	S 46°21'00" W	81.60'
A-G	N 43°39'00" W	25.43'
G-H	N 52°42'14" E	78.61'
H-I	N 83°08'42" E	7.15'
I-1	S 33°22'34" E	12.65'
1-J	S 41°49'45" E	15.39'
J-K	S 84°28'36" W	24.91'
K-1	N 46°21'00" E	20.09'

DRAINAGE EASEMENT LINE TABLE

LINE	BEARING	DISTANCE
O-L	N 41°47'54" E	8.48'
L-M	N 23°25'15" W	40.85'
M-N	N 35°54'38" W	45.66'
N-O	N 54°05'24" E	15.00'
O-P	S 35°54'38" E	47.30'
P-Q	S 23°25'15" E	35.56'
Q-L	S 41°47'54" W	16.52'

COMMONWEALTH OF VIRGINIA
FRANK B. CALDWELL, III
LIC. NO. 1335
6 OCT 2020
LAND SURVEYOR

THIS PLAT DOES NOT CONSTRUE A SUBDIVISION UNDER THE FRANKLIN COUNTY SUBDIVISION ORDINANCE

PLAT
FOR

WESTERN VIRGINIA WATER AUTHORITY

SHOWING A 1.420 ACRE PARCEL (TAX PARCEL 28-131)
CREATING HEREON
A VARIABLE WIDTH WATERLINE EASEMENT, 15' DRAINAGE EASEMENT
AND A 0.2689 ACRE LEASE AREA

SITUATE 50 BURNT CHIMNEY ROAD
UNION HALL MAGISTERIAL DISTRICT
FRANKLIN COUNTY, VIRGINIA

CWA
CALDWELL WHITE ASSOCIATES
ENGINEERS / SURVEYORS / PLANNERS
4808 MELROSE AVENUE, N.W. P.O. BOX 6860
ROANOKE, VIRGINIA 24017-0860
Telephone(540) 366-3420 Fax: (540) 366-3706
E-Mail: cwaroanoke@aol.com

TAX No. 28-131
DATE: OCTOBER 6, 2020
CALC. CLH CHK'D FBC
CLOSED: CLH

SCALE: 1"= 20'
N.B.: WVWA 2
DRAWN: CLH
W.O.: 20-0068

INSTRUMENT No. _____

NOTES:

1. THIS PLAT WAS PREPARED WITHOUT THE BENEFIT OF A TITLE REPORT BY A LICENSED ATTORNEY, THEREFORE, THERE MAY EXIST ENCUMBRANCES WHICH AFFECT THE SUBJECT PROPERTY THAT MAY NOT BE SHOWN HEREON.
2. THE SUBJECT PROPERTY LIES WITHIN THE LIMITS OF ZONE "X" AS SHOWN ON THE FEMA FLOOD INSURANCE RATE MAP, 51067C0205C, MAP REVISED DECEMBER 16, 2008.
3. REFERENCE: PLAT OF SURVEY FOR COUNTY OF FRANKLIN BY CORNERSTONE LAND SURVEYING, INC. DATED NOVEMBER 14, 2014 AND RECORDED IN D.B. 1055, PG. 1882.
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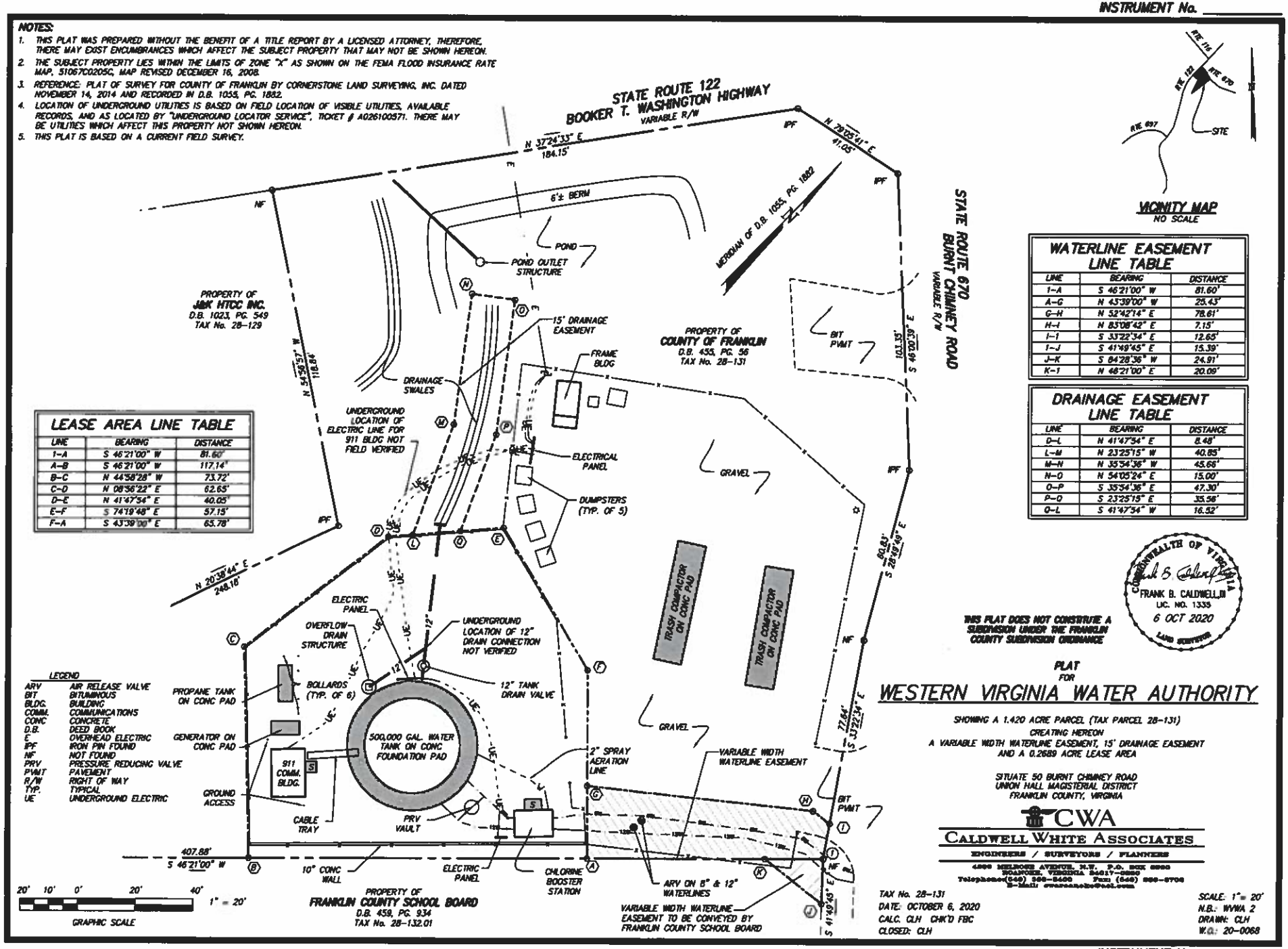

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COMMONWEALTH OF VIRGINIA
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6 OCT 2020
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TAX No. 28-131
DATE: OCTOBER 6, 2020
CALC. CLH CHK'D FBC
CLOSED: CLH

SCALE: 1"= 20'
N.B.: WVWA 2
DRAWN: CLH
W.O.: 20-0068

INSTRUMENT No. _____

Franklin County

A Natural Setting for Opportunity

EXECUTIVE SUMMARY

AGENDA TITLE: ***Mountain Valley Pipeline Project Update***	***AGENDA DATE:*** **October 20, 2020**
SUBJECT/PROPOSAL/REQUEST: ***Resolution Concerning Mountain Valley Pipeline Erosion & Sediment Control Measures***	***ACTION:*** ***YES*** ***INFORMATION:*** ***ATTACHMENTS:*** ***YES***
	CONSENT AGENDA: ***YES***
STRATEGIC PLAN FOCUS AREA: ☑ *Economic Development* ☐ *Financial Stability* ☑ *Infrastructure* ☐ *Lifelong Learning* ☑ *Managed Growth* ☐ *Public Safety* ☐ *Operational Effectiveness*	***STAFF CONTACT(S):*** ***Sandy***
	REVIEWED BY: ***Christopher L. Whitlow, County Administrator***

BACKGROUND:

The Mountain Valley Pipeline (MVP) project is a natural gas pipeline system that spans approximately 300 miles from north-western West Virginia to southern Virginia with 38 miles located in Franklin County and, as an interstate pipeline, is regulated by the Federal Energy Regulatory Commission (FERC). On October 17, 2017, FERC approved a certificate of public convenience and necessity to MVP. MVP began construction of the pipeline project on February 5, 2018.

On October 6, 2020 the Blue Ridge Environmental Defense League (BREDL) presented a letter with additional concerns. Specifically, BREDL has requested that the Board of Supervisors petition the Virginia Department of Environmental Quality (DEQ) to take some specific actions related to erosion and sediment control and storm water management review of this project. (see attached letter).

The County passed a resolution in October 20, 2015 expressing concerns about erosion and sediment control and requested site specific plans be approved. This resolution was submitted to FERC, Governor McAuliffe, VA DEQ Director and VA General Assembly Members representing Franklin County (see attached).

DISCUSSION:

On October 9, 2020, the Federal Energy Regulatory Commission (FERC) lifted a stop work order on the Mountain Valley Pipeline project that had been in effect since October 15, 2019. MVP also received necessary permits from the U.S. Army Corps of Engineers on September 25, 2020 relative to stream and wetland impacts. Work on the pipeline is expected to resume in Franklin County in the coming days due to these government approvals.

Much of the pipeline construction is completed in Franklin County. The remaining areas consist of Dillons Mill area and stream/wetland crossings. Previous construction did result in a number of violations noted by VA DEQ and ultimately resulted in a consent decree with MVP paying Virginia over $12.1 million.

Staff has reviewed the request from BREDL and requests the Board to petition the VA DEQ to review and potentially revise standards, ESC plans and SWM plans. These items should be reviewed to ensure proper protections are in place to protect the Blackwater River and Smith Mountain Lake.

RECOMMENDATION:
Staff respectfully requests the Board of Supervisors consider the adoption of the attached resolution requesting further action by VA DEQ to ensure that the continued pipeline construction will not have detrimental impacts to the Blackwater River and Smith Mountain Lake. Furthermore, staff recommends that this resolution be sent to state legislators representing Franklin County.

POSSIBLE BOARD ACTIONS:

MOTION to APPROVE:

I make a motion that the Board adopt the attached resolution requesting further action by VA DEQ to ensure that the continued pipeline construction will not have detrimental impacts to the Blackwater River and Smith Mountain Lake, and direct staff to send the resolution to the state legislators representing Franklin County.

MOTION to TABLE:

I make a motion to table the attached resolution until further information is provided.

MOTION to DENY:

I make a motion to deny the attached resolution.

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF FRANKLIN, VIRGINIA REQUESTING THE GOVERNOR OF VIRGINIA TO REQUIRE THE VIRGINIA DEPARTMENT OF ENVIRONMENTAL QUALITY (DEQ) TO PROVIDE APPROPRIATE PLAN REVIEW AND CONSTRUCTION OVERSIGHT OF THE MOUNTAIN VALLEY PIPELINE PROJECT TO PROTECT SURFACE AND GROUNDWATER RESOURCES

WHEREAS, the proposed Mountain Valley Pipeline (MVP) project is a natural gas pipeline system that spans approximately 300 miles from north-western West Virginia to southern Virginia – and, as an interstate pipeline, will be regulated by the Federal Energy Regulatory Commission (FERC). The MVP will be constructed and owned by Mountain Valley Pipeline, LLC, which is a joint venture of EQT Midstream Partners, LP; NextEra US Gas Assets, LLC; WGL Midstream; and Vega Midstream MVP LLC. EQT Midstream Partners will operate the pipeline and own a majority interest in the joint venture. The MVP project will potentially impact six Virginia Counties, including Franklin County.

WHEREAS, sedimentation caused by accelerated erosion from land-disturbing activities during construction is a significant contributor to pollution of the surface waters of Virginia and the United States; and

WHEREAS, many miles of the proposed Mountain Valley Pipeline (MVP) project would traverse highly erodible soils with very steep slopes in Franklin County; and

WHEREAS, Franklin County is required by the Virginia Department of Environmental Quality to implement a comprehensive stormwater management and erosion and sediment control program to reduce the environmental impacts of development projects within the County; and

WHEREAS, Franklin County has been assigned a Total Maximum Daily Load (TMDL) for sediment in the Roanoke River and is required by the Virginia Department of Environmental Quality to implement an action plan to lower sediment loads to the Roanoke River to meet the TMDL; and

WHEREAS, the required amount of land-disturbance associated with the MVP excavation far exceeds the area of all land disturbing activities in a typical year for Franklin County and has the potential to cause severe erosion in the County's steep mountainous terrain and sedimentation in County's lakes, rivers and streams; and

WHEREAS, many Franklin County citizens rely on untreated groundwater from wells or springs for their domestic water supplies; and

WHEREAS, without very careful engineering and construction oversight, erosion and sediment from the construction of the proposed Mountain Valley Pipeline could have severe negative consequences for the County's lakes, streams, and rivers as well as its domestic, agricultural, and business water supplies; and

WHEREAS, the outdoor beauty and unspoiled nature of Smith Mountain Lake and its tributaries is integral to the County's ability to attract tourism and recreation to the region; and

WHEREAS, the Virginia Department of Environmental Quality has the authority to require the submission of site-specific erosion and sediment control plans and stormwater management

plans, the authority to review and approve these plans, and the authority to conduct inspections and enforcement of these plans during the construction of the Mountain Valley Pipeline; and

WHEREAS, the Freedom of Information Act can be used to obtain public and local government access to such plans, but only if the Virginia Department of Environmental Quality requires the submission of the plans to the agency by the pipeline developer.

WHEREAS, the Virginia Department of Environmental Quality has publicly stated that it does not have sufficient resources to provide adequate oversight to linear construction projects, including pipeline projects such as the Mountain Valley Pipeline.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Franklin, in consideration of the points made above, request that:

1. The Governor of Virginia provide adequate direction and resources to the Virginia Department of Environmental Quality to execute its role laid out in the Code of Virginia to adequately oversee and manage the environmental aspects of the construction of the Mountain Valley Pipeline project; including reviewing plans, conducting inspections, enforcing regulations, and when appropriate, reviewing the project-specific plans for the proposed Mountain Valley Pipeline; and

2. The Virginia Department of Environmental Quality is petitioned to require project-specific Erosion and Sediment Control and Stormwater Management Plans for environmentally sensitive areas of the proposed Mountain Valley Pipeline project that meet all Virginia standards, and that these plans be made available to the County and to the public for review and comment prior to project approval and that the approved plans be made available to the County and the public prior to construction; and

3. Prior to construction, the Virginia Department of Environmental Quality is petitioned to require Mountain Valley Pipeline, LLC officials and third-party inspectors to meet with local officials to discuss the implementation of the project-specific Erosion and Sediment Control and Stormwater Management Plans.

AND BE IT FURTHER RESOLVED that the Board of Supervisors of the County of Franklin, Virginia hereby directs the County Administrator to transmit this resolution to: the Governor of Virginia Terry McAuliffe with copies to the Federal Energy Regulatory Commission (FERC) for inclusion in pre-filing Docket Number PF-15-3-00, Virginia Senators Newman and Stanley, Virginia Delegates Byron and Poindexter, of the Virginia Secretary of Natural Resources Molly Ward, and Virginia Department of Environmental Quality Director David Paylor as well as the County Administrators of the other affected Virginia Counties.

(RESOLUTION #02-10-2015)
BE IT THEREFORE RESOLVED, by the Board of Supervisors to adopt the aforementioned resolution as presented.

MOTION BY: Ronnie Thompson
SECONDED BY: C. B. Reynolds
VOTING ON THE MOTION WAS AS FOLLOWS:
AYES: Mitchell, Thompson, Wagner, Reynolds, Camicia, Thompson & Brubaker

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF FRANKLIN, VIRGINIA REQUESTING THE VIRGINIA DEPARTMENT OF ENVIRONMENTAL QUALITY (DEQ) PROVIDE APPROPRIATE PLAN REVISIONS OF THE MOUNTAIN VALLEY PIPELINE PROJECT TO PROTECT SURFACE AND GROUNDWATER RESOURCES IN FRANKLIN COUNTY

OCTOBER 20, 2020

WHEREAS, the proposed Mountain Valley Pipeline (MVP) project is a natural gas pipeline system that spans approximately 300 miles from north-western West Virginia to southern Virginia with 38 miles located in Franklin County and, as an interstate pipeline, is regulated by the Federal Energy Regulatory Commission (FERC); and

WHEREAS, sedimentation caused by accelerated erosion from land-disturbing activities during construction is a significant contributor to pollution of the surface waters of Virginia and the United States; and

WHEREAS, many miles of the proposed Mountain Valley Pipeline (MVP) project would traverse highly erodible soils with very steep slopes in Franklin County; and

WHEREAS, Franklin County is required by the Virginia Department of Environmental Quality (DEQ) to implement a comprehensive stormwater management and erosion and sediment control program to reduce the environmental impacts of development projects within the County; and

WHEREAS, Franklin County has been assigned a Total Maximum Daily Load (TMDL) for sediment in the Roanoke River and is required by the Virginia Department of Environmental Quality to implement an action plan to lower sediment loads to the Roanoke River to meet the TMDL; and

WHEREAS, the required amount of land-disturbance associated with the MVP excavation far exceeds the area of all land disturbing activities in a typical year for Franklin County and has the potential to cause severe erosion in the County's steep mountainous terrain and sedimentation in County's lakes, rivers and streams; and

WHEREAS, many Franklin County citizens rely on untreated groundwater from wells or springs for their domestic water supplies; and

WHEREAS, the Franklin County Board of Supervisors passed a resolution expressing these concerns in October 2015, and

WHEREAS, the previous work resulted in several hundred documented violations to erosion and sediment control regulations by Virginia Department of Environmental Quality (DEQ) which ultimately ended in a Consent Decree in which MVP agreed to pay $2,150,000 to Virginia; and

WHEREAS, FERC has lifted a stop-work order on October 9, 2020 for the remaining pipeline work in Franklin County; and

WHEREAS, the Blue Ridge Environmental Defense League (BREDL) by letter dated October 6, 2020 has identified a number of continued concerns related to erosion and sediment controls and stormwater management in Virginia and Franklin County; and

WHEREAS, without very careful engineering and construction oversight, erosion and sediment from the construction of the proposed Mountain Valley Pipeline could have severe negative consequences for the County's lakes, streams, and rivers as well as its domestic, agricultural, and business water supplies; and

WHEREAS, the outdoor beauty and unspoiled nature of Smith Mountain Lake and its tributaries is integral to the County's ability to attract tourism and recreation to the region; and

WHEREAS, the Virginia Department of Environmental Quality is the state agency empowered with the authority to review and approve plans, and the authority to conduct inspections and enforcement of plans during the construction of the Mountain Valley Pipeline; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Franklin, in consideration of the points made above, request that:

The Virginia Department of Environmental Quality review the previous plans approved consider the concerns raised by BREDL and determine whether revisions or project-specific Erosion and Sediment Control and Stormwater Management Plans for environmentally sensitive areas of the proposed Mountain Valley Pipeline project that meet all Virginia standards, should be required to ensure that the continued pipeline construction will not have detrimental impacts to the Blackwater River and Smith Mountain Lake.

AND BE IT FURTHER RESOLVED that the Board of Supervisors of the County of Franklin, Virginia hereby directs the County Administrator to transmit this resolution to:
the Federal Energy Regulatory Commission (FERC), Virginia Governor Northam, Virginia Department of Environmental Quality Director David Paylor, Virginia General Assembly Members Byron, Poindexter, Suetterlein and Stanley.

DRAFT

Franklin County

A Natural Setting for Opportunity

EXECUTIVE SUMMARY

AGENDA TITLE: HVAC Replacement Contract Award	**AGENDA DATE**: October 20, 2020
SUBJECT/PROPOSAL/REQUEST: Request Board approval to award contract for HVAC replacement at the Goode Building	**BOARD ACTION: Yes** **INFORMATION**: **ATTACHMENTS:**
STRATEGIC PLAN FOCUS AREA: ☐ *Economic Development* ☐ *Financial Stability* ☑ *Infrastructure* ☐ *Lifelong Learning* ☐ *Managed Growth* ☐ *Public Safety* ☐ *Operational Effectiveness*	**CONSENT AGENDA: Yes** **STAFF CONTACT(S)**: Thurman; Burnette **REVIEWED BY:** Christopher L. Whitlow, County Administrator

DISCUSSION:

At its September 15, 2020 meeting, the Board of Supervisors authorized staff to solicit bids for the replacement of several major components of the HVAC system at the Virgil H. Goode Office Building. These original HVAC system components are over 50 years old and in need of replacement. This HVAC project was appropriately advertised and there were several interested contractors present for the "pre-bid" meeting on October 1, 2020.

Two (2) bids were received from very reputable companies that were each capable of performing the work as designed. Comfort Systems USA submitted the low bid of $121,564 for this work. It should be noted that the bid price was well below the estimate of $200,000. Spectrum Design, the County's consulting engineers for the HVAC replacement, has reviewed the low bid and concurs that it meets the bidding requirements. Spectrum Design is preparing the Notice of Intent to Award and contract documents pending Board approval. Funding for this project was budgeted, appropriated, and is available in Capital Budget Line #30250006-57014.

RECOMMENDATION:

Staff respectfully requests the Board approve the low bid and thereby award a contract for replacing the HVAC System (air handler and outdoor condensing unit) at the Goode Building to Comfort Systems USA in the amount of $121,564. Furthermore, staff requests the Board authorize the County Administrator and County Attorney to execute contract award documents as maybe required accordingly.

POSSIBLE BOARD ACTIONS:

MOTION to APPROVE:

I make a motion to award the low bid and approve a contract for replacing the HVAC System at the Goode Building to Comfort Systems USA in the amount of $121,564 and to authorize the County Administrator and County Attorney to execute such contract documents accordingly. .

MOTION to TABLE:

I make a motion to table the award of the contract for upgrading the HVAC System in the Goode Building until further information is provided.

MOTION to DENY:

I make a motion to deny the awarding of the contract for upgrading the HVAC System in the Goode Building.

Franklin County

A Natural Setting for Opportunity

EXECUTIVE SUMMARY

AGENDA TITLE: AMBULANCE LEASE PURCHASE AGREEMENT ***SUBJECT/PROPOSAL/REQUEST*** Request of the Board of Supervisors to approve the master lease purchase agreement and authorize the lease purchase of 3 ambulances ***STRATEGIC PLAN FOCUS AREA:*** ☐ *Economic Development* ☑ *Financial Stability* ☐ *Infrastructure* ☐ *Lifelong Learning* ☐ *Managed Growth* ☑ *Public Safety* ☑ *Operational Effectiveness*	***AGENDA DATE:*** **October 20, 2020** ***BOARD ACTION:*** ***Yes*** ***INFORMATION:*** ***No*** ***ATTACHMENTS:*** ***Yes*** ***CONSENT AGENDA:*** ***Yes*** ***ATTACHMENTS:*** ***Yes*** ***STAFF CONTACT(S):*** **Brian Carter, Director of Finance** **William Ferguson, Director of Public Safety** ***REVIEWED BY:*** **Christopher Whitlow, County Administrator**

BACKGROUND:
The Board of Supervisors appropriated funds as part of the FY 2021 budget to purchase 3 ambulances through a lease-purchase agreement. Staff has worked with Atlantic Emergency Solutions on a Master Lease Purchase Agreement. This agreement is being presented to the Board for approval to proceed with the purchase of 3 ambulances.

DISCUSSION:
The Master Lease Purchase Agreement will be with Community First National Bank brokered through Atlantic Emergency Solutions/Freedom Financial. The agreement is for 5 years at an annual lease payment of $153,486.27. Sufficient funds were included in the FY 2021 budget to cover this annual payment for the next 5 years. In order to proceed with the order, staff is requesting Board approval of the Master Lease Purchase Agreement including the lessee resolution.

RECOMMENDATION:
Staff respectfully requests that the Board of Supervisors approve the Master Lease Purchase Agreement and Lessee Resolution and authorize the County Administrator, County Attorney, Director of Finance, and Clerk to the Board to sign any documents necessary to execute the financed purchase of 3 ambulances.

POSSIBLE BOARD ACTIONS:

MOTION to APPROVE:

I make a motion the Board of Supervisors approve the Master Lease Purchase Agreement and Lessee Resolution and authorize the County Administrator, County Attorney, Director of Finance, and Clerk to the Board to sign any documents necessary to execute the financed purchase of 3 ambulances.

MOTION to TABLE:

I make a motion to table the presented Master Lease Purchase Agreement and Lessee Resolution until further information is provided.

MOTION to DENY:

I make a motion to deny the presented Master Lease Purchase Agreement and Lessee Resolution.

MASTER EQUIPMENT LEASE PURCHASE AGREEMENT

LESSEE: Franklin County

This Master Equipment Lease Purchase Agreement, including all exhibits and schedules hereto whether currently in existence or hereafter executed (the "Agreement"), dated as of 10/1/2020, and entered into between Community First National Bank 215 S. Seth Child Rd, Manhattan, KS 66502 ("Lessor'), and Franklin County, 1255 Franklin Street, Rocky Mount, VA 24151 a body corporate and politic duly organized and existing under the laws of the State of Virginia ("Lessee");

RECITALS

WHEREAS, Lessee desires to lease from Lessor certain equipment described in the schedules to this Agreement, substantially in the form of Exhibit A hereto, that are executed from time to time by the parties hereto (such schedules are hereby incorporated herein and are hereinafter collectively referred to as the "Schedules", and the items of equipment leased to Lessee hereunder, together with all substitutions, proceeds, replacement parts, repairs, additions, attachments, accessories and replacements thereto, thereof or therefore, are hereinafter collectively referred to as the "Equipment") subject to the terms and conditions of and for the purposes set forth in this Agreement.

WHEREAS, the relationship between the parties shall be a continuing one and items of equipment may be added to or deleted from the Equipment from time to time by execution of additional Schedules by the parties hereto and as otherwise provided herein.

WHEREAS, Lessee is authorized under the constitution and laws of the State to enter into this Agreement for the purposes set forth herein.

NOW, THEREFORE, for and in consideration of the premises hereinafter contained, the parties hereby agree as follows:

ARTICLE I. REPRESENTATIONS, WARRANTIES AND COVENANTS OF LESSEE

Section 1.01. Lessee represents, covenants and warrants, for the benefit of Lessor and its assignees, as follows:

(a) Lessee is a public body, corporate and politic, duly organized and existing under the Constitution and laws of the State.

(b) Lessee will do or cause to be done all things necessary to preserve and keep in full force and affect its existence as a body corporate and politic. Lessee is a political subdivision of the State within the meaning of Section 103(a) of the Code or a constituted authority authorized to issue obligations on behalf of a state or local governmental unit within the meaning of the regulations promulgated pursuant to said Section of the Code.

(c) Lessee has full power and authority under the Constitution and laws of the State to enter into this Agreement and the transactions contemplated hereby, and to perform all of its obligations hereunder.

(d) Lessee has duly authorized the execution and delivery of this Agreement by proper action by its governing body at a meeting duly called, regularly convened and attended throughout by the requisite majority of the members thereof, or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the enforceability of this Agreement.

(e) Lessee has complied or will comply with such public bidding requirements as may be applicable to this Agreement and the acquisition by Lessee of the Equipment.

(f) During the Lease Term, the Equipment will be used by Lessee only for the purpose of performing one or more essential governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority and will not be used in a trade or business of any person or entity other than Lessee.

(g) During the Lease Term, Lessee will annually provide Lessor with current financial statements, budgets, proof of appropriation for the ensuing fiscal year and such other financial information relating to the ability of Lessee to continue this Agreement as may be reasonably requested by Lessor.

(h) The Equipment will have a useful life in the hands of Lessee that is substantially in excess of the Original Term and all Renewal Terms.

(i) The Equipment is, and during the Lease Term will remain personal property and when subjected to use by the Lessee, will not be or become fixtures.

(j) The Equipment is essential to the function of the Lessee and the services provided to its citizens, and will be used throughout the period that this Agreement is in force for the purpose of performing one or more governmental or proprietary functions consistent with the permissible scope of its authority.

(k) During the term of this Agreement, Lessee will not dispose of or sell any part of the Equipment.

(l) Lessee has not terminated a lease, rental agreement, installment purchase contract, or any other such agreement in the past five (5) years as a result of insufficient funds being appropriated for payments due under such an agreement.

(m) This Agreement constitutes the legal, valid and binding obligation of Lessee enforceable in accordance with its terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally.

(n) No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default exists at the date hereof.

(o) Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current fiscal year to make the Rental Payments scheduled to come due during the current fiscal year and to meet its other obligations under this Agreement for the current fiscal year, and such funds have not been expended for other purposes.

(p) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or threatened against or affecting Lessee, nor to the best knowledge of Lessee is there any basis therefore, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Agreement or any other document, agreement or certificate which is used or contemplated for use in the consummation of the transactions contemplated by this Agreement or materially adversely affect the financial condition or properties of Lessee.

(q) All authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery by Lessee of this Agreement or in connection with the carrying out by Lessee of its obligations hereunder have been obtained.

(r) The entering into and performance of this Agreement or any other document or agreement contemplated hereby to which Lessee is or is to be a party will not violate any judgment, order, law or regulation applicable to Lessee or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance on any assets of Lessee or the Equipment pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which Lessee is a party or by which it or its assets may be bound, except as herein provided.

ARTICLE II. DEFINITIONS

Section 2.01. The following terms will have the meanings indicated below unless the context clearly requires otherwise:

"Agreement" means this Master Equipment Lease Purchase Agreement, including the Schedules and any other schedule, exhibit or escrow agreement made a part hereof by the parties hereto, whether currently in existence or hereafter executed, as the same may be supplemented or amended from time to time in accordance with the terms hereof.

"Code" means the Internal Revenue Code of 1986, as amended, and the United States Treasury Regulations in effect thereunder.

"Commencement Date" means, with respect to any Schedule, the date when the Lease Term of this Agreement with respect to that Schedule and Lessee's

obligation to pay rent under that Schedule commence, which date will be the earlier of (i) the date of the Agreement, or (ii) the date on which sufficient moneys to purchase the Equipment are deposited for that purpose with an Escrow Agent.
"Equipment" means the property described in the Schedules and all replacements, substitutions, repairs, restorations, modifications, attachments, accessions, additions and improvements thereof or thereto. Whenever reference is made in this Agreement to Equipment listed in a Schedule, that reference shall be deemed to include all replacements, repairs, restorations, modifications and improvements of or to that Equipment.
"Event of Default" means, with respect to any Lease, an Event of Default described in Section 10.01.
"Escrow Agreement" means, with respect to a given Schedule, an escrow agreement in form and substance satisfactory to Lessor, between Lessee, Lessor and an escrow agent relating to the acquisition fund created thereunder.
"Lease" means, at any time, (i) if none of Lessor's interest in, to and under any Schedule has been assigned pursuant to Section 9.01, or if all of Lessor's interest in, to and under this Agreement and all Schedules have been assigned to the same assignee without any reassignment, this Agreement, or (ii) if Lessor's interest in, to and under any Schedule or Schedules has been assigned or reassigned pursuant to Section 9.01, all Schedules that have the same Lessor and this Agreement as it relates to those Schedules and the Equipment listed therein, which shall constitute a separate single lease relating to that Equipment.
"Lease Term" means, with respect to any Lease, the Original Term and all Renewal Terms of that Lease.
"Lessee" means the entity which is described in the first paragraph of this Agreement, its successors and assigns.
"Lessor" means, with respect to each Schedule and the Lease of which that Schedule is a part, (i) if Lessor's interest in, to and under that Schedule has not been assigned pursuant to Section 9.01, the entity described as such in the first paragraph of this Agreement or its successor, or (ii) if Lessor's interest in, to and under that Schedule has been assigned pursuant to Section 9.01, the assignee thereof or its successor.
"Net Proceeds" means the amount remaining from the gross proceeds of any insurance claim or condemnation award after deducting all expenses (including attorneys' fees) incurred in the collection of such claim or award.
"Original Term" means, with respect to any Lease, the period from the first Commencement Date for any Schedule under that Lease until the end of the fiscal year of Lessee in effect at that Commencement Date.
"Purchase Option Price" means, with respect to the Equipment listed on any Schedule, the amount set forth in that Schedule as the Purchase Option Price for that Equipment.
"Renewal Terms" means, with respect to any Lease, the automatic renewal terms of that Lease, as provided for in Article III of this Agreement, each having a duration of one year and a term co-extensive with the Lessee's fiscal year except the last of such automatic renewal terms which shall end on the due date of the last Rental Payment set forth in the Schedule.
"Rental Payments" means the basic rental payments payable by Lessee pursuant to Section 4.02.
"State" means the state in which Lessee is located.
"Vendor" means the manufacturer of the Equipment as well as the agents or dealers of the manufacturer from whom Lessor purchased or is purchasing the Equipment.

ARTICLE III. LEASE TERM

Section 3.01. Lease of Equipment. Lessor hereby demises, leases and lets to Lessee, and Lessee rents, leases and hires from Lessor, the Equipment listed in each Schedule in accordance with this Agreement and that Schedule for the Lease Term for the Lease of which that Schedule is a part. The Lease Term for each Lease may be continued at the end of the Original Term or any Renewal Term for an additional Renewal Term; provided, however, that at the end of the Original Term and at the end of each Renewal Term, Lessee shall be deemed to have continued that Lease for the next Renewal Term unless Lessee shall have terminated that Lease pursuant to **Section 4.05** or **Section 5.04**. The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except that the Rental Payments shall be as provided in the Schedules. Lessor hereby covenants to provide Lessee during the Lease Term with quiet use and enjoyment of the Equipment, and Lessee shall during the Lease Term peaceably and quietly have and hold and enjoy the Equipment, without suit, trouble or hindrance from Lessor, except as expressly set forth in this Agreement.
Section 3.02. Continuation of Lease Term. Lessee currently intends, subject to **Section 4.05**, to continue the Lease Term for each Lease through the Original Term and all of the Renewal Terms and to pay the Rental Payments hereunder. Lessee reasonably believes that legally available funds in an amount sufficient to make all Rental Payments during the Lease Term for each Lease can be obtained. The responsible financial officer of Lessee shall do all things lawfully within his or her power to obtain and maintain funds from which the Rental Payments may be made, including making provision for the Rental Payments to the extent necessary in each proposed annual budget submitted for approval in accordance with applicable procedures of Lessee and to exhaust all available reviews and appeals in the event such portion of the budget is not approved. Notwithstanding the foregoing, the decision whether or not to budget or appropriate funds or to extend a Lease for any Renewal Term is solely within the discretion of the then current governing body of Lessee.
Section 3.03. Return of Equipment on Termination. Upon expiration or earlier termination of any Schedule under any provision of this Agreement at a time when Lessee does not exercise its option to purchase the Equipment described in that Schedule under the provisions of this Agreement, Lessee shall deliver, at Lessee's expense, the Equipment described in that Schedule to Lessor in the same condition as existed at the Commencement Date, ordinary wear and tear expected, packaged or otherwise prepared in a manner suitable by shipment by truck or rail common carrier at a location specified by Lessor.
Section 3.04. Conditions to Lessor's Performance under Schedules. As a prerequisite to the performance by Lessor of any of its obligations pursuant to the execution and delivery of any Schedule, Lessee shall deliver to Lessor the following:

(a) A Lessee Resolution executed by the Clerk or Secretary or other comparable officer of Lessee, in substantially the form attached hereto as Exhibit B, completed to the satisfaction of Lessor;
(b) An Opinion of Counsel to Lessee in substantially the form attached hereto as Exhibit C respecting such Schedule and otherwise satisfactory to Lessor;
(c) All documents, including financing statements, affidavits, notices and similar instruments, in form satisfactory to Lessor, which Lessor deems necessary or appropriate at that time;
(d) Such other items, if any, as are set forth in such Schedule or are reasonably required by Lessor.

This Agreement is not a commitment by Lessor to enter into any Schedule not currently in existence, and nothing in this Agreement shall be construed to impose any obligation upon Lessor to enter into any proposed Schedule, it being understood that whether Lessor enters into any proposed Schedule shall be a decision solely within Lessor's discretion.
Lessee will cooperate with Lessor in Lessor's review of any proposed Schedule. Without limiting the foregoing, Lessee will provide Lessor with any documentation or information Lessor may request in connection with Lessor's review of any proposed Schedule. Such documentation may include, without limitation, documentation concerning the Equipment and its contemplated use and location and documentation or information concerning the financial status of Lessee and other matters related to Lessee.

ARTICLE IV. RENTAL PAYMENTS

Section 4.01. Rental Payments to Constitute a Current Expense of Lessee. Lessor and Lessee understand and intend that the obligation of Lessee to pay Rental Payments hereunder shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or monies of Lessee.
Section 4.02. Payment of Rental Payments. Lessee shall pay Rental Payments, from any and all legally available funds, in lawful money of the United States of America, exclusively to Lessor or, in the event of assignment by Lessor, to its assignee, in the amounts and on the dates set forth in each Schedule. Rental Payments shall be in consideration for Lessee's use of the Equipment during the applicable year in which such payments are due. The Rental Payments will be payable without notice or demand at the office of Lessor (or such other place as Lessor may from time to time designate in writing). If any Rental Payment or other sum payable under any Schedule is not paid when due, Lessee shall pay to Lessor accrued interest on such delinquent amount from the date due thereof until paid at the lesser of 18% or the maximum rate allowed by law. In the event that it is determined that any of the interest

components of Rental Payments may not be excluded from gross income for purposes of federal income taxation, Lessee agrees to pay to Lessor promptly after any such determination and on the date of each Rental Payment thereafter an additional amount determined by Lessor to compensate Lessor for the loss of such excludability (including without limitation, compensation relating to interest expense, penalties or additions to tax), which determination shall be conclusive absent manifest error.

Section 4.03. Interest and Principal Components. A portion of each Rental Payment is paid as, and represents payment of, interest, and the balance of each Rental Payment is paid as, and represents payment of, principal. Each Schedule will set forth the interest component and the principal component of each Rental Payment during the Lease Term.

Section 4.04. Rental Payments to be Unconditional. The obligations of Lessee to make payment of the Rental Payments required under this Article IV and other sections hereof, and to perform and observe the covenants and agreements contained herein, shall be absolute and unconditional in all events, except as expressly provided under this Agreement. Notwithstanding any dispute between Lessee and Lessor, any Vendor or any other dispute between Lessee and Lessor, any Vendor or any other person, Lessee shall make all payments of Rental Payments when due and shall not withhold any Rental Payments pending final resolution of such dispute, nor shall Lessee assert any right of set-off or counterclaim against its obligation to make such payments required under this Agreement. Lessee's obligation to make Rental Payments during the Original Term or the then-current Renewal Term for each Schedule shall not be abated through accident or unforeseen circumstances.

Section 4.05. Non appropriation. Lessee is obligated only to pay such Rental Payments under this Agreement (and any additional amounts due hereunder, if applicable) as may lawfully be made from funds budgeted and appropriated for that purpose during Lessee's then current fiscal year. Should Lessee fail to budget, appropriate or otherwise make available funds to pay Rental Payments under a Lease following the then current Original Term or Renewal Term, that Lease shall be deemed terminated at the end of the then current Original Term or Renewal Term. Lessee agrees to deliver written notice to Lessor of such termination at least 60 days prior to the end of the then current Original Term or Renewal Term, but failure to give such written notice shall not extend the term beyond such Original Term or Renewal Term.

ARTICLE V. TITLE TO EQUIPMENT; SECURITY INTEREST; OPTION TO PURCHASE

Section 5.01. Title to the Equipment. Upon acceptance of the Equipment by Lessee, title to the Equipment and any and all additions, repairs, replacements or modifications shall vest in Lessee, subject to the rights of Lessor under this Agreement; provided that title to the Equipment that is subject to any Lease shall thereafter immediately and without any action by Lessee vest in Lessor, and Lessee shall immediately surrender possession of that Equipment to Lessor, upon (a) any termination of that Lease other than termination pursuant to Section 5.04, or (b) the occurrence of an Event of Default with respect to that Lease. It is the intent of the parties hereto that any transfer of title to Lessor pursuant to this Section shall occur automatically without the necessity of any bill of sale, certificate of title or other instrument of conveyance. Lessee shall, nevertheless, execute and deliver any such instruments as Lessor may request to evidence such transfer.

Section 5.02. Security Interest. To secure the payment of all Lessee's obligations under this Agreement, Lessee grants to Lessor a security interest constituting a first lien on (i) the Equipment and on all additions, attachments, accessions, that are considered to be an integral part of the equipment, and substitutions thereto, and on any proceeds there from, and (ii) the acquisition fund established under any Escrow Agreement entered into in connection therewith. Lessee agrees to execute such additional documents, in form satisfactory to Lessor, which Lessor deems necessary or appropriate to establish and maintain its security interest in the Equipment. Lessee hereby authorizes the filing of financing statements under the Uniform Commercial Code in connection with the security interest granted hereunder.

Section 5.03. Personal Property. Lessor and Lessee agree that the Equipment is and will remain personal property and will not be deemed to be affixed to or a part of the real estate on which it may be situated, notwithstanding that the Equipment or any part thereof may be or hereafter become in any manner physically affixed or attached to real estate or any building thereon. Upon the request of Lessor, Lessee will, at Lessee's expense, furnish a waiver of any interest in the Equipment from any party having an interest in any such real estate or building.

Section 5.04. Option to Purchase. Lessee shall have the option to purchase Lessor's interest in all (but not less than all) of the Equipment described in any Schedule, upon giving written notice to Lessor at least 60 (but not more than 180) days before the date of purchase, at the following times and upon the following terms:

(a) On the date of the last Rental Payment set forth in that Schedule (assuming this Agreement is renewed at the end of the Original Term and each Renewal Term), if the Agreement is still in effect on such day, upon payment in full to Lessor of the Rental Payments and all other amounts then due under that Schedule plus One Dollar;

(b) On the last day of the Original Term or any Renewal Term then in effect, upon payment in full to Lessor of the Rental Payments and all other amounts then due under that Schedule plus the then applicable Purchase Option Price set forth in that Schedule; or

(c) In the event of substantial damage to or destruction or condemnation of substantially all of the Equipment listed in that Schedule on the day specified in Lessee's written notice to Lessor of its exercise of the purchase option upon payment in full to Lessor of the Rental Payments and all other amounts then due under that Schedule, including, without limitation, interest accrued to the date of payment, plus the then applicable Purchase Option Price set forth in that Schedule.

ARTICLE VI. DELIVERY, MAINTENANCE; MODIFICATION; TAXES; INSURANCE AND OTHER CHARGES

Section 6.01. Delivery, Installation and Acceptance of Equipment. Lessee shall order the Equipment, cause the Equipment to be delivered and installed at the locations specified in the Schedules and pay any and all delivery and installation costs in connection therewith. When the Equipment listed in any Schedule has been delivered and installed, Lessee shall immediately accept such Equipment and evidence said acceptance by executing and delivering to Lessor an Acceptance Certificate in the form attached hereto as Exhibit D.

Section 6.02. Location; Inspection. Once installed, no item of the Equipment will be moved from the location specified for it in the Schedule on which that item is listed without Lessor's consent, which consent shall not be unreasonably withheld. Lessor shall have the right at all reasonable times during regular business hours to enter into and upon the property of Lessee for the purpose of inspecting the Equipment.

Section 6.03. Maintenance of Equipment by Lessee. Lessee agrees that at all times during the Lease Term Lessee will, at Lessee's own cost and expense, maintain, preserve and keep the Equipment in good repair, working order and condition, and that Lessee will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals. Lessor shall have no responsibility in any of these matters, or for the making of improvements or additions to the Equipment. Lessee shall not make material modifications to the Equipment without the prior consent of Lessor.

Section 6.04. Liens, Taxes, Other Governmental Charges and Utility Charges. Lessee shall keep the Equipment free of all liens, charges and encumbrances except those created by this Agreement. The parties to this Agreement contemplate that the Equipment will be used for a governmental or proprietary purpose of Lessee and, therefore, that the Equipment will be exempt from all taxes presently assessed and levied with respect to personal property. In the event that the use, possession or acquisition of the Equipment is found to be subject to taxation in any form (except for income taxes of Lessor), Lessee will pay, as the same respectively come due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Equipment and any equipment or other property acquired by Lessee in substitution for, as a renewal or replacement of, or a modification, improvement or addition to the Equipment, as well as all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Equipment; provided that, with respect to any governmental charges that may lawfully be paid in installments over a period of years, Lessee shall be obligated to pay only such installments as have accrued during the Lease Term. Lessee will take no action that will cause the interest portion of any Rental payment to become includable in gross income of the recipient for purposes of federal income taxation under the Code, and Lessee will take, and will cause its officers, employees and agents to take, all affirmative action legally within its power to prevent such interest from being includable in gross income for purposes of federal income taxation under the Code. Lessee acknowledges that Lessor's yield with respect to this Agreement is dependent upon the interest component of each Rental Payment being excluded from Lessor's income pursuant to the Code.

Section 6.05. Provisions Regarding Insurance. At its own expense, Lessee shall maintain (a) casualty insurance insuring the Equipment against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State, and any other risks reasonably required

by Lessor, in an amount at least equal to the replacement cost of the Equipment, (b) liability insurance that protects Lessor from liability in all events in form and amount satisfactory to Lessor and (c) workers' compensation coverage as required by the laws of the State; provided that, with Lessor's prior written consent, Lessee may self-insure against the risks described in clauses (a) and (b); provided further that, if Lessor provides such consent Lessee shall provide to Lessor information with respect to such self-insurance program as Lessor may request from time to time. All insurance proceeds from casualty losses shall be payable as hereinafter provided. Lessee shall furnish to Lessor certificates evidencing such coverage throughout the Lease Term. All such casualty and liability insurance shall be with insurers that are acceptable to Lessor, shall name Lessor as a loss payee and an additional insured, respectively, and shall contain a provision to the effect that such insurance shall not be canceled or modified materially without first giving written notice thereof to Lessor at least 30 days in advance of such cancellation or modification. All such casualty insurance shall contain a provision making any losses payable to Lessee and Lessor as their respective interests may appear.

Section 6.06. Advances. In the event Lessee shall fail to maintain the full insurance coverage required by this Agreement or shall fail to keep the Equipment in good repair and operating condition, Lessor may (but shall be under no obligation to) purchase the required insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefore by Lessor shall constitute additional rent for the then-current Original Term or Renewal Term, and Lessee covenants and agrees to pay such amounts so advanced by Lessor with interest thereon from the date advanced until paid at the rate of 18% per annum or the maximum interest rate permitted by law, whichever is less.

ARTICLE VII. DAMAGE, DESTRUCTION AND CONDEMNATION: USE OF NET PROCEEDS

Section 7.01. Risk of Loss. Lessee is responsible for the entire risk of loss of or damage or destruction to the Equipment. No such loss, damage or destruction shall relieve Lessee of any obligation under this Agreement or any Lease.

Section 7.02. Damage, Destruction and Condemnation. If (a) the Equipment listed on any Schedule or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Equipment or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, Lessee and Lessor will cause the Net Proceeds of any insurance claim or condemnation award to be applied to the prompt replacement, repair, restoration, modification or improvement of that Equipment, unless Lessee shall have exercised its option to purchase that Equipment pursuant to Section 5.04. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessee.

Section 7.03. Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any replacement, repair, restoration, modification or improvement referred to in Section 7.02, Lessee shall either complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds, unless Lessee, pursuant to Section 5.04, purchases Lessor's interest in the Equipment destroyed, damaged or taken and any other Equipment listed in the same Schedule. The amount of the Net Proceeds, if any, remaining after completing such repair, restoration, modification or improvement or after purchasing Lessor's interest in the Equipment shall be retained by Lessee. If Lessee shall make any payments pursuant to this Section, Lessee shall not be entitled to any reimbursement therefore from Lessor nor shall Lessee be entitled to any diminution of the amounts payable under Article IV.

ARTICLE VIII. DISCLAIMER OF WARRANTIES; VENDOR'S WARRANTIES; USE OF THE EQUIPMENT

Section 8.01. Disclaimer of Warranties. LESSEE HAS SELECTED THE EQUIPMENT AND THE VENDORS. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE EQUIPMENT, OR WARRANTY OR REPRESENTATION WITH RESPECT THERETO. In no event shall Lessor be liable for an incidental, indirect, special or consequential damage in connection with or arising out of this Agreement or the existence, furnishing, functioning or Lessee's use of any item or products or service provided for in this Agreement.

Section 8.02. Vendor's Warranties. Lessor hereby irrevocably appoints Lessee its agent and attorney-in-fact during the Lease Term, so long as Lessee shall not be in default hereunder, to assert from time to time whatever claims and rights, including warranties of the Equipment, which Lessor may have against the Vendor of the Equipment. Lessee's sole remedy for the breach of such warranty, indemnification or representation shall be against the Vendor of the Equipment, and not against Lessor, nor shall such matter have any effect, whatsoever on the rights and obligations of Lessor with respect to this Agreement, including the right to receive full and timely payments hereunder. Lessee expressly acknowledges that Lessor makes, and has made no representation or warranties whatsoever as to the existence or availability of such warranties of the Vendor of the Equipment.

Section 8.03. Use of the Equipment. Lessee will not install, use, operate or maintain the Equipment improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement. Lessee shall provide all permits and licenses, if any, necessary for the installation and operation of the Equipment. In addition, Lessee agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each item of the Equipment) with all laws of the jurisdictions in which its operations involving any item of Equipment may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the items of the Equipment; provided, however, that Lessee may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of Lessor, adversely affect the title of Lessor in and to any of the items of the Equipment or its interest or rights under this Agreement.

Section 8.04. Essential Nature of the Equipment. Lessee confirms and affirms that the Equipment is essential to the function of Lessee and the services provided to its citizens, that there is an immediate need for the Equipment which is not temporary or expected to diminish in the foreseeable future, and that Lessee will use substantially all the Equipment for the purpose of performing one or more governmental or proprietary functions consistent with the permissible scope of its authority.

ARTICLE IX. ASSIGNMENT, SUBLEASING, INDEMNIFICATION, MORTGAGING AND SELLING

Section 9.01. Assignment by Lessor. Lessor's interest in, to, and under this Agreement; any Lease and the Equipment may be assigned and reassigned in whole or in part to one or more assignees by Lessor at any time subsequent to its execution. Lessee hereby agrees to maintain a written record of each such assignment in form necessary to comply with Section 149(a) of the Code. No such assignment shall be binding on Lessee until it has received written notice from Lessor of the assignment disclosing the name and address of the assignee. Lessee agrees to execute all documents, including chattel mortgages or financing statements that may be reasonably requested by Lessor or any assignee to protect its interests in the Equipment and in this Agreement. Lessee shall not have the right to and shall not assert against any assignee any claim, counterclaim, defense, set-off or other right Lessee may from time to time have against Lessor.

Section 9.02. Assignment and Subleasing by Lessee. None of Lessee's interest in, to and under this Agreement and in the Equipment may be sold, assigned, subleased, pledged or otherwise encumbered by Lessee without the prior written consent of Lessor.

Section 9.03. Release and Indemnification Covenants. To the extent permitted by law, Lessee shall indemnify, protect, hold harmless, save and keep harmless Lessor from and against any and all liabilities, obligations, losses, claims and damages whatsoever, regardless of cause thereof, and all expenses in connection therewith (including, without limitation, counsel fees and expenses, penalties connected therewith imposed on interest received) arising out of or as (a) result of the entering into of this Agreement, (b) the ownership of any item of the Equipment, (c) the manufacture, ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any item of the Equipment, (d) or any accident in connection with the operation, use, condition, possession, storage or return of any item of the Equipment resulting in damage to property or injury to or death to any person, and/or (e) the breach of any covenant herein or any material misrepresentation contained herein. The indemnification arising under this paragraph shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement or the termination of the Lease Term for any reason.

ARTICLE X. EVENTS OF DEFAULT AND REMEDIES

Section 10.01. Events of Default Defined. Subject to the provisions of **Section 4.05**, any of the following events shall constitute an "Event of Default" under any Lease:

(a) Failure by Lessee to pay any Rental Payment or other payment required to be paid under that Lease at the time specified in that Lease;

(b) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed under that Lease, other than as referred to in subparagraph (a) above, for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; provided that, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected;

(c) Any statement, representation or warranty made by Lessee in or pursuant to that Lease or its execution, delivery or performance shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made;

(d) Any provision of that Lease shall at any time for any reason cease to be valid and binding on Lessee, or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by Lessee or any governmental agency or authority if the loss of such provision would materially adversely affect the rights or security of Lessor, or Lessee shall deny that it has any further liability or obligation under that Lease.

(e) Lessee shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of Lessee, or of all or a substantial part of the assets of Lessee, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against it under applicable federal bankruptcy law, or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, reorganization or insolvency proceeding; or

(f) An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator of Lessee or of all or a substantial part of the assets of Lessee, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 30 consecutive days.

Section 10.02. Remedies on Default. Whenever any Event of Default under any Lease exists, Lessor shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

(a) By written notice to Lessee, declare all Rental Payments and other amounts payable by Lessee under that Lease to the end of the then current Original Term or Renewal Term to be due;

(b) With or without terminating that Lease, Lessor may, upon 5 days written notice to Lessee, enter the premises where any Equipment that is subject to that Lease is located and retake possession of that Equipment or require Lessee at Lessee's expense to promptly return any or all of the Equipment to the possession of Lessor at such place within the United States as Lessor shall specify, and sell or lease the Equipment or, for the account of Lessee, sublease the Equipment, continuing to hold Lessee liable for the difference between (i) the Rental Payments and other amounts payable by Lessee under that Lease plus the then-applicable Purchase Option Price for that Equipment and (ii) the net proceeds of any such sale, leasing or subleasing (after deducting all expenses of Lessor in exercising its remedies under this Agreement, including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing the Equipment and all brokerage, auctioneers' and attorneys' fees) provided that the amount of Lessee's liability under this subparagraph (b) shall not exceed the Rental Payments and other amounts otherwise due under that Lease plus the remaining Rental Payments and other amounts payable by Lessee under that Lease to the end of the then current Original Term or Renewal Term; and

(c) Lessor may take whatever action at law or in equity may appear necessary or desirable to enforce its rights under that Lease or as the owner of any or all of the Equipment that is subject to that Lease.

In addition, whenever an Event of Default exists with respect to any Rental Payment required by a particular Schedule or with respect to any other payment, covenant, condition, agreement, statement, representation or warranty set forth in that Schedule or applicable to that Schedule or the Equipment listed therein, Lessor shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

(d) By written notice to Lessee, Lessor may declare all Rental Payments payable by Lessee pursuant to that Schedule and other amounts payable by Lessee under this Agreement to the end of the then current Original Term or Renewal Term to be due;

(e) With or without terminating that Schedule, Lessor may, upon 5 days written notice to Lessee, enter the premises where the Equipment listed in that Schedule is located and retake possession of that Equipment or require Lessee at Lessee's expense to promptly return any or all of that Equipment to the possession of Lessor at such place within the United States as Lessor shall specify, and sell or lease that Equipment or, for the account of Lessee, sublease that Equipment, continuing to hold Lessee liable for the difference between (i) the Rental Payments payable by Lessee pursuant to that Schedule and other amounts related to that Schedule or the Equipment listed therein that are payable by Lessee hereunder plus the then applicable Purchase Option Price for that Equipment, and (ii) the net proceeds of any such sale, leasing or subleasing (after deducting all expenses of Lessor in exercising its remedies under this Agreement, including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing such Equipment and all brokerage, auctioneers' and attorneys' fees) provided that the amount of Lessee's liability under this subparagraph (e) shall not exceed the Rental Payments and other amounts otherwise due under that Schedule plus the remaining Rental Payments and other amounts payable by Lessee under that Schedule to the end of the then current Original Term or Renewal Term; and

(f) Lessor may take whatever action at law or in equity may appear necessary or desirable to enforce its rights under that Schedule, this Agreement with respect to that Schedule and the Equipment listed therein.

In addition to the remedies specified above, Lessor may charge interest on all amounts due to it at the rate of 10% per annum or the maximum amount permitted by law, whichever is less. The exercise of any such remedies respecting any such Event of Default shall not relieve Lessee of any other liabilities under any other Schedules, this Agreement related to any other Schedule or the Equipment listed therein.

Section 10.03. No Remedy Exclusive. No remedy conferred upon or reserved to Lessor by this Article is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this lease. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof but any such right and power may be exercised from time to time and as often as may be deemed expedient by Lessor or its assignee.

Section 10.04. Agreement to Pay Attorneys' Fees and Expenses. If Lessee should default under any of the provisions hereof and Lessor should employ attorneys or incur other expenses for the collection of moneys or for the enforcement of performance or observance of any obligation or agreement on the part of Lessee contained in this Agreement, Lessee agrees, to the extent it is permitted by law to do so, that it will, if assessed by a court of competent jurisdiction, pay to Lessor the reasonable fees of those attorneys and other reasonable expenses so incurred by Lessor.

Section 10.05. Application of Moneys. Any net proceeds from the exercise of any remedy hereunder (after deducting all expenses of Lessor in exercising such remedies including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing Equipment and all brokerage, auctioneer's or attorney's fees) shall be applied as follows:

(a) If such remedy is exercised solely with respect to a single Schedule, Equipment listed in that Schedule or rights under the Agreement related to that Schedule, then to amounts due pursuant to that Schedule and other amounts related to that Schedule or that Equipment.

(b) If such remedy is exercised with respect to more than one Schedule, Equipment listed in more than one Schedule or rights under the Agreement related to more than one Schedule, then to amounts due pursuant to those Schedules pro rata.

ARTICLE XI. MISCELLANEOUS

Section 11.01. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties at their respective places of business.

Section 11.02. Binding Effect; Entire Agreement; Amendments and Modifications. This Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns. The terms of this Agreement shall not be waived, altered, modified, supplemented or amended in any manner whatsoever except by written instrument signed by the Lessor and the Lessee; nor shall any such amendment that affects the rights of Lessor's assignee be effective without such assignee's consent. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.03. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

Section 11.04. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.05. Amendments, Changes and Modifications. This Agreement may be amended, added to, changed or modified by written agreement duly executed by Lessor and Lessee.

Section 11.06. Execution in Counterparts; Chattel Paper. This Agreement, including in writing each Schedule, may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument; except (1) to the extent that various Schedules and this Agreement as it relates thereto constitutes separate Leases as provided in this Agreement and (2) that Lessor's interest in, to and under any Schedule and the Agreement as it relates to that Schedule, and the Equipment listed in that Schedule may be sold or pledged only by delivering possession of the original counterpart of that Schedule marked "Counterpart No. 1," which Counterpart No. 1 shall constitute chattel paper for purposes of the Uniform Commercial Code.

Section 11.07. Usury. The parties hereto agree that the charges in this Agreement and any Lease shall not be a violation of usury or other law. Any such excess charge shall be applied in such order as to conform this Agreement and such Lease to such applicable law.

Section 11.08. Jury Trial Waiver. To the extent permitted by law, lessee agrees to waive its right to a trial by jury.

Section 11.09. Facsimile Documentation. Lessee agrees that a facsimile copy of this Agreement or any Lease with facsimile signatures may be treated as an original and will be admissible as evidence of this Agreement or such Lease.

Section 11.10. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Lessor and Lessee have caused this Agreement to be executed in their names by their duly authorized representatives listed below.

Lease No. FRAVA2020-10

LESSEE: Franklin County	**LESSOR:** Community First National Bank
Christopher Whitlow, County Administrator	Signature
	Name and Title

EXHIBIT A

SCHEDULE OF EQUIPMENT NO. 01, Dated 10/1/2020

Counterpart No. 1.

LESSOR'S INTEREST IN, TO AND UNDER THIS SCHEDULE AND THE AGREEMENT AS IT RELATES TO THIS SCHEDULE MAY BE SOLD OR PLEDGED ONLY BY DELIVERING POSSESSION OF COUNTERPART NO. 1 OF THIS SCHEDULE, WHICH COUNTERPART NO. 1 SHALL CONSTITUTE CHATTEL PAPER FOR PURPOSES OF THE UNIFORM COMMERCIAL CODE.

Re: Master Equipment Lease Purchase Agreement, dated as of 10/1/2020, between Community First National Bank, as Lessor, and Franklin County, as Lessee.

1. **Defined Terms.** All terms used herein have the meanings ascribed to them in the above referenced Master Equipment Lease Purchase Agreement (the "Master Equipment Lease").
2. **Equipment.** The Equipment included under this Schedule of Equipment is comprised of the items described in the Equipment Description attached hereto as **Attachment 1**, together with all replacements, substitutions, repairs, restorations, modifications, attachments, accessions, additions and improvements thereof or thereto.
3. **Payment Schedule.** The Rental Payments and Purchase Option Prices under this Schedule of Equipment are set forth in the Payment Schedule attached as **Attachment 2** hereto.
4. **Representations, Warranties and Covenants.** Lessee hereby represents, warrants, and covenants that its representations, warranties and covenants set forth in the Agreement are true and correct as though made on the date of commencement of Rental Payments on this Schedule.
5. **The Master Equipment Lease.** This Schedule is hereby made as part of the Master Equipment Lease and Lessor and Lessee hereby ratify and confirm the Master Equipment Lease. The terms and provisions of the Master Equipment Lease (other than to the extent that they relate solely to other Schedules or Equipment listed on other Schedules) are hereby incorporated by reference and made a part hereof.

Lease Number: FRAVA2020-10

LESSEE: Franklin County	**LESSOR:** Community First National Bank
Christopher Whitlow, County Administrator	Signature
	Name and Title

ATTACHMENT 1
EQUIPMENT DESCRIPTION

RE: Schedule of Equipment No. 01, dated 10/1/2020, to Master Equipment Lease Purchase Agreement, dated as of 10/1/2020, between Community First National Bank, as Lessor, and Franklin County, as Lessee.

Lease Number: FRAVA2020-10

Three (3) New F450 4X4 Wheeled Coach Ambulances

With a total acquisition cost of $708,171.00; together with all additions, accessions and replacements thereto. Lessee hereby certifies the description of the personal property set forth above constitutes an accurate description of the "Equipment", as defined in the attached Master Equipment Lease Purchase Agreement and the Equipment is located on the premise of the Lessee unless otherwise noted by the Lessee.

Physical location where equipment will be stored after delivery: _____

LESSEE:
Franklin County

_____
Christopher Whitlow, County Administrator

ATTACHMENT 2
PAYMENT SCHEDULE

RE: Schedule of Equipment No. 01, dated 10/1/2020, to Master Equipment Lease Purchase Agreement, dated as of 10/1/2020, between Community First National Bank, as Lessor, and Franklin County, as Lessee.

Lease Number: FRAVA2020-10

Amount Financed: $708,171.00

AMORTIZATION SCHEDULE

Payment Number	Payment Date	Payment Amount	Interest Portion	Principal Portion	Purchase Option Price
1	10/1/2021	$153,486.27	$19,403.89	$134,082.38	Not Available
2	10/1/2022	$153,486.27	$15,730.03	$137,756.24	$443,500.08
3	10/1/2023	$153,486.27	$11,955.51	$141,530.76	$298,440.31
4	10/1/2024	$153,486.27	$8,077.56	$145,408.71	$150,624.41
5	10/1/2025	$153,486.27	$4,093.36	$149,392.91	$0.00
Grand Totals		**$767,431.35**	**$59,260.35**	**$708,171.00**	

LESSEE:
Franklin County

Christopher Whitlow, County Administrator

EXHIBIT B

LESSEE RESOLUTION

Re: Schedule of Equipment No. 01, dated 10/1/2020, to Master Equipment Lease Purchase Agreement, dated as of 10/1/2020, between Community First National Bank, as Lessor, and Franklin County, as Lessee.

I, the undersigned, the duly appointed, qualified and acting **Clerk to the Board of Supervisors** of the above captioned Lessee do hereby certify this date _____, as follows:

(1) Lessee did, at a meeting of the governing body of the Lessee held on _____, by motion duly made, seconded and carried, in accordance with all requirements of law, approve and authorize the execution and delivery of the above referenced Schedule of Equipment No. 01 (the "Schedule") on its behalf by the following named representative of the Lessee, to witness:

_____

Authorized Signer: Christopher Whitlow, County Administrator

(2) The above named representative of the Lessee held at the time of such authorization and holds at the present time the office set forth above.
(3) The meeting of the governing body of the Lessee at which the Schedule was approved and authorized to be executed was duly called, regularly convened and attended throughout by the requisite majority of the members thereof or by other appropriate official approval and that the action approving the Schedule and authorizing the execution thereof has not been altered or rescinded.
(4) No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default (as such term is defined in the above referenced Master Equipment Lease Purchase Agreement) exists at the date hereof.
(5) All insurance required in accordance with the above referenced Master Equipment Lease Purchase Agreement is currently maintained by the Lessee.
(6) Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the Rental Payments scheduled to come due during the Original Term and to meet its other obligations for the Original Term (as such terms are defined in the above referenced Master Equipment Lease Purchase Agreement) and such funds have not been expended for other purposes.
(7) The fiscal year of Lessee is from _____ to _____.

The signatures below from the designated individuals from the Governing Body of the Lessee evidence the adoption by the Governing Body of this resolution.

Franklin County

Attested By:_____

Brian Carter, Director of Finance

Certified By:_____

Madeline Sefcik, Clerk to the Board of Supervisors

EXHIBIT C

OPINION OF LESSEE'S COUNSEL

(Must be re-Printed onto attorney's letterhead)

(Date)

Community First National Bank
215 S. Seth Child Road
Manhattan, KS 66502

Re: Lessee: Franklin County

Ladies and Gentlemen:

As legal counsel to Franklin County (the "Lessee"), I have examined (a) an executed counterpart of a certain Master Equipment Lease Purchase Agreement, dated as of 10/1/2020, and Exhibits thereto by and between Community First National Bank (the "Lessor") and Lessee, Schedule of Equipment No. 01, dated 10/1/2020, and a certain Escrow Agreement dated as of 10/1/2020, (collectively, the "Agreement") by and between Lessor and Lessee, which, among other things, provides for the lease with option to purchase by the Lessee of certain property listed in the Schedule (the "Equipment"); (b) an executed counterpart of the ordinances or resolutions of Lessee which, among other things, authorizes Lessee to execute the Agreement and (c) such other opinions, documents and matters of law as I have deemed necessary in connection with the following opinions.

Based on the foregoing, I am of the following opinions:

(1) Lessee's true and correct name is Franklin County.
(2) Lessee is a public body corporate and politic, duly organized and existing under the laws of the State, and has a substantial amount of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) police power;
(3) Lessee has the requisite power and authority to lease the Equipment with an option to purchase and to execute and deliver the Agreement and to perform its obligations under the Agreement;
(4) The Agreement and the other documents either attached thereto or required therein have been duly authorized, approved and executed by and on behalf of Lessee and the Agreement and other documents either attached thereto or required therein are the valid and binding obligations of Lessee enforceable in accordance with their terms;
(5) The authorization, approval and execution of the Agreement and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all open meeting laws, public bidding laws and all other applicable state or federal laws; and
(6) There is no proceeding pending or threatened in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would adversely affect the transactions contemplated by the Agreement or the security interest of Lessor or its assigns, as the case may be, in the Equipment.
(7) The signatures of the officers which appear on the Agreement are true and genuine; I know said officers and know them to hold the offices set forth below their names.
(8) No further approval, consent or withholding of objection is required from any federal, state or local governmental authority with respect to the entering into or performance by the Lessee of the Lease and the transaction contemplated thereby.
(9) The Equipment leased pursuant to the Agreement constitutes personal property and when subjected to use by Lessee will not be or become fixtures under applicable law.
(10) The Lessee is a political subdivision within the meaning of Section 103 of the Internal Revenue Code of 1986 as amended and the related regulations and rulings.
(11) The leasing of the Equipment pursuant to the Agreement is exempt from all sales and use taxes against either the Lessor or the Lessee during the term of the Lease pursuant to the Agreement and the Equipment will be exempt from all state and local personal property or other ad valorem taxes.

All capitalized terms herein shall have the same meanings as in the foregoing Agreement unless otherwise provided herein. Lessor, its successors and assigns, and any counsel rendering an opinion on the tax-exempt status of the interest components of the Rental Payments are entitled to rely on this opinion.

Signature of Legal Counsel

EXHIBIT D

ACCEPTANCE CERTIFICATE

Community First National Bank
215 S. Seth Child Road
Manhattan, KS 66502

Ladies and Gentlemen,

RE: Schedule of Equipment No. 01, dated 10/1/2020, to Master Equipment Lease Purchase Agreement, dated as of 10/1/2020, between Community First National Bank, as Lessor, and Franklin County, as Lessee.

In accordance with the Master Equipment Lease Purchase Agreement (the "Agreement"), the undersigned Lessee hereby certifies and represents to, and agrees with Lessor as follows:

(1) All of the Equipment (as such term is defined in the Agreement) listed in the above referenced Schedule of Equipment (the "Schedule") has been delivered, installed and accepted on the date hereof.
(2) Lessee has conducted such inspection and/or testing of the Equipment listed in the Schedule as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.
(3) Lessee is currently maintaining the insurance coverage required by **Section 6.05** of the Agreement.
(4) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default (as defined in the Agreement) exists at the date hereof.
(5) Lessee has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all Rental Payments required to be paid under the Agreement during the current Budget Year of Lessee, and such moneys will be applied in payment of all Rental Payments due and payable during such current Budget Year.
(6) The governing body of Lessee has approved the authorization, execution and delivery of this Agreement on its behalf by the authorized representative of Lessee who signed the Agreement.
(7) The Lessee will in a timely fashion submit the appropriate paperwork to the State to have a title to the Equipment issued in their name as owner and Lessor listed as first lienholder. Such verification of perfected ownership and security interest will be provided to Lessor no later than 90 days from delivery of the Equipment.

LESSEE:
Franklin County

_____
Christopher Whitlow, County Administrator

_____
Date

**If delivery is not immediate, keep until final delivery.*

TITLE REGISTRATION & SECURITY INTEREST CERTIFICATION

RE: Schedule of Equipment No. 01, dated 10/1/2020, to Master Equipment Lease Purchase Agreement, dated as of 10/1/2020, between Community First National Bank, as Lessor, and Franklin County, as Lessee.

Lease Number: FRAVA2020-10

Three (3) New F450 4X4 Wheeled Coach Ambulances

In accordance with the Agreement, the undersigned Lessee hereby certifies and represents to, and agrees with Lessor as follows:

1. The Agreement requires the completion of the ownership transfer and perfection of the lienholder process. This process is completed through submission of the documents to the State for a title to be issued in the name of the Lessee.

2. The Lessee will in a timely fashion submit the appropriate paperwork to the State to have a title to the Equipment issued in their name as owner and Lessor listed as first lienholder. Such verification of perfected ownership and security interest will be provided to Lessor no later than 90 days from delivery of the Equipment.

LESSEE:
Franklin County

_____
Christopher Whitlow, County Administrator

INSURANCE COVERAGE REQUIREMENTS

Lessee: Franklin County

Please mark one of the following:

( ) Pursuant to Section 6.05 of the Agreement, you have agreed to provide us evidence of insurance covering the property in the Agreement. A Certificate of Insurance naming all insured parties and coverage must be provided to us as soon as possible, but no later than the date on which delivery of equipment occurs.

( ) Pursuant to Section 6.05 of the Agreement, we are self-insured for all risk, physical damage, and public liability and will provide proof of such self-insurance in letter form, together with a copy of the statute authorizing this form of insurance. Coverage must be provided to us as soon as possible, but no later than the date on which delivery of equipment occurs.

Equipment to be insured: **Three (3) New F450 4X4 Wheeled Coach Ambulances**

Policy should be issued and mailed to: Community First National Bank and/or Its Assigns
215 S. Seth Child Road
Manhattan, KS 66502

INSURANCE REQUIREMENTS:

1. LIABILITY

- ✓ *$1,000,000.00 Aggregate Bodily Injury*
- ✓ *$1,000,000.00 Combined Single Limit per Occurrence*
- ✓ *Community First National Bank and/or Its Assigns MUST be listed as additional insured and loss payee.*

2. PHYSICAL DAMAGE

- ✓ *All risk coverage to guarantee proceeds sufficient to cover the replacement cost of the equipment.*
- ✓ *Community First National Bank and/or Its Assigns MUST be listed as additional insured and loss payee.*

3. ENDORSEMENT

- ✓ *Lessor will receive at least thirty (30) days written notice from Insurer prior to alteration, cancellation or reduction of insurance coverage.*
- ✓ *Deductibles should be listed on the Certificate of Coverage*

THE CERTIFICATE SHOULD BE
EMAILED TO kristikirkman@clpusa.net
OR FAXED TO: 888.777.7875

Insurance Company Name:		
Agents Name:		
Address:		
City:	State:	Zip:
Phone:	Fax:	Email:

LESSEE:
Franklin County

_____
Christopher Whitlow, County Administrator

INVOICE INSTRUCTIONS

RE: Schedule of Equipment No. 01, dated 10/1/2020, to Master Equipment Lease Purchase Agreement, dated as of 10/1/2020, between Community First National Bank, as Lessor, and Franklin County, as Lessee.

Lease Number: FRAVA2020-10

Equipment Description: Three (3) New F450 4X4 Wheeled Coach Ambulances

Please provide contact information for billing and invoicing purposes.

Person/Department: _____

P.O. Box/Street: _____

City, State, Zip: _____

Telephone Number: _____

Email Address: _____

NOTICE OF ASSIGNMENT

October 5, 2020

Franklin County
1255 Franklin Street
Rocky Mount, VA 24151

RE: Schedule of Equipment No. 01, dated 10/1/2020, to Master Equipment Lease Purchase Agreement, dated as of 10/1/2020, between Community First National Bank, as Lessor, and Franklin County, as Lessee. Along with the Escrow Agreement entered into as of 10/1/2020.

Please be advised that Community First National Bank has assigned all its right, title and interest in, to and under the above referenced Master Equipment Lease Purchase Agreement (the "Agreement"), the Equipment leased thereunder and the right to receive Rental Payments thereunder to the following assignee:

_____
_____
_____

Community First National Bank will be the servicing this lease and all Rental Payments and payment of the Purchase Option Price due under the Agreement will be made to:

Community First National Bank
215 S. Seth Child Road
Manhattan, KS 66502

Community First National Bank

_____
Signature

_____
Name and Title

ACKNOWLEDGED AND ACCEPTED:

Franklin County

_____
Christopher Whitlow, County Administrator

*Lessor may at a future date desire to assign this lease agreement. At this time, a specific Assignee is undetermined. At such time Lessor determines a need to assign this lease; Lessee will be provided with a completed copy of this page for their records and be made aware of any changes in where to send the rental payments going forward. This assignment option is outlined in Article IX of the Master Equipment Lease Purchase Agreement.

ESCROW AGREEMENT

THIS ESCROW AGREEMENT, made and entered into as of 10/1/2020 by and among Community First National Bank, a national banking association ("Escrow Agent"), Community First National Bank, a corporation duly organized and existing under the Laws of the State of Kansas ("Lessor"), and Franklin County ("Lessee") a political subdivision under the laws of the State of Virginia ("State"), duly organized and existing under the Constitution and laws of the State.

WITNESSETH

WHEREAS, Lessee and Lessor have entered into a Schedule of Equipment No. 01, dated 10/1/2020 to Master Equipment Lease Purchase Agreement dated as of 10/1/2020 ("Agreement"), a duplicate original of which has been furnished to each of the parties, whereby Lessor has agreed to acquire certain equipment described therein ("Equipment"), and to sell the Equipment to the Lessee, and Lessee has agreed to purchase the Equipment from Lessor, in the manner and on the terms set forth in the Agreement; and

WHEREAS, the Equipment has or will be ordered from the Vendor, and there is expected to be a delay in delivery of the Equipment to Lessee; and

WHEREAS, in order to secure the obligations of Lessor under the Agreement, Lessee has requested Lessor to set aside in escrow with the Escrow Agent, pursuant to the terms hereof, the anticipated purchase price of the Equipment; and

WHEREAS, Lessee, as agent for Lessor, will cause the Equipment to be acquired from Vendor in accordance with the purchase orders or contracts therefore, and neither Lessor nor the Escrow Agent shall be obligated to assume or perform any obligation of the Lessee or Vendor with respect thereto or under the Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties agree as follows:

ARTICLE I. APPOINTMENT OF ESCROW AGENT: DEFINITIONS

Section 1.01. Appointment of Escrow Agent. Lessor and Lessee hereby appoint and employ Escrow Agent, to receive, hold, invest and disburse the moneys to be paid to it pursuant to this Escrow Agreement and the Agreement, and to perform certain other functions, all as hereinafter provided. By executing and delivering this Escrow Agreement, Escrow Agent accepts the duties and obligations of Escrow Agent provided herein, but only upon the terms and conditions set forth.

Section 1.02. Definitions. The terms defined in this Section shall, for all purposes of this Escrow Agreement have the meanings specified below. Any capitalized term not defined below shall have the meaning ascribed in the Agreement.

"Agreement" means the Schedule of Equipment No. 01, dated 10/1/2020 to Master Equipment Lease Purchase Agreement dated 10/1/2020, by and between Lessee and Lessor and any duly authorized and executed amendment thereto, the terms of which are incorporated herein by reference.

"Acquisition Costs" means, with respect to the Equipment, the contract price paid or to be paid to Vendor therefore upon acquisition or delivery of any portion of the Equipment in accordance with the purchase order or contract therefore. Acquisition Costs include the administrative, engineering, legal, financial and other costs incurred by the Lessee in connection with the acquisition, delivery and financing by Lessor of the Equipment.

"Acceptance Certificate" means an acceptance certificate in the form attached to the Agreement.

"Acquisition Fund" means the fund by that name established and held by the Escrow Agent pursuant to Article II of this Escrow Agreement.

"Closing Date" means the day when Lessor deposits with the Escrow Agent the moneys required to be deposited pursuant to Article II.

"Equipment" means the personal property described in the Agreement, together with any and all modifications, additions and alterations thereto, to be acquired from the moneys held in the Acquisition Fund.

"Escrow Agent" means Community First National Bank or any successor thereto acting as Escrow Agent pursuant to this Escrow Agreement.

"Escrow Agreement" means this Escrow Agreement and any duly authorized and executed amendment thereto.

"Independent Counsel" means an attorney duly admitted to the practice of law before the highest court of the State in which he maintains an office and who is not an employee of Lessor, the Escrow Agent or the Lessee.

"Lessee Representative" means the representative of Lessee or a person authorized by the Lessee to act on its behalf under or with respect to this Agreement.

"Lessor Representative" means the President, any Vice President or Assistant Vice President of Lessor, or any person authorized to act on behalf of Lessor under or with respect to this Agreement, as evidenced by a certificate conferring such authorization executed by the President, any Vice President or Assistant Vice President of Lessor, given to the Lessee or the Lessee Representative.

"Payment Date" means the date upon which any Rental Payment under the Agreement is due and payable, as set forth in the Payment Schedule.

"Payment Request Form" means the document substantially in the form attached hereto as Exhibit A to be executed by Lessee and Lessor and submitted to Escrow Agent to authorize payment of Acquisition Costs.

"Qualified Investments" means (i) direct general obligations of the United States of America; (ii) obligations guaranteed by the United States; (iii) general obligations of the agencies and instrumentalities of the United States; (iv) certificates of deposit, time deposits or demand deposits with a bank or savings institution qualified as a depository of public funds in the State of Kansas, provided that such certificates of deposit, time deposits or demand deposits, if not insured by the Federal Deposit Insurance Corporation of the Federal Savings and Loan Insurance Corporation, are fully secured by obligations described in Clauses (i), (ii) or (iii); (v) money market funds, the assets of which are obligations of or guaranteed by the United States of America and which funds are rated "Aaa" by Moody's Investors Service or "Am" or "Am-G" by Standard & Poor's Corporation.

"Rental Payments" means the basic payments payable by Lessee to Lessor pursuant to the provisions of the Agreement during the term thereof which are payable in conjunction of the right of Lessee to use the Equipment during the then current portion of the term of the Agreement.

"Term of the Agreement" means the time during which the Agreement is in effect, as provided in Article III of the Agreement.

"Vendor" means the manufacturer of the Equipment as well as the agents or dealers of the manufacturer from whom Lessor purchased will purchase or has ordered the Equipment or with whom Lessor has contracted for the acquisition of the Equipment.

Section 1.03. Authorization. Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Agreement, and has taken all actions necessary to authorize the execution of this Agreement by the officers and person signing it.

ARTICLE II. ACQUISITION FUND

Section 2.01. Acquisition Fund. Escrow Agent shall establish a special fund designated as the "Acquisition Fund"; shall keep such Acquisition Fund separate and apart from all other funds and moneys held by it; and shall administer such funds as expressly provided hereunder.

Section 2.02. Deposit of Moneys by Lessor. At the Closing Date, Lessor shall deposit with the Escrow Agent the amount of $708,171.00. Escrow Agent shall credit said amount to the Acquisition Fund established and to be held, applied and disbursed as herein provided.

Section 2.03. Purpose; Payment of Acquisition Costs. The Acquisition Fund shall be expended for the Acquisition Costs of the Equipment. Escrow Agent shall pay from the Acquisition Fund the Acquisition Costs of the Equipment, upon receipt from Lessee and Lessor the following items:

(a) in the case of payment of any Acquisition Costs to Vendor pursuant to a contract or purchase order, (1) a duly executed Payment Request Form, with a true copy of the Vendor's statement attached, (2) where applicable, a duplicate original of any change order approved by Lessee and Lessor increasing Acquisition Costs in an amount in excess of the original purchase order or contract price, (3) receipts from

the Vendor showing proper application of prior requisitions, (4) bills of sale for any component of the Equipment for which a bill of sale may be delivered, and (5) an Acceptance Certificate with respect to the Equipment for which disbursement is requested;

(b) in the case of any Acquisition Costs previously paid by Lessee for which it is seeking reimbursement, (1) a duly executed Payment Request Form, (2) a true copy of Vendor's statement for such Acquisition Costs, (3) evidence of payment, and (4) evidence of Lessee's declaration of official intent for reimbursement, which declaration shall have been made no later than 60 days after the Lessee paid the Acquisition Costs; or

(c) in the case of payment of any other Acquisition Costs, a duly executed Payment Request Form.

Section 2.04. Escrow Agent's Compensation. As compensation for the services to be rendered hereunder, Lessee agrees to pay the Escrow Agent $200.00 ("Escrow Agent's Compensation"). The Escrow Agent's Compensation shall be payable from interest earnings on the escrow account and will be paid upon disbursement of proceeds to the vendor and closing of the escrow account. If the interest earnings on the escrow account are not sufficient to pay the Escrow Agent's Compensation, Escrow Agent shall provide Lessee with an invoice for the shortfall and Lessee shall pay such amount to Escrow Agent upon demand. If funds remain in the Acquisition Fund, excluding Acquisition Costs and Escrow Agent's Compensation, after the full delivery and acceptance of the Equipment, then Lessee and Lessor agree such excess funds shall be retained by Escrow Agent as partial compensation for the performance of its obligations hereunder.

Section 2.05. Transfers Upon Completion. Upon the first to occur of (a) payment of all Acquisition Costs with respect to the Equipment; or (b) the one year anniversary of the Closing Date, Escrow Agent shall apply all remaining moneys in the Acquisition Fund to the next Rental Payment(s) due under the Agreement by paying such moneys directly to the Lessor or its assignees.

Section 2.06. Termination. If this Escrow Agreement is terminated by Lessor as authorized under Article VII and the Agreement, all moneys in the Acquisition Fund shall be paid to Lessor or assignees for application against moneys due to Lessor under the Agreement. In the event that Lessor provides to the Escrow Agent written notice of the occurrence of an Event of Default under the Agreement or the termination of the Agreement for any reason other than Lessee's payment of the applicable Purchase Option Price, Escrow Agent shall immediately remit any and all funds in the Acquisition Fund to Lessor.

ARTICLE III. MONEYS IN FUNDS: INVESTMENTS; TERMINATION

Section 3.01. Held in Trust. The moneys and investments held by the Escrow Agent under this Escrow Agreement are irrevocably held in trust for the benefit of the Lessee and for the purposes herein specified. Such moneys, and any income or interest earned thereon, shall be expended only as provided in this Escrow Agreement, and shall not, to the extent permitted by applicable law, as otherwise expressly provided herein, be subject to levy or attachment or lien by or for the benefit of any creditor of either Lessor or Lessee.

Section 3.02. Investments Authorized. Moneys held by the Escrow Agent hereunder may be invested, and upon written order of the Lessee Representative shall, be invested by the Escrow Agent in Qualified Investments. Such investments shall be registered in the name of the Escrow Agent and held by Escrow Agent which may act as a purchaser or agent in making or disposing thereof. Such investments and reinvestments shall be made giving full consideration for the time when funds will be required to be available for acquisition.

Section 3.03. Accounting. The Escrow Agent shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Escrow Agreement.

Section 3.04. Valuation and Disposition of Investments. For the purpose of determining the amount in the Acquisition Fund, all Qualified Investments credited to such fund shall be valued at cost (exclusive of accrued interest after the first interest payments following purchase). Escrow Agent may sell at the best price obtainable, or present for redemption, any Qualified Investment so purchased by Escrow Agent, whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the Acquisition Fund to which such Qualified Investment is credited and Escrow Agent shall not be liable or responsible for any loss resulting from such investment.

Section 3.05. Deposit of Moneys in Acquisition Fund. All moneys held by the Escrow Agent in the Acquisition Fund established pursuant to this Agreement, except such moneys which are at the time invested as herein provided, shall be deposited in demand or time deposits (which may be represented by time certificates of deposit) in any bank or trust company authorized to accept deposits of public funds (including the banking department of the Escrow Agent), and, as and to the extent required by law, shall be secured at all times by obligations which are eligible by law to secure deposits of public moneys. Such obligations shall be deposited with such bank or banks as may be selected by Escrow Agent, and held by or for the account of the Escrow Agent as security for such deposits.

Section 3.06. Termination. Unless earlier terminated pursuant to Article VII, this Escrow Agreement shall terminate upon the final distribution of all moneys in the Acquisition Fund.

ARTICLE IV. THE ESCROW AGENT

Section 4.01. Removal of Escrow Agent. The Lessee and Lessor, by written agreement between themselves, may by written request, at any time and for any reason, remove the Escrow Agent and any successor thereto, and shall thereupon appoint a successor or successors thereto, but any such successor shall have capital (exclusive of borrowed capital) and surplus of at least Ten Million Dollars ($10,000,000), and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to statute or to the requirements of any federal or state supervising or examining authority, to, then for the purposes of this Section the combined capital and surplus of such bank or trust company may be conclusively established for the purposes hereby in its most recent report of condition so published.

Section 4.02. Resignation of Escrow Agent. The Escrow Agent or any successor may at any time resign by giving written notice to the Lessee and Lessor of its intention to resign and of the proposed date of resignation, which shall be a date not less than 60 days after such notice, unless an earlier resignation date and the appointment of a successor Escrow Agent shall have been or are approved by Lessee and Lessor. Upon receiving such notice of resignation, the Lessee and Lessor shall promptly appoint a successor Escrow Agent by an instrument in writing; provided however, that in the event the Lessee and Lessor fail to appoint a successor Escrow Agent within 30 days following receipt of such written notice of resignation, Lessor may appoint a successor Escrow Agent, and in the event that Lessor fail to appoint a successor Escrow Agent within 30 days following the expiration of such initial 30-day period, the resigning Escrow Agent may petition the appropriate court having jurisdiction to appoint a successor Escrow Agent. Any resignation or removal of the Escrow Agent shall become effective only upon acceptance of appointment by the successor Escrow Agent.

Section 4.03. Appointment of Agent. The Escrow Agent may appoint an agent acceptable to the Lessee and Lessor to exercise any of the powers, rights or remedies granted to the Escrow Agent under this Escrow Agreement, and to hold title to property or to take any other action which may be desirable or necessary.

Section 4.04. Merger or Consolidation. Any company into which the Escrow Agent may be merged or converted, or with which it may be consolidated, or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Escrow Agent may sell or transfer all or substantially all of its corporate trust business (provided that such company shall be eligible under Section 4.02) shall be the successor to the Escrow Agent without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Section 4.05. Protection and Rights of the Escrow Agent. The Escrow Agent shall be protected and shall incur no liability in acting or proceeding in good faith upon any resolution, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Escrow Agreement, and the Escrow Agent shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Escrow Agent may consult with Independent Counsel who may be counsel to Lessor or Lessee, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith in accordance therewith.

Whenever in the administration of its duties under this Escrow Agreement, the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matters (unless other evidence in respect thereof be herein specifically prescribed),

shall be deemed to be conclusively proved and established by the certificate of the Lessee Representative or the Lessor Representative and such certificate shall be full warranty to the Escrow Agent for any action taken or suffered under the provisions of this Escrow Agreement upon the faith thereof, but in its discretion the Escrow Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The recitals, statements and representations by Lessee and Lessor contained in this Agreement shall be taken and construed as made by and on the part of the Lessee and Lessor, as the case may be, and not by the Escrow Agent, and the Escrow Agent does not assume, and shall not have, any responsibility or obligation for the correctness of any thereof.

The Escrow Agent may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the Escrow Agent shall not be answerable for the default or misconduct of any such attorney, agent, or receiver selected by it with reasonable care. The Escrow Agent shall not be answerable for the exercise of any discretion or power under this Escrow Agreement or for anything whatsoever in connection with the funds and accounts established hereunder, except only for its own willful misconduct or gross negligence.

ARTICLE V. ASSIGNMENTS; AMENDMENTS

Section 5.01. Assignment. Except as expressly herein provided to the contrary, the rights and duties of each of the parties under this Escrow Agreement shall not be assignable to any person or entity without the written consent of all of the other parties. Notwithstanding the above, Lessor may freely assign all or any part of its interest in this Agreement and the Acquisition Fund established hereunder in connection with an assignment by Lessor of the Agreement, subject to the provisions contained therein.
Section 5.02. Amendments. This Escrow Agreement may be amended in writing by agreement among all of the parties.

ARTICLE VI. FURTHER ASSURANCES

Section 6.01. Further Assurances. Lessor and Lessee will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Escrow Agreement, and for better assuring and confirming the rights and benefits provided herein.

ARTICLE VII. DEFAULT OR NON-APPROPRIATION

Section 7.01. Default.

(a) Lessor shall have the right to terminate this Escrow Agreement upon an Event of Default under the Agreement, or termination of the Agreement pursuant to Section 4.05 thereof, which right shall not be exercised less than 15 days after Lessor shall have given Lessee written notice of such default or termination for non-appropriation. Upon receipt of notice of termination from Lessor, Escrow Agent shall pay to Lessor, or its assignee, all moneys in the Acquisition Fund in accordance with Section 2.06.

(b) In the event of the failure by any party hereto to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Escrow Agreement, any non-defaulting party hereto shall have all of the rights and remedies now or hereafter existing at law or in equity against the defaulting party.

(c) No delay or omission to exercise any such right or power accruing upon any default 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.

ARTICLE VIII. LIMITATION OF LIABILITY

Section 8.01. Limited Liability of Escrow Agent. Escrow Agent shall have no obligation or liability to any of the other parties under this Escrow Agreement for the failure or refusal of any other party to perform any covenant or agreement made by any of it hereunder or under the Agreement, but shall be responsible solely for the business-like performance of the duties expressly imposed upon Escrow Agent hereunder. The recitals of facts, covenants and agreements herein contained pertaining to Lessee and Lessor shall be taken as statement, covenants and agreements of the Lessee or Lessor (as the case may be), and Escrow Agent assumes no responsibility for the correctness of the same, or makes any representation as to the validity or sufficiency of this Escrow Agreement, or shall incur any responsibility in respect thereof, other than in connection with the duties or obligations herein imposed upon it. Escrow Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default.
Section 8.02. Indemnification. To the extent permitted by applicable law, Lessee agrees to indemnify and save Escrow Agent harmless from and against all claims, suits and actions brought against it, or to which it is made a party, and from all losses and damages, including without limitation reasonable, attorney fees and court costs suffered by it as a result thereof, where such claim, suit or action arises in connection with this Escrow Agreement, the transactions described herein and in the Agreement or the Escrow Agent's employment as an Escrow Agent by Lessee and Lessor. Notwithstanding the foregoing, such indemnification shall not extend to claims, suits and actions brought against the Escrow Agent for failure to perform and carry out the duties specifically imposed upon and to be performed by it pursuant to this Escrow Agreement and claims, suits or actions arising from events solely and directly attributable to acts of Lessor. In the event the Lessee is required to indemnify Escrow Agent as herein provided, Lessee shall be subrogated to the rights of the Escrow Agent to recover such losses or damages from any other person or entity.
Section 8.03. Discretion of Escrow Agent to File Civil Action in the Event of Dispute. If Lessor or Lessee are in disagreement about the interpretation of this Escrow Agreement, or about the rights and obligations, or the propriety of any action contemplated by Escrow Agent hereunder, Escrow Agent may, but shall not be required to, file an appropriate civil action to resolve the disagreement. Escrow Agent shall be indemnified by Lessee in accordance with Section 8.02 for all costs in connection with such civil action, and shall be fully protected in suspending all or part of its activities under this Escrow Agreement until a final judgment in such action is received.
Section 8.04. Opinion of Counsel. Before being required to take any action, the Escrow Agent may require (i) an opinion of Independent Counsel acceptable to the Escrow Agent, which counsel may be counsel to any of the parties hereto, and which opinion shall be made available to the other parties hereto, or (ii) a verified certificate of any party hereto, or (iii) both (i) and (ii), concerning the proposed action. Escrow Agent shall be absolutely protected in relying thereon if it does so in good faith.
Section 8.05. Limitation of Rights to Parties. Nothing in this Escrow Agreement, expressed or implied, is intended or shall be construed to give any person other than the Lessee, Lessor or the Escrow Agent any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenant, condition or provision hereof; and all such covenants, conditions and provisions are and shall be for the sole and exclusive benefit of the Lessee, Lessor and Escrow Agent.

ARTICLE IX. MISCELLANEOUS

Section 9.01. Records. The Escrow Agent shall keep complete and accurate records of all moneys received and disbursed under this Escrow Agreement, which shall be available for inspection by the Lessee, Lessor, or the agent of either of them, at any time during regular business hours.
Section 9.02. Notices. All written notice to be given under this Escrow Agreement shall be given by mail to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other parties in writing from time to time. Any such notice shall be deemed to have been received 72 hours after deposit in the United States mail in registered or certified form, with postage fully prepaid.
Section 9.03. Governing Laws. This Escrow Agreement shall be construed and governed in accordance with the laws of the State of Kansas.
Section 9.04. Partial Invalidity. Any provision of this Escrow Agreement found to be prohibited by laws shall be ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this Escrow Agreement.
Section 9.05. Binding Effect; Successors. This Escrow Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Whenever in this Escrow Agreement any party hereto is named or referred to, such references shall be deemed to include permitted successors

or assigns thereof, and all covenants and agreements contained in this Escrow Agreement by or on behalf of any party hereto shall bind and inure to the benefit of permitted successors and assigns thereof whether or not so expressed.

Section 9.06. Execution in Counterparts. This Escrow Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

Section 9.07. Headings. The headings or titles of the several Articles and Sections hereof, and any tables of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Escrow Agreement. All references herein to "Articles", "Sections", and other subdivisions are to the corresponding Articles, Sections, or subdivisions of this Escrow Agreement; and the words "herein", "hereof", "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

IN WITNESS WHEREOF, the parties have executed this Escrow Agreement as of the date and year first above written.

ESCROW AGENT:
Community First National Bank
215 S. Seth Child Road
Manhattan, KS 66502

_____
Signature

_____
Name and Title

LESSOR:
Community First National Bank
215 S. Seth Child Road
Manhattan, KS 66502

_____
Signature

_____
Name and Title

LESSEE:
Franklin County
1255 Franklin Street
Rocky Mount, VA24151

_____
Christopher Whitlow, County Administrator

EXHIBIT A
PAYMENT REQUEST FORM

Community First National Bank, Escrow Agent under an Escrow Agreement dated as of 10/1/2020, by and among the said Escrow Agent, Community First National Bank (Lessor), and the Franklin County, (Lessee) is hereby requested to pay, from the Equipment Acquisition Fund held under said Escrow Agreement, to the persons, firms or corporation designated below as payee, the amount set forth opposite each such person's firm's or corporation's name, in payment of the Acquisition Costs (as defined in said Escrow Agreement) of the Equipment described on the attached page(s) designated opposite such Payee's name and account.

Payee	Equipment	Amount

VOID

TO BE UTILIZED AS A SIGNATURE CARD ONLY

By executing this Payment Request Form the Lessee hereby represents that the Payee or Payees listed above who are requesting payment have delivered the Equipment or a portion of the Equipment or performed the services to the satisfaction of the Lessee and that the amounts requested above by the Payee or Payees are proportionate with the value of the Equipment delivered or services rendered by the Payee or Payees.

Partial Disbursement. The undersigned certifies that the following documents are attached to this Payment Request Form when there is a request for a partial release of funds from the Escrow Account to pay for a portion of the Equipment: (1) Invoice from the Vendor, (2) copy of the agreement between Lessee and Vendor (if requested by the Lessor or Escrow Agent), (3) front and back copy of the original MSO/Title (if payment from Escrow Account is for a chassis) listing Community First National Bank and/or its assigns as the first lien holder. By executing this Payment Request Form and attaching the documents as required above, the Lessee shall be deemed to have accepted this portion of the Equipment for all purposes under the Lease, including, without limitation, the obligation of Lessee to make the Rental Payments with respect thereto in a proportionate amount of the total Rental Payment. By executing this Payment Request Form Lessee agrees that Lessee is the title owner to this portion of the Equipment and that in the event that any third party makes a claim to such title that Lessee will take all measures necessary to secure title including, without limitation, the appropriation of additional funds to secure title to this portion of the Equipment and keep the Lease in full force and effect.

Final Disbursement. The undersigned certifies that the following documents are attached to this Payment Request Form when there is a final release of funds from the Escrow Account: (1) Final Vendor Invoice, (2) Signed Acceptance Certificate, (3) Insurance Certificate, (4) front and back copy of the original MSO/Title listing Community First National Bank and/or its assigns as first lien holder (if not already received). By executing this Payment Request Form and attaching the documents as required above, the Lessee shall be deemed to have accepted the Equipment for all purposes under the Lease, including, without limitation, the obligation of Lessee to make the Rental Payments with respect thereto. By executing this Payment Request Form Lessee certifies that Lessee is the title owner to the Equipment and that in the event that any third party makes a claim to such title that Lessee will take all measures necessary to secure title including, without limitation, the appropriation of additional funds to secure title to the Equipment and keep the Lease in full force and effect.

LESSEE:
Franklin County

_____
Christopher Whitlow, County Administrator

_____
Signature

Signature of additional authorized individual (optional)

_____
Name and Title

TAX COMPLIANCE AGREEMENT AND NO ARBITRAGE CERTIFICATE

This Tax Compliance Agreement and No Arbitrage Certificate is issued in connection with that certain Schedule of Equipment No. 01, dated 10/1/2020 to Master Equipment Lease Purchase Agreement dated as 10/1/2020 by and between Community First National Bank, ("Lessor") and Franklin County ("Lessee").

1. In General.

1.1. This Certificate is executed for the purpose of establishing the reasonable expectations of Lessee as to future events regarding the financing of certain equipment by Lessee as described in the Schedule of Equipment No. 01, dated 10/1/2020 to Master Equipment Lease Purchase Agreement dated as of 10/1/2020 (the "Lease") between Lessor and Lessee and all related documents executed pursuant thereto and contemporaneously herewith with respect to the financing of the acquisition of Three (3) New F450 4X4 Wheeled Coach Ambulances of equipment (the "Equipment") by Lessor for Lessee (the Lease and such other documents are hereinafter collectively referred to as the "Financing Documents").

1.2. The individual executing this Certificate on behalf of Lessee is an officer of Lessee delegated with the responsibility of reviewing and executing the Financing Documents.

1.3. To the best of the undersigned's knowledge, information and belief, the expectations contained in this Certificate are reasonable.

1.4. Lessee has not been notified of any listing or proposed listing of it by the Internal Revenue Service as an issuer whose certifications as to arbitrage may not be relied upon.

1.5. The rental payments due under the Financing Documents will be made with monies retained in Lessee's general operating fund (or an account or sub account therein). No sinking, debt service, reserve or similar fund or account will be maintained for the payment of the rental payments due under the Financing Documents or pledged as security therefor.

1.6. If any other governmental obligations were or are being issued by or on behalf of Lessee within fifteen (15) days of the date of issuance of the Financing Documents, such obligations either (i) were not or are not being issued or sold pursuant to a common plan of financing with, or (ii) will not be paid out of substantially the same source of funds as, the financing pursuant to the Financing Documents.

2. Purpose of the Financing Documents.

2.1. The Financing Documents are being entered into for the purpose of providing funds for financing the cost of acquiring, equipping and installing the Equipment which is essential to the governmental functions of Lessee, which Equipment is described in the Equipment Description executed and delivered by Lessee pursuant to the Financing Documents. The principal amount represented by the Financing Documents, or $708,171.00 will be deposited in escrow by Lessor at closing and held by Community First National Bank, as Escrow Agent (the "Escrow Agent") pending acquisition of the Equipment under the terms of that certain Escrow Agreement dated as of 10/1/2020 (the "Escrow Agreement"), by and among Lessor, Lessee and Escrow Agent.

2.2. No portion of the principal amount represented by the Financing Documents will be used as a substitute for other funds which were otherwise to be used as a source of financing for the Equipment, or will be used, directly or indirectly, to replace funds used by Lessee to acquire investments which produce a yield materially higher than the yield to Lessor under the Financing Documents.

2.3. Lessee does not expect to sell or otherwise dispose of the Equipment, in whole or in part, at a date which is earlier than the final rental payment due under the Financing Documents.

3. Source and Disbursement of Funds.

3.1. The principal amount represented by the Financing Documents does not exceed the amount necessary for the governmental purpose for which the Financing Documents were entered into. Such funds are expected to be needed and fully expended for payment of the costs of acquiring, equipping and installing the items of Equipment.

3.2. It is contemplated that the entire amount deposited in escrow will be used to pay the acquisition cost of Equipment to the vendors or manufacturers thereof, provided that a portion of the principal amount may be paid to Lessee within such period as reimbursement for Acquisition Costs already made by it so long as the conditions set forth in Section 3.3 below are satisfied.

3.3. Lessee shall not request that it be reimbursed for Equipment acquisition cost payments already made by it unless the following conditions have been satisfied:

(a) Lessee made a declaration of its reasonable intention to reimburse the acquisition cost payment sought to be reimbursed with the proceeds of a borrowing not later than sixty (60) days after the date on which it made the payment, which declaration satisfies the "Official Intent Requirement" set forth in Treas. Reg. Sec.1.150-2;

(b) The reimbursement being requested will be made by written allocation before the later of eighteen (18) months after the acquisition cost payment was made or eighteen (18) months after the items of Equipment to which such payment relates were placed in service;

(c) The entire payment with respect to which reimbursement is being sought is a capital expenditure, being a cost of type properly chargeable to a capital account under general federal income tax principles; and

(d) Lessee will use any reimbursement payment for general operating expenses and not in a manner which could be construed as an artifice or device under Treas. Reg. Sec. 1. 148-10 by, virtue of, among other things, use to refund, or to create or increase a sinking, reserve or replacement fund with respect to, any other obligations issued by it.

4. Temporary Period.

4.1. Lessee expects, within six months from the date of issuance of the Financing Documents, (a) to have had disbursed from escrow an amount in excess of the lesser 2 1/2% of the amount deposited by Lessor in escrow or $100,000, or (b) to enter into binding obligations with third parties obligating Lessee to spend such amount.

4.2. The ordering and acceptance of the items of Equipment will proceed with due diligence to the date of final acceptance of the Equipment.

4.3. The items of Equipment being acquired by Lessee will be delivered at various times. At least 15% of the sum of the amount deposited in escrow and the reasonably anticipated interest earnings thereon will be used to pay the acquisition price of items of Equipment within six months from the date of issuance of the Financing Documents; at least 60% of the sum of the amount deposited in escrow and the reasonably anticipated interest earnings thereon will be used to pay the acquisition cost of items of Equipment within 12 months from the date of issuance of the Financing Documents; and 100% of the amount deposited in escrow and interest earnings thereon will be used to pay the acquisition cost of items of Equipment prior to 18 months from the date of issuance of the Financing Documents.

4.4. The total acquisition cost of the Equipment is not required to be paid to the vendors or manufacturers thereof until the Equipment has been accepted by Lessee.

5. Escrow Account.

5.1. The Financing Documents provide that the monies deposited in escrow shall be invested until payments to the vendor(s) or manufacturer(s) of the Equipment are due. Lessee will ensure that such investment will not result in Lessee's obligations under the Financing Documents being treated as an "arbitrage bond" or a "federally guaranteed bond" within the meaning of Section 148(a) or Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code"), respectively. Any monies which are earned from the investment of these funds shall be labeled as interest earned. All such monies will be disbursed on or promptly after the date that Lessee accepts the equipment.

6. Exempt Use.
6.1. No part of the proceeds of the Financing Documents or the Equipment will be used in any "private business use" within the meaning of Section 141(b)(6) of the Internal Revenue Code of 1986, as amended.
6.2. No part of the proceeds of the Financing Documents will be used, directly or indirectly, to make or finance any loans to non-governmental entities or to any governmental agencies other than Lessee.

7. No Federal Guarantee.
7.1. Payment of the principal or interest due under the Financing Documents is not directly or indirectly guaranteed, in whole or in part, by the United States or an agency or instrumentality thereof.
7.2. No portion of the proceeds under the Financing Documents shall be (i) used in making loans, the payment of principal or interest of which are to be guaranteed, in whole or in part, by the United States or any agency or instrumentality thereof, or (ii) invested, directly or indirectly, in federally insured deposits or accounts if such investment would cause the financing under the Financing Documents to be federally guaranteed within the meaning of Section 149(b) of the Code.

8. Miscellaneous.
8.1. Lessee agrees to comply with the rebate requirement set forth in Section 148(f) of the Code in the event that for any reason it is applicable to the financing pursuant to Financing Documents.
8.2. Lessee shall keep a complete and accurate record of all owners or assignees of the Financing Documents in form and substance satisfactory to comply with Section 149(a) of the Code unless Lessor or its assignee agrees to act as Lessee's agent for such purpose.
8.3. Lessee shall maintain complete and accurate records establishing the expenditure of the proceeds of the Financing Documents and interest earnings thereon for a period of five years after payment in full under the Financing Documents.

IN WITNESS WHEREOF, this Tax Compliance Agreement and No Arbitrage Certificate has been executed on behalf of Lessee as of the date set forth below.

LESSEE:
Franklin County

_____
Christopher Whitlow, County Administrator

_____
Date

Form **8038-G** (Rev. September 2018) Department of the Treasury Internal Revenue Service

Information Return for Tax-Exempt Governmental Bonds

▶ Under Internal Revenue Code section 149(e)
▶ See separate instructions.
Caution: *If the issue price is under $100,000, use Form 8038-GC.*
▶ Go to *www.irs.gov/F8038G* for instructions and the latest information.

OMB No. 1545-0720

Part I Reporting Authority

If **Amended Return**, check here ▶ ☐

1 Issuer's name Franklin County	2 Issuer's employer identification number (EIN) 54-6001286
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)	3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address) / Room/suite 1255 Franklin Street	5 Report number *(For IRS Use Only)* 3
6 City, town, or post office, state, and ZIP code Rocky Mount, VA 24151	7 Date of issue 10/01/2020
8 Name of issue Master Equipment Lease Purchase Agreement	9 CUSIP number
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions)	10b Telephone number of officer or other employee shown on 10a

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11	Education	11		
12	Health and hospital	12		
13	Transportation	13		
14	Public safety	14	708,171	00
15	Environment (including sewage bonds)	15		
16	Housing	16		
17	Utilities	17		
18	Other. Describe ▶	18		
19a	If bonds are TANs or RANs, check only box 19a ▶ ☐			
b	If bonds are BANs, check only box 19b ▶ ☐			
20	If bonds are in the form of a lease or installment sale, check box ▶ ☐			

Part III Description of Bonds. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	10/01/2025	$ 708,171.00	$ N/A	5 years	2.740 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount) N/A

22	Proceeds used for accrued interest			22	
23	Issue price of entire issue (enter amount from line 21, column (b))			23	
24	Proceeds used for bond issuance costs (including underwriters' discount)	24			
25	Proceeds used for credit enhancement	25			
26	Proceeds allocated to reasonably required reserve or replacement fund	26			
27	Proceeds used to refund prior tax-exempt bonds. Complete Part V	27			
28	Proceeds used to refund prior taxable bonds. Complete Part V	28			
29	Total (add lines 24 through 28)			29	
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	

Part V Description of Refunded Bonds. Complete this part only for refunding bonds. N/A

31	Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded ▶	years
32	Enter the remaining weighted average maturity of the taxable bonds to be refunded ▶	years
33	Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY) ▶	
34	Enter the date(s) the refunded bonds were issued ▶ (MM/DD/YYYY)	

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35		
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions	36a		
b	Enter the final maturity date of the GIC ▶ (MM/DD/YYYY) _____			
c	Enter the name of the GIC provider ▶ _____			
37	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37		

38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the following information:

b Enter the date of the master pool bond ▶ (MM/DD/YYYY) _____

c Enter the EIN of the issuer of the master pool bond ▶ _____

d Enter the name of the issuer of the master pool bond ▶ _____

39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ ☐

40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐

41a If the issuer has identified a hedge, check here ▶ ☐ and enter the following information:

b Name of hedge provider ▶ _____

c Type of hedge ▶ _____

d Term of hedge ▶ _____

42 If the issuer has superintegrated the hedge, check box ▶ ☐

43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶ ☐

44 If the issuer has established written procedures to monitor the requirements of section 148, check box ▶ ☐

45a If some portion of the proceeds was used to reimburse expenditures, check here ▶ ☐ and enter the amount of reimbursement ▶ _____

b Enter the date the official intent was adopted ▶ (MM/DD/YYYY)

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

▶ _____ Signature of issuer's authorized representative Date

▶ Christopher Whitlow, County Administrator
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN

Firm's name ▶	Firm's EIN ▶
Firm's address ▶	Phone no.

Franklin County

A Natural Setting for Opportunity

EXECUTIVE SUMMARY

AGENDA TITLE: Vehicle Chassis Surplus Disposal	***AGENDA DATE:*** **October 20, 2020**
	BOARD ACTION: **Yes** **INFORMATION:** **No** **ATTACHMENTS:** **Yes**
SUBJECT/PROPOSAL/REQUEST Disposal of Ambulance Chassis.	**CONSENT AGENDA:** **Yes** **ATTACHMENTS:**
STRATEGIC PLAN FOCUS AREA: ☐ *Economic Development* ☐ *Financial Stability* ☐ *Managed Growth* ☑ *Public Safety* ☑ *Operational Effectiveness*	**STAFF CONTACT(S):** William Ferguson, Director of Public Safety Steve Sandy, Asst. County Administrator
	REVIEWED BY: Christopher L. Whitlow, County Administrator

BACKGROUND:

Ambulances for all volunteer and career stations are funded through the CIP budget by the Franklin County Board of Supervisors. Some units have new chassis placed under the box and remain in service. Chassis are then re-allocated to other county departments or sold.

DISCUSSION:

In FY 14/15 an ambulance was purchased and placed into service at the Westlake Fire/EMS station. This unit was a 2014 Dodge VIN 3C7WRLCL1EG270710 with an Osage ambulance body. The unit currently has 159,207 miles and 6,629 hours of service on it.

Due to this unit coming to the end of its service life permission was granted at the June 16, 2020 Board of Supervisors meeting to have this unit remounted onto a new chassis. This remount is being completed by Osage Ambulances located in Linn, Missouri.

Once this remount is complete, there are several options for disposal of the original chassis: (1) Be re-allocated to another county department, (2) Be placed on E-Gov.com for sale, (3) Be sold to Osage Ambulance.

Osage Ambulance has made an offer of $8,000.00 for the chassis. If option number 1 or 2 are chosen, the chassis will have to be brought back to Rocky Mount. Once in Rocky Mount there is no guarantee as to what the chassis can be sold for.

Staff has also received the support of the county vehicle committee to declare as surplus and sell the chassis to Osage Ambulance in Linn, Missouri for the price of $8,000.00.

RECOMMENDATION:

Staff respectfully recommends that the Board of Supervisors declare as surplus and authorize the sale of a 2014 Dodge RAM 4500 4 X 4 chassis VIN 3C7WRLCL1EG270710 TO Osage Ambulance of Linn, Missouri for the amount of $8,000.00 as outlined in this summary.

POSSIBLE BOARD ACTIONS:

MOTION to APPROVE:

I make a motion that the Board of Supervisors declare as surplus and authorize the sale of a 2014 Dodge RAM 4500 4 X 4 chassis VIN 3C7WRLCL1EG270710 TO Osage Ambulance of Linn, Missouri for the amount of $8,000.00

MOTION to TABLE:

I make a motion to table the surplus of County Equipment as presented, until further information is provided.

MOTION to DENY:

I make a motion to deny the surplus of County Equipment as presented.

Franklin County

A Natural Setting for Opportunity

EXECUTIVE SUMMARY

AGENDA TITLE: **CARES Act Emergency Procurement Approval** **SUBJECT/PROPOSAL/REQUEST:** Request of the Board of Supervisors to approve and ratify CARES Act purchases made under Section IV, Subsection E of the County's Procurement Policy – Emergency Purchases **STRATEGIC PLAN FOCUS AREA:** ☐ *Economic Development* ☑ *Financial Stability* ☐ *Infrastructure* ☐ *Lifelong Learning* ☐ *Managed Growth* ☐ *Public Safety* ☑ *Operational Effectiveness*	**AGENDA DATE:** October 20, 2020 **BOARD ACTION:** YES **ATTACHMENTS:** NO **CONSENT AGENDA:** YES **STAFF CONTACT(S):** Brian Carter, Director of Finance & Human Services **REVIEWED BY:** Christopher L. Whitlow, County Administrator

BACKGROUND:
Emergency procurement is authorized under Section IV, Subsection E of the County's Procurement policy and mirrors the authority to emergency procure under Section 2.2-4303, of the Virginia Public Procurement Act. In consultation with the County Attorney, staff feels that the COVID-19 pandemic, along with the December 30 deadline to spend the CARES Act funds, warrants the use of these emergency procurement clauses. The County must document its use of emergency procurement. As also completed last month with CARES funding deadline requirements, another similar consent agenda item is presented for ratification of the use of emergency procurement as CARES Act funds are used to purchase items that exceed the County's $30,000 competitive procurement threshold.

DISCUSSION:
The following items have been procured under emergency procurement procedures from September 9, 2020 through October 13, 2020:

Item	Amount
Self-Contained Breathing Apparatus – Public Safety Dept.	$ 799,628
Turnout Gear – Public Safety Dept.	$ 962,940
Multimedia Vending Equipment – Library	$ 89,380
Total	$1,851,948

Staff will provide an update to the Board at their next regularly scheduled monthly meeting as additional items are procured under emergency procurement procedures.

RECOMMENDATION:
Staff respectfully requests the Board of Supervisors to approve and ratify the purchases listed above procured under the authority of the County's procurement policy as emergency purchases and foregoing competitive sealed bidding or competitive negotiation.

POSSIBLE BOARD ACTIONS:

MOTION to APPROVE:

I make a motion to approve and ratify the purchases listed above procured under the authority of the County's emergency purchasing procedures.

MOTION to TABLE:

I make a motion to table the approval of the presented items until further information is provided.

MOTION to DENY:

I make a motion to deny the presented purchases through emergency procurement.

Bedford Residency
Todd Daniel – Residency Administrator
Brian Casella – Assistant Resident Engineer
VDOT Call Center – 1-800-FOR-ROAD
(1-800-367-7623)

To: Franklin County Board of Supervisors
Subject: October 2020 – Franklin County VDOT Monthly Updates

MAINTENANCE

Maintenance Activities for Previous 30 Days:

- Ordinary maintenance – Pavement (pothole) repair, gravel road repair, right of way brush cutting operations (County wide), shoulder repairs (County wide), storm water culvert repairs and cleaning (County wide) and guardrail repairs.
- Route 869 (Turtle Hill Rd.)/Route 40 (Old Franklin Turnpike) – Intersection improvements on Route 869 (Turtle Hill Rd.) at Route 40 to include re-aligning and widening of the intersection. COMPLETED
- Secondary mowing operations.
- Patching operations in preparation for plant mix schedule.
- Route 116 (Jubal Early Hwy.) – Previously closed due to major slide and flooding event. The road is now open at the intersection of Route 681 (Coopers Cove Rd.) to 1.5 mi. east of Route 1520 (Windy Ridge Parkway). COMPLETED
- Route 1418 (Forest Shores Rd.) – Pipe replacement; work to begin mid-September and should take 2 weeks, weather permitting. COMPLETED
- Route 640 (Six Mile Post Rd.) – Installation of headwalls for drainage structure began on September 1, 2020 and should take 2 weeks to complete, weather permitting. COMPLETED
- Route 602 (Ferrum Mountain Rd.) – Superstructure replacement at 0.10 miles from Rte. 908 (Sloan Rd.) and 0.60 miles from Rte. 752 (Sawmill Rd.) ; work to begin Sept. 21, 2020 through Sept. 24, 2020. COMPLETED
- Patch paving on Route 654 (Windlass Rd.). COMPLETED

Maintenance Activities for Next 60 Days:

- Ordinary Maintenance – Pavement (pothole) repair, gravel road repair, right of way brush cutting operations (County wide), shoulder repairs (County wide), storm water culvert repairs and cleaning county wide, guardrail repairs.
- Over the rail mowing to include primary and secondary routes.
- Route 647 (Kay Fork Rd.) – Preparation for pipe replacement for failed pipe; ongoing closure.
- Route 854 (Toms Knob Rd.) – Pipe replacement; in progress. One lane is open to traffic. Estimated completion date is October 14, 2020.

Maintenance Activities for Next 60 Days (cont.):

- Route 622 (Saint Johns Loop) – Pipe replacement; road will be closed to traffic, detour provided. Work scheduled to begin on Oct. 19, 2020; estimated completion is 3 weeks, weather permitting.
- Route 632 (Mount Carmel Rd.) – Pipe replacement; tentatively scheduled to begin early November.
- Route 740 (Algoma Rd.) – Pipe replacement; tentatively scheduled to begin late November.
- Slope repair near frontage road Route F611 (Cornell Rd.) and Bernard Rd. (Town of Rocky Mount).
- Primary and secondary mowing operations.
- Patching operations in preparation for plant mix schedule.
- 2020 Surface treatment schedule in progress.
- Patch paving on Route 670 (Burnt Chimney Rd.).

LAND DEVELOPMENT & PERMITS

- 133 Active permits to include: 63 utilities, 52 private entrances, 3 commercial entrances, 4 roadside memorials, 2 private utility permits, 3 maintenance of traffic permits, 1 grading permits, 1 geotechnical bore and 2 locally administered permits. Of these, 24 were issued in September.

  3 site plan reviews and 6 special use applications:
- ScrapCo – Review of laydown yard south of Rocky Mount.
- Red Barn Subdivision – Review of plat for subdivision.
- Wingfield – Review of stone yard sales facilities in Burnt Chimney area.
- Special Use Permit(s) – Review of application for various requests that had no impacts to VDOT.

  Additional Land Development Activities:
- Facebook Fiber Project – Intermittent flagging operations in the Callaway, Wirtz and Burnt Chimney area.
- Fox Run Subdivision – Review subdivision for future state maintenance.

CONSTRUCTION

Franklin County

- Route 122 (Booker T. Washington Hwy.) Bridge over Blackwater River – Construction underway. The traveling public can expect delays due to flagging operations throughout the life of the project. Project completion is planned for late 2020/early 2021.

CONSTRUCTION (cont.)

Roanoke County – US220

- Route 220 Bridge over Back Creek – Bridge replacement to include increased width, 6-foot inside shoulder and 10-foot outside shoulder. The project includes grading to improve sight distance at the intersection of Route 657 (Crowell Gap Rd.) and Route 220. Northbound traffic is switched to the new bridge section and the existing northbound bridge is being removed. Route 220 crossover at Crowell Gap Road and Winter Drive is closed and no left turns are allowed. The project is scheduled to be completed in July 2021.
- Route 220 southbound – Left turn lane construction in conjunction with the bridge construction at the crossover/intersection with Route 657 (Crowell Gap Rd.)

TRAFFIC STUDIES/SPECIAL REQUESTS

Requested Safety Studies:

- Route 616 (Scruggs Rd.)/942 (Bluewater Dr.) – Review of intersection for safety improvements.
- Route 616 (Scruggs Rd.)/834(Brooks Mill Rd.) – Review of intersection for visibility improvements.
- Route 919(Grassy Hill)/994 (New Plant Rd.) – Review of intersection for sight distance improvements.
- Route 220/Route 697 (Wirtz Rd.) – Review of intersection particularly for the flashing yellow arrow.

Completed Safety Studies:

- Route 220N - Review of speed limit for extension of 45 mph from approximately end of Town of Boones Mill limit to Roanoke County Line; no recommended changes.

PROJECT STATUS

- Route 122 (Booker T. Washington Hwy.)/Route 636 (Hardy Rd.) – Original advertisement date delayed. Plan revision underway; plan revision to include a round-a-bout intersection improvement. Revised advertisement date of December 2020. (UPC 109287)
- Route 834/670 (Brooks Mill Rd./Burnt Chimney Rd.) – Construction of a roundabout at the intersection of Route 834 and Route 670; advertisement scheduled for February 2022. (UPC 111364)
- Route 718 (Colonial Turnpike) – Bridge replacement; project was advertised on January 28, 2020. Fixed completion date 12/1/2021.
- Route 641 (Callaway Rd.) – Superstructure replacement near intersection of Route 602; one lane will be open to traffic during the construction. In progress.

Franklin County

A Natural Setting for Opportunity

EXECUTIVE SUMMARY

AGENDA TITLE: RESOLUTION TO APPROVE 2020 LEASE REVENUE REFUNDING BONDS	***AGENDA DATE:*** **October 20, 2020**
SUBJECT/PROPOSAL/REQUEST Request of the Board of Supervisors to approve by resolution the issuance of 2020 Lease Revenue and Refunding Bonds	***BOARD ACTION:*** ***Yes*** ***INFORMATION:*** ***No*** ***ATTACHMENTS:*** ***Yes***
STRATEGIC PLAN FOCUS AREA: ☑ *Economic Development* ☑ *Financial Stability* ☑ *Infrastructure* ☐ *Lifelong Learning* ☑ *Managed Growth* ☐ *Public Safety* ☐ *Operational Effectiveness*	***CONSENT AGENDA:*** ***No*** ***ATTACHMENTS:*** ***No*** ***STAFF CONTACT(S):*** **Brian Carter, Director of Finance** ***REVIEWED BY:*** **Christopher Whitlow, County Administrator**

BACKGROUND:
The County's financial advisers, Davenport & Company, updated the Board of Supervisors in a financial planning work session at the September 15, 2020 meeting. Davenport informed the Board that interest rates were favorable to refund and permanently finance the 2018 Bond Anticipation Notes f and possibly refinance other outstanding County debt. The Board directed staff to proceed with the new debt issuance. Staff has worked with Davenport, and bond counsel Sands Anderson PC, to prepare the 2020 refunding.

DISCUSSION:
Over the last month, staff has worked with Davenport and Sands Anderson to prepare the necessary financing documents to permanently finance the 2018 Bond Anticipation Notes and refinance existing debt at lower interest rates. Davenport and Sands Anderson will provide an update to the Board on the progress. Upon review from Davenport, the Board will be presented with a resolution to authorize the issuance of the revenue bonds through the Franklin County Industrial Development Authority.

RECOMMENDATION:
Staff respectfully requests the Board of Supervisors to approve the resolution authorizing the issuance of Public Facility Lease Revenue Refunding Bonds to permanently finance the 2018 Bond Anticipation Notes and other existing debt. Finally, staff requests the Board of Supervisors to authorize the County Administrator, County Attorney, and Director of Finance to sign all documents necessary for the lease revenue and refunding bonds.

POSSIBLE BOARD ACTIONS:

MOTION to APPROVE:

I make a motion the Board of Supervisors approve the resolution authorizing the issuance of Public Facility Lease Revenue Refunding Bonds to permanently finance the 2018 Bond Anticipation Notes and other existing debt and authorize the County Administrator, County Attorney, and Director of Finance to sign all documents necessary for the lease revenue and refunding bonds.

MOTION to TABLE:

I make a motion the Board table the resolution authorizing the issuance of Public Facility Lease Revenue Refunding Bonds to permanently finance the 2018 Bond Anticipation Notes and other existing debt until further information is provided.

MOTION to DENY:

I make a motion the Board deny the resolution authorizing the issuance of Public Facility Lease Revenue Refunding Bonds to permanently finance the 2018 Bond Anticipation Notes and other existing debt.

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF FRANKLIN, VIRGINIA

WHEREAS, at the request of the Board of Supervisors **(the "Board")** of County of Franklin, Virginia **(the "County")**, the Industrial Development Authority of the County of Franklin, Virginia **(the "Authority")** previously issued its $16,345,000 Public Facility Lease Revenue Bond Anticipation Notes, Series 2018 **(the "2018 Notes")** to provide funds to finance certain costs in connection with the construction, development and infrastructure improvements related to the Summit View Business Park in the County and the acquisition of equipment for the County **(the "Project")**; and

WHEREAS, the County has previous entered into lease financing arrangements to finance a variety of County projects consisting of the following: (a) a Master Equipment Lease/Purchase Agreement dated as of February 26, 2015 between the County and Banc of America Public Capital Corp and a Schedule of Property No. 1 thereunder **(together, the "2015 Lease Obligation")**, (b) the Authority's $5,186,000 Lease Revenue Refunding Bond, Series 2016A and $10,000,000 Lease Revenue Bond, Series 2016B **(the "2016 Bonds")**, secured by a Lease Agreement dated as of December 1, 2016 between the County and the Authority and a supplement thereto, (c) the Authority's $7,677,000 Lease Revenue Refunding Bond, Series 2017A and $6,154,000 Lease Revenue Bond, Series 2017B **(the "2017 Bonds")**, secured by a Lease Agreement dated as of January 1, 2017 between the County and the Authority and a supplement thereto and (d) and an Equipment Lease Purchase Agreement, dated as of September 7, 2018, **(the "Lease Agreement")**, between the County and Signature Public Funding Corp. and Equipment Schedule in the amount of $1,315,000 thereunder **(the "2018 Lease Obligation")**; and

WHEREAS, Davenport & Company LLC **(the "Financial Advisor")**, financial advisor to the County, has indicated that the refunding of all or a portion of the 2015 Lease Obligation, the 2016 Bonds, the 2017 Bonds, the 2018 Notes and the 2018 Lease Obligation **(together, the "Refunded Obligations")** may result in debt service savings to the County; and

WHEREAS, the Board will request the Authority to (a) issue, offer and sell its public facility lease revenue refunding bonds in an amount of up to [$47,000,000] **(the "Bonds")** to refund the Refunded Obligations, finance any remaining 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) lease from the County certain County property in the Courthouse complex, and one or more other essential government properties consisting of the County government center, Windy Gap Elementary School and the County library and recreation center properties, comprising an aggregate insured value adequate to meet the collateral criteria of underwriters and rating agencies relative to the aggregate amount of the Bonds issued **(the "Leased Property")**, pursuant to a ground lease and, in turn, lease to the County the Leased Property pursuant to a lease agreement between the County and the Authority, (c) secure the Bonds by an assignment of its rights under such lease agreement and ground lease (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 assignment agreement between the Authority and the Trustee, which is to be acknowledged and consented to by the County, all in accordance with a bond purchase agreement among (i) an underwriter to be selected by the County based on input from the Financial Advisor **(the "Underwriter")**, (ii) the County and (iii) the Authority; and

WHEREAS, the rent and other payments to be made to the Authority by the County pursuant to the lease 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. a Ground Lease, between the County and the Authority, and, if required, the Franklin County School Board **(the "School Board")** conveying to the Authority a leasehold interest in the Leased Property **(the "Ground Lease")**;

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

c. a Financing Lease between the Authority and the County conveying to the County the Leased Property **(the "Financing Lease")**;

d. a Bond Purchase Agreement, among the Authority, the County and the Underwriter, pursuant to which the Bonds are to be issued **(the "Bond Purchase Agreement")**;

e. an Assignment of Rents and Leases between the Authority and the Trustee, assigning to the Trustee certain of the Authority's rights under the Financing Lease and the Ground Lease, which is to be acknowledged and consented to by the County **(the "Assignment Agreement")**; and

f. 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 BOARD OF SUPERVISORS OF THE COUNTY OF FRANKLIN, 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, the refunding of the Refunded Obligations, the financing of the Project, and leasing of the Leased Property for the benefit of the County are hereby approved and authorized. The following plan for refunding the Refunded Obligations and financing the costs of the Project is approved. The Authority shall use

the proceeds from the issuance of the Bonds to refund the Refunded Obligations and finance the Project, provided, however, that no portion of the Refunded Obligations shall be refunded unless such refunding results achieves net positive aggregate net present value debt service savings of the Refunded Obligations to be refunded (**the "Targeted Savings"**). The Authority shall lease the Leased Property to the County for a lease term not less than the term of the Bonds at a rent 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 rent payments received from the County under the Financing Lease. The obligation of the County to pay rent under the Financing Lease 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. The Bonds will be secured by the Assignment Agreement to the Trustee on behalf of the Bondholders. If the Board exercises its right not to appropriate money for rent payments, the Bondholders may terminate the Financing Lease or otherwise exclude the County from possession of the Leased Property.

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, the refunding of the Refunded Obligations, the financing of the Project and the leasing of the Leased Property.

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 paragraph 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 County hereby authorizes the sale of the Bonds to an underwriter or group of underwriters with demonstrated experience in underwriting municipal securities **("Underwriter")** to be selected by the County Administrator. The Chairman or the County Administrator (**the "County Representative"**) 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 Chairman or the County Administrator, upon negotiation with the Underwriter, based on the recommendations of the Financial Advisor, and not inconsistent with the provisions of this Resolution. The Bonds shall mature not later than [twenty-five] 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 shall be sold initially at an purchase price (exclusive of original issue discount) of not less than 98% of the face amount of the Bonds plus interest accrued thereon to the date of issuance of the Bonds, if any, in any case so as to produce and a true interest cost savings on the Refunded Obligations of not less than the Targeted Savings.

6. If the County Representative determines that it is in the best interest of the County to sell any Bonds in a competitive sale rather than a negotiated sale, then 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 purchase of the Bonds 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. The Chairman or the County Administrator is authorized and directed to execute, deliver and, as appropriate, record the Ground Lease, the Financing Lease and the Assignment, 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, the refunding of the Refunded Obligations 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.

8. 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.

9. The Leased Property 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.

10. 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.

11. 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 Lease 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 Lease and hereby recommends that future Boards do likewise during the term of thereof.

12. The Board of Supervisors has determined to authorize the County, if and as necessary, to utilize SNAP in connection with the investment of the proceeds of the Bonds.

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

14. 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, the refunding of the Refunded Obligations and the accomplishment and financing of the Project are ratified and approved.

15. This Resolution shall take effect immediately.

CERTIFICATION OF ADOPTION OF RESOLUTION

The undersigned Clerk of the Board of Supervisors of the County of Franklin, Virginia hereby certifies that the Resolution set forth above was adopted in an open meeting on October __, 2020, by the Board of Supervisors with the following votes:

Aye:

Nay:

Abstentions:

Signed this ___ day of October, 2020.

By: _____
Clerk, Board of Supervisors

Tax Map Parcel No.: 2070070800

EXEMPT FROM CLERK'S FEE PURSUANT TO VIRGINIA CODE SECTION 17.1-266

This Assignment of Rents and Leases is exempt from recording taxes under Section 58.1-811.A.3 of the Code of Virginia of 1950, as amended.

ASSIGNMENT OF RENTS AND LEASES

THIS ASSIGNMENT OF RENTS AND LEASES **(this "Assignment")** is made as of November 1, 2020, between the INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF FRANKLIN, VIRGINIA, a political subdivision of the Commonwealth of Virginia, as lessor **(the "Assignor," to be indexed as Grantor)**, and [The Bank of New York Mellon Trust Company, N.A.,] a national banking association duly organized and existing under the laws of the United States of America, as trustee under the Indenture (as hereinafter defined) **(the "Assignee," to be indexed as Grantee)**.

RECITALS

The Assignor and the County of Franklin, Virginia **(the "County")** have entered into a Financing Lease, dated as of November 1, 2020 **(the "Financing Lease")** and such parties have entered into a Ground Lease, dated as of November 1, 2020 **(the "Ground Lease," and collectively with the Financing Lease, the "Leases")** pursuant to which certain real property, consisting of the Leased Property, as defined in the Financing Lease, will be ground leased to the Assignor and leased by the Assignor back to the County. The cost of financing of the Project (as defined in the Financing Lease) and refunding the Refunded Obligations (as defined in the Financing Lease) will be financed in part by the sale of public facility lease revenue refunding bonds **(the "Bonds")**, the proceeds of which shall be deposited with the Assignee, as trustee, as provided for in the Indenture of Trust, dated as of November 1, 2020 **(the "Indenture")**, between the Assignor and the Assignee, relating to the Bonds. The Assignor has agreed to assign to the Assignee for the benefit of the owners of the Bonds, as security therefor, all of its rights, title and interest in and to the Leases, as provided therein, including the Assignor's right to receive payments under the Financing Lease (exclusive of the Assignor's rights to receive notices, indemnity and its administrative expenses).

Unless otherwise defined in this Assignment, all capitalized terms used in this Assignment shall have the same meanings as set forth in Article I of the Financing Lease.

AGREEMENT

NOW, THEREFORE, for and in consideration of the premises, the mutual benefits to be received by the parties to this Assignment, Ten Dollars ($10) cash in hand paid by the

Prepared by and return to:
Daniel M. Siegel, Esquire
Sands Anderson PC
P.O. Box 1998
Richmond, Virginia 23219
VSB# 20523

Assignee, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties to this Assignment, the parties hereto covenant and agree as follows.

1. The Assignor hereby conveys, transfers and assigns unto Assignee, its successors and assigns, all the rights, interests and privileges which Assignor, as lessor, has and may have in the Financing Lease and as lessee, has and may have under the Ground Lease, together with all modifications, extensions and renewals thereof, all rents, income, security deposits and profits due and to become due therefrom, and all rights and remedies of the Assignor pursuant to the Leases, including without limitation its rights and remedies upon the occurrence of a default thereunder or upon a failure by the County to appropriate funds to make payments under the Financing Lease (exclusive of the Assignor's rights to receive notices, indemnity and its administrative expenses).

2. This Assignment is made as security for the payment of the principal of and interest on the Bonds, as provided in the Indenture and the Financing Lease, and all other payments required by, and the performance of the County's and the Assignor's obligations under, the Basic Documents, as defined in the Financing Lease **(collectively, the "Obligations")**. Notwithstanding anything contained herein to the contrary, this Assignment is intended to be an absolute assignment from the Assignor to the Assignee of rents and leases and not merely the granting of a security interest therein.

3. The acceptance of this Assignment and the collection of rents or the payments under the Financing Lease shall not constitute a waiver of any rights of Assignee under the terms of the Bonds, the Basic Documents or any other agreement or instrument executed in connection therewith. Anything to the contrary herein or in the Basic Documents notwithstanding, the Assignor hereby assigns to the Assignee the Assignor's interest, if any, in (i) any payments or awards hereafter made to the Assignor in any court proceeding involving any of the lessees in any bankruptcy, insolvency or reorganization proceeding in any state or federal court with respect to the Leases hereby assigned; (ii) any proceeds of insurance received by the Assignor as a result of damage to or destruction of the Leased Property; and (iii) any and all payments made by any such lessee in lieu of or in addition to rent. To the extent permitted or required by law during the term of the Leases, the Assignor hereby appoints the Assignee as its irrevocable attorney in fact to appear in any action and to collect any such awards or payments.

4. The Assignor, if an Event of Default or a failure to appropriate (as described in Section 11.1 of the Financing Lease) occurs, authorizes the Assignee, at its option and in accordance with the Indenture, to exercise any rights the Assignor may have under the Leases to enter and take possession of the Leased Property, for the purpose of collecting all or any rents accruing therefrom, if any, and from the leases hereby assigned, if any, letting or reletting the Leased Property or any part thereof, evicting tenants under the leases hereby assigned (subject to Sections 10.2 and 11.1 of the Financing Lease), bringing or defending in its own name or the Assignor's name suits in connection with the leases hereby assigned, making such repairs as the Assignee deems necessary or appropriate and performing such other acts in connection with the management and operation of the Leased Property as the Assignee, in its discretion, may deem

proper; provided, however, that the Assignee shall have the foregoing rights and remedies only to the extent that they are provided in the Leases for the benefit of the Assignor, and nothing herein contained shall be deemed or construed to enlarge upon or modify any such rights or remedies (or as a waiver, modification, or amendment to any conditions, restrictions or limitations) set forth in the Leases. The permissive right of the Assignee to do a thing enumerated herein or in the Financing Lease will not be construed as a duty, and the Assignee is not answerable for other than its gross negligence. The County covenants and agrees pursuant to Virginia Code Section 15.2-1638 that if the County is excluded from possession of the Leased Property, that notwithstanding any other provisions herein, the County shall provide courthouses with suitable space and facilities to accommodate the various courts and officials serving the County, and a clerk's office the record room of which shall be fireproof, a jail, and upon request therefor, suitable office space and facilities for the attorney for the Commonwealth, at such other location in the County, as permitted or required by law.

5. Any rents or profits received by the Assignee pursuant to this instrument shall be applied to satisfy the Obligations.

6. Upon Payment of the Bonds and all other amounts payable pursuant to the Financing Lease and the Indenture, the lien hereof on the Leased Property shall be released and terminated.

7. The Assignee shall not be obligated to perform or discharge any obligation or duty to be performed or discharged by the Assignor under the Financing Lease.

8. The Assignor covenants and represents that, except as contemplated by the Basic Documents, no other assignment of any interest in the Leases has been made, and that, except as provided for in the Indenture or the Leases, the Assignor will not hereafter amend, alter, modify, cancel, surrender or terminate the Leases, exercise any option which might lead to any such amendment, alteration, modification, cancellation, surrender or termination or consent to the release of any party liable thereunder or to the assignment of the interest of any lessee or to any subletting without the prior written consent of the Assignee.

9. The Assignor hereby authorizes the Assignee to give notice in writing of this Assignment at any time to any lessee under the Financing Lease.

10. The full performance of the Bonds and the Basic Documents and the defeasance of the Indenture according to its terms shall automatically terminate this Assignment without the necessity of further action by either the Assignee or the Assignor.

11. This Assignment applies to and binds the parties hereto and their respective successors and assigns.

12. Notwithstanding anything contained in this Assignment to the contrary, all of the obligations of the Assignor hereunder shall be non-recourse obligations, and the owners of the Bonds and the Assignee shall look solely to the Assignor's interest in the Leases for the

satisfaction of any and all remedies they may have against the Assignor upon a default under one or more of the Basic Documents. Neither the owners of the Bonds, nor the Assignee, shall enforce or attempt to enforce any deficiency or other personal money judgment against the Assignor with respect to the Obligations.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Assignor has executed this instrument as of the date first written above.

INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF FRANKLIN, VIRGINIA

By: _____
Title: Chairman

COMMONWEALTH OF VIRGINIA)
CITY/COUNTY OF FRANKLIN)

The foregoing instrument was acknowledged before me in the jurisdiction aforesaid, this ____ day of November , 2020, by _____, Chairman of the Industrial Development Authority of the County of Franklin, Virginia, a political subdivision of the Commonwealth of Virginia, on behalf of the Authority.

My Commission Expires: _____.

My Notary Registration number is: _____.

_____
Notary Public

[Additional signature page to Assignment of Rents and Leases]

Accepted by:

[THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,] as Trustee

By: _____

Its: _____

COMMONWEALTH OF MASSACHUSETTS)
COUNTY OF MIDDLESEX)

The foregoing instrument was acknowledged before me in the jurisdiction aforesaid, this ____ day of _____, 2020, by _____, _____, on behalf of [The Bank of New York Mellon Trust Company, N.A.,] as Trustee.

My Commission Expires: _____.

My Notary Registration number is: _____.

_____
Notary Public

[Additional signature page to Assignment of Rents and Leases]

Seen and consented to:

COUNTY OF FRANKLIN, VIRGINIA

By:_____
Chairman, Board of Supervisors

COMMONWEALTH OF VIRGINIA)
CITY/COUNTY OF FRANKLIN)

The foregoing instrument was acknowledged before me in the jurisdiction aforesaid, this ____ day of November, 2020, by _____, Chairman of the Board of Supervisors of the County of Franklin, Virginia, on behalf of the County.

My Commission Expires: _____.

My Notary Registration number is: _____.

_____
Notary Public

INDENTURE OF TRUST

BETWEEN

INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF FRANKLIN, VIRGINIA

AND

[THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,] AS TRUSTEE

Dated as of November 1, 2020

$_____ Public Facility Lease Revenue Refunding Bonds, Series 2020

INDENTURE OF TRUST

THIS INDENTURE OF TRUST is made as of the 1st day of November, 2020, between the INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF FRANKLIN, VIRGINIA, a political subdivision of the Commonwealth of Virginia **(the "Authority")**, and [The Bank of New York Mellon Trust Company, N.A.,] a national banking association duly organized and existing under the laws of the United States of America, as trustee **(the "Trustee")**.

RECITALS

The Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended **(the "Act")**, authorizes the creation of industrial development authorities by the several counties, cities and towns in Virginia and empowers such authorities to acquire, construct, improve, maintain, equip, own, lease and dispose of facilities for use by commercial, industrial and governmental organizations in the Commonwealth of Virginia to the end that such authorities may promote industry and develop trade by inducing governmental, industrial and commercial enterprises to locate in or remain in the Commonwealth of Virginia for the benefit of the inhabitants of the Commonwealth of Virginia either through the increase of their commerce or through the promotion of their safety, convenience or prosperity, and further authorizes any such authority to issue its revenue bonds and notes for the purpose of carrying out its powers.

At the request of the County of Franklin, Virginia, a political subdivision of the Commonwealth of Virginia **(the "County")** and in order to further the purposes of the Act, the Authority intends to issue its $_____ Public Facility Lease Revenue Refunding Bonds, Series 2020 **(the "Bonds")** to finance (a) the refunding of all or a portion of the Authority's $16,345,000 Public Facility Lease Revenue Bond Anticipation Notes, Series 2018 **(the "2018 Notes")** issued to finance certain costs in connection with the construction, development and infrastructure improvements related to the Summit View Business Park in the County **(the "Project"),** including financing any remaining costs of such Project from remaining proceeds of the 2018 Notes, (c) refunding a Master Equipment Lease/Purchase Agreement dated as of February 26, 2015 between the County and Banc of America Public Capital Corp and a Schedule of Property No. 1 thereunder **(together, the "2015 Lease Obligation")**, (d) refunding the Authority's $5,186,000 Lease Revenue Refunding Bond, Series 2016A and $10,000,000 Lease Revenue Bond, Series 2016B **(the "2016 Bonds")**, secured by a Lease Agreement dated as of December 1, 2016 between the County and the Authority and a supplement thereto, (e) refunding the Authority's $7,677,000 Lease Revenue Refunding Bond, Series 2017A and $6,154,000 Lease Revenue Bond, Series 2017B **(the "2017 Bonds")**, secured by a Lease Agreement dated as of January 1, 2017 between the County and the Authority and a supplement thereto, (e) refunding an Equipment Lease Purchase Agreement, dated as of September 7, 2018, **(the "Lease Agreement")**, between the County and Signature Public Funding Corp. and Equipment Schedule in the amount of $1,315,000 thereunder **(the "2018 Lease Obligation," and, together with the 2015 Lease Obligation, the 2016 Bonds, the 2017 Bonds and the 2018 Notes, the "Refunded Obligations")** and (f) costs of issuing the Bonds.

The County has leased its interests in the real estate and the improvements thereon, constituting the County Courthouse [plus other property?] **(the "Leased Property")** to the Authority pursuant to a Ground Lease, of even date herewith **(the "Ground Lease")**, between the County and the Authority.

The Authority will enter into a Financing Lease, dated as of the date hereof **(the "Financing Lease")**, with the County pursuant to which the Authority will lease the Leased Property to the County for use by the County. Under the Financing Lease, the County undertakes to make semi-annual payments of Basic Rent, as defined in the Financing Agreement, commencing on [April 1, 2021 and on each October 1 and April 1] thereafter until termination of the Financing Lease in accordance with its terms, subject to appropriations being made from time to time by the County in amounts sufficient to pay the rentals, all as provided in the Financing Lease.

All things necessary to make such Bonds valid, binding and legal limited obligations of the Authority, when authenticated by the Trustee and issued as provided in this Indenture, and to constitute this Indenture as a valid and binding agreement securing the payment of the principal of, premium, if any, and interest on such Bonds issued under this Indenture have been done and performed. The execution and delivery of this Indenture and the execution and issuance of such Bonds have in all respects been duly authorized.

The Authority covenants and agrees with the Trustee and with the Owners, from time to time, of the Bonds, as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Definitions.

The terms set forth below have the following meanings in this Indenture unless the context clearly requires otherwise:

"Act" means the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended and in force from time to time.

"Additional Bonds" means any bonds issued to refund any of the Bonds or Additional Bonds pursuant to the terms of a Supplemental Indenture in accordance with this Indenture.

"Assignment" means the Assignment of Rents and Leases, dated as of the date hereof, from the Authority to the Trustee.

"Authority" means the Industrial Development Authority of the County of Franklin, Virginia, a political subdivision of the Commonwealth, its successors and assigns.

"Authority Representative" means the Chairman or any person or persons designated to act on behalf of the Authority by a certificate duly executed by the Chairman and filed with the Trustee.

"Basic Documents" means the Indenture, the Ground Lease, the Financing Lease, the Assignment and the Bond Purchase Agreement.

"Basic Rent" means the rent payable by the County under the Financing Lease which is equal to the amount of principal and interest due on the Bonds on the principal and interest payment dates.

"Beneficial Owner" means a Person who owns the beneficial economic interests in a Bond held in an account for such Beneficial Owner through a Participant, directly or indirectly, in the Book-Entry System.

"Board of Supervisors" means the Board of Supervisors of the County.

"Bond" or **"Bonds"** means any Bond or all of the Bonds, as the case may be, issued pursuant to this Indenture (not including Additional Bonds), but does not include any notes, bonds or other evidence of indebtedness of the Authority issued from time to time under any other indenture, trust agreement, resolution or similar instrument.

"Bond Counsel" means Sands Anderson PC, Richmond, Virginia, or an attorney or other firm of attorneys (designated by the County and acceptable to the Trustee and the Authority) of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

"Bond Fund" means the fund established by Section 7.4.

"Bondholder", "Bond Owner" or "Owner" means the Person in whose name a particular Bond is registered on the records of the Trustee.

"Bond Purchase Agreement" means the Bond Purchase Agreement, dated as of October __, 2020, among the Authority, the County and the Underwriter.

"Book-Entry System" means the system maintained by the Securities Depository described in Section 3.5 herein.

"Business Day" means any day other than (i) a Saturday or Sunday, (ii) a day on which commercial banks in the Commonwealth, or the city in which the designated corporate trust office of the Trustee is located, are authorized by law to close, (iii) a day on which the New York Stock Exchange is closed, or (iv) such other days as may be specified in a Supplemental Indenture.

"Chairman" means the Chairman or Vice Chairman of the Authority.

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

"Commonwealth" means the Commonwealth of Virginia.

"Cost of Issuance" means the costs incurred with respect to the issuance of the Bonds, including without limitation, the Trustee's initial fees and expenses, rating agency fees, if any, fees and expenses of consultants and attorneys, financial advisors, underwriters, printing costs and expenses, and fees and expenses of the Authority and the County incurred in connection with the issuance and sale of the Bonds.

"Cost" or **"Cost of the Project"** means the cost of design, construction, renovation, equipping and improvement of the Project or any portion thereof, the cost of acquisition of rights-of-way, franchises, easements and other property rights and interests, the cost of demolishing, removing or relocating any buildings or structures on land acquired, the cost of all labor, materials, machinery and equipment, financing charges, the Cost of Issuance, interest on all Bonds prior to and during construction and, if deemed advisable by the County, for a period not exceeding one year after completion of such construction, plans, specifications, studies, surveys, estimates of cost and of revenues, other expenses necessary or incident to determining the feasibility or practicability of the Project, administrative expenses, reserves for interest and for extensions, enlargements, additions and improvements, the cost of acquisition and installation of furnishings and equipment, such other expenses as may be necessary or incident to the design, construction, renovation and equipping of the Project, the financing of such design, construction, renovation and equipping and the placing of the Project in operation and such other costs as may be permitted by the Act.

"Counsel" means any attorney or firm of attorneys designated by the County and acceptable to the Authority and the Trustee, duly admitted to practice law before the highest court of any state of the United States of America, who may be a full-time employee, director or officer of the Authority, the County or the Trustee.

"County" means the County of Franklin, Virginia, a political subdivision of the Commonwealth.

"County Representative" means the Chairman or Vice Chairman of the Board of Supervisors, the County Administrator, or other County official designated by the Board of Supervisors in writing to the Trustee.

"Electronic Means" shall mean the following communication methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

"Event of Default" means any Event of Default specified in Section 10.1.

"Financing Lease" means the Financing Lease, dated as of the date hereof, between the Authority, as lessor, and the County, as lessee, with respect to the Leased Property, as it may be amended, changed or modified from time to time.

"Fiscal Year" means the twelve-month period commencing July 1 through the following June 30, or such other twelve-month period established by the County as its annual accounting period.

"Government Certificates" mean certificates representing ownership of United States Treasury bond principal at maturity or coupons for accrued periods of interest, which bonds or coupons are held in the capacity of custodian and independent of the seller of such certificates by a bank or trust company that meets the requirements for a Successor Trustee set forth in Section 11.16.

"Government Obligations" mean bonds, notes and other obligations of the United States of America and securities unconditionally guaranteed as to payment by the United States of America.

"Ground Lease" means the Ground Lease, dated as of the date hereof, between the County, as lessor, and the Authority, as lessee, with respect to the Leased Property.

"Indenture" means this Indenture of Trust, between the Authority and the Trustee, relating to the Bonds, as it may be modified, altered, amended and supplemented from time to time in accordance with its terms.

"Interest Payment Date" means the semiannual dates on which payments of interest under the Bonds are due, commencing [April 15, 2021 and continuing on each October 15 and April 15] thereafter until maturity.

"Leased Property" means the real estate and the improvements thereon, constituting the County Courthouse [and other collateral?], as more particularly described on Exhibit A thereto of the Financing Lease.

"Net Proceeds" means the gross proceeds of any recovery on any insurance policy or alternative arrangement or substitute arrangement (including but not limited to any recovery on any policy of title insurance, but excluding the proceeds of any bond insurance) or condemnation or eminent domain award remaining after payment of attorneys fees, fees and expenses of the Trustee and other expenses incurred in the collection of such gross proceeds.

"Opinion of Bond Counsel" means a written opinion of Bond Counsel in form and substance acceptable to the Trustee.

"Opinion of Counsel" means a written opinion of any Counsel in form and substance acceptable to the Trustee.

"Outstanding" means, at any date, the aggregate of all Bonds and any Additional Bonds authorized, issued, authenticated and delivered under this Indenture, except:

(a) Bonds and any Additional Bonds cancelled or surrendered to the Trustee for cancellation;

(b) Bonds and Additional Bonds deemed to have been paid as provided in Section 14.1 or 14.2; and

(c) Bonds and any Additional Bonds in lieu of or in substitution for which other Bonds and any Additional Bonds have been authenticated and delivered pursuant to this Indenture unless proof satisfactory to the Trustee is presented that the Bonds are held by a bona fide Owner.

Bonds and any Additional Bonds which are owned by the Authority will be disregarded and deemed not to be Outstanding for the purpose of any such determination; provided, however, that for the purpose of determining whether the Trustee will be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds and any Additional Bonds which the Trustee knows to be so owned will be so disregarded.

"Participant" means one of the entities which is a member of the Securities Depository and deposits securities, directly or indirectly, in the Book-Entry System.

"Person" means an individual, a corporation, a partnership, a general partner of a partnership, an association, a joint stock company, a limited liability company, a trust, any unincorporated organization, or a governmental unit or its political subdivision.

"Project" means the costs in connection with the construction, development and infrastructure improvements related to the Summit View Business Park in the County.

"Project Fund" means the fund established by Section 7.1.

"Record Date" shall mean the 15th day of the month prior to the month on which an Interest Payment Date occurs.

"Revenues" means all revenues, rents and other amounts received by, or on behalf of, the Authority from or in connection with the ownership, sale or leasing of the Leased Property, including without limitation (i) all revenues received by the Authority under the Financing Lease (except payments of the fees and expenses of the Trustee), (ii) the proceeds of any condemnation award or insurance recovery (including, without limitation, any recovery on any policy of title insurance) resulting from loss, destruction or damage to the Leased Property, and (iii) any other amounts pledged to the payment of the Bonds under the terms of this Indenture including the proceeds of any long-term financing intended to redeem all or any portion of the Bond.

"Secretary" means the Secretary or Assistant Secretary of the Authority.

"Securities Depository" means The Depository Trust Company, New York, New York, or its nominee, and its successors and assigns.

"Series" or **"Series of Bonds" or "Bonds of such Series"** means the Bonds or any separate series of Additional Bonds issued under this Indenture as it may be modified by any Supplemental Indenture.

"Supplemental Indenture" means any indenture supplemental to this Indenture duly executed and delivered in accordance with the provisions of this Indenture.

"Trust Estate" has the meaning specified in Section 2.1.

"Trustee" means [The Bank of New York Mellon Trust Company, N.A.,] and its successor or successors under this Indenture.

"Underwriter" means _____.

Section 1.2 Rules of Construction.

Except where the context otherwise requires, (i) singular words connote the plural number as well as the singular and vice versa, (ii) words imparting persons include individuals, corporations, partnerships, general partners of partnerships, associations, limited liability companies, joint stock companies, trusts, unincorporated organizations, or governmental units or their political subdivisions, and (iii) pronouns inferring the masculine gender include the feminine and neuter genders and vice versa. All references to particular articles or sections are references to articles or sections of this Indenture unless otherwise indicated. The headings and Table of Contents in this Indenture are solely for convenience of reference and do not constitute a part of this Indenture or affect its meaning, construction or effect.

ARTICLE II

ESTABLISHMENT OF TRUST

Section 2.1 Establishment of Trust.

In order to provide for the payment of the principal of and premium, if any, and interest on the Bonds, and to secure the performance of all of the obligations of the Authority under the Bonds and this Indenture, subject to the terms of this Indenture, the Authority pledges, assigns and grants to the Trustee a security interest in the following **(collectively, the "Trust Estate")**:

(a) All of the Revenues;

(b) All of the Authority's right, title and interest in and to the Ground Lease and Financing Lease, including the Basic Rent and other amounts payable thereunder, pursuant to the Assignment;

(c) The funds, accounts, moneys and investments held by the Trustee pursuant to the terms of this Indenture; and

(d) All other property of any kind mortgaged, pledged or hypothecated by the Authority or by anyone on its behalf or with its written consent at any time as and for additional security under this Indenture in favor of the Trustee, which is authorized to receive all such property at any time and to hold and apply it subject to the terms of this Indenture.

The property described above, which secures the payment of the principal of and premium, if any, and interest on the Bonds in accordance with the provisions of this Indenture, is to be held by the Trustee in trust for the equal and proportionate benefit and security of the Owners from time to time of the Bonds, without preference of any Bond over any other Bond; provided that moneys in any account or subaccount of the Bond Fund relating to a particular Series of Bonds shall secure only such Series of Bonds; that moneys in any account or subaccount of the Project Fund relating to a particular series of Bonds shall secure only such Series of Bonds; that moneys in any account or subaccount of any debt service reserve fund relating to a particular Series of Bonds shall secure only such Series of Bonds; and that any municipal bond insurance policy or debt service reserve policy relating to a particular Series of Bonds shall secure only such Series of Bonds.

In no event will the Trust Estate include (i) any money or property of the Authority other than that specifically pledged in this Section or by the Assignment or (ii) the general revenues of the Authority or the County.

ARTICLE III

AUTHORIZATION AND DETAILS OF THE BONDS

Section 3.1 Authority for Indenture.

This Indenture has been executed and delivered pursuant to the Act and a resolution adopted by the Authority on October __, 2020. The Authority has determined that the execution of and the transactions contemplated by this Indenture are necessary or convenient in order to carry out the purposes of the Authority and to exercise the powers granted by the Act and that each covenant or agreement in this Indenture is reasonable and proper for protecting and enforcing the rights and remedies of the Owners.

Section 3.2 Indenture Constitutes Contract.

In consideration of the purchase and acceptance of the Bonds by the Owners, the provisions of this Indenture will be a part of the contract of the Authority with the Owners and

will constitute a contract among the Authority, the Trustee and the Owners from time to time of the Bonds.

Section 3.3 Authorization of the Bonds.

There are authorized to be issued public facility lease revenue refunding bonds of the Authority in the aggregate principal amount of $_____.

Section 3.4 Details of the Bonds.

(a) The public facility lease revenue refunding bonds authorized in Section 3.3 will be designated: "Public Facility Lease Revenue Refunding Bonds, Series 2020," and will be issued as fully registered bonds, without coupons, in the form set forth in Exhibit A to this Indenture, with such changes as may be necessary or appropriate to conform to the terms hereof. The Bonds will be dated as of their date of issuance November __, 2020), will be issued in denominations of $5,000 or any integral multiple of $5,000, will be numbered from R-1 upwards, sequentially, and will bear interest at the annual rates set forth below, payable semiannually on each _____ 1 and _____ 1 __, commencing _____ 1, 2021, and will bear interest at the rates and mature in the years and in amounts, subject to prior redemption, as set forth below:

Maturity (_____1)	**Principal Amount**	**Interest Rate**

(b) Each Bond will bear interest from the date of issuance of the Bonds (November

__, 2020), if it is authenticated before _____ 1, 2021 or otherwise from the _____ 1 or _____ 1 that is, or immediately precedes, the date on which the Bond is authenticated (unless the payment of interest on the Bond is in default, in which case the Bond will bear interest from the date to which interest has been paid).

Interest on the Bonds will be computed on the basis of a year of 360 days and twelve 30-day months.

The principal of and premium, if any, and interest on the Bonds are payable in lawful money of the United States of America, but only from the Revenues pledged for such purpose under this Indenture. The principal of and premium, if any, on the Bonds will be payable upon presentation and surrender of the Bonds at the designated corporate trust office of the Trustee. Interest on the Bonds will be paid by check or draft mailed by the Trustee on each Interest Payment Date to the Owners of the Bonds at their addresses as they appear on the registration books of the Authority maintained by the Trustee, provided that as long as Cede & Co. is the registered owner of the Bonds, such payment may be made by wire transfer. The registered owners will be determined as of the most recent Record Date.

Section 3.5 <u>Book-Entry Provisions</u>.

Upon the initial issuance and delivery of the Bonds, the Bonds shall be registered in the name of the Securities Depository or its nominee, as registered owner of the Bonds, and held in the custody of the Securities Depository or its designee. A single certificate (or such number of certificates required by the procedures of the Securities Depository) will be issued for each series and maturity of Bonds and delivered to the Securities Depository (or its designee) for the Bonds, and the Beneficial Owners will not receive physical delivery of Bond certificates except as provided herein. For so long as the Securities Depository shall continue to serve as securities depository for the Bonds as provided herein, all transfers of beneficial ownership interests will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Bonds is to receive, hold or deliver any Bond certificate. The Authority and the Trustee will recognize the Securities Depository or its nominee as the Owner for all purposes, including notices. For as long as the Bonds are registered in the name of the Securities Depository or its nominee, any provision of this Indenture requiring the Trustee to give written notice to Owners of Outstanding Bonds by first class mail shall be deemed satisfied if substantially equivalent content is delivered by electronic means and the Trustee receives confirmation of the receipt of such notice (which confirmation may be by electronic means) from the Securities Depository or its nominee.

The Authority and the Trustee may rely conclusively upon (i) a certificate of the Securities Depository as to the identity of the Participants in the Book-Entry System with respect to the Bonds and (ii) a certificate of any such Participant as to the identity of, and the respective principal amount of Bonds beneficially owned by, the Beneficial Owners.

Whenever, during the term of the Bonds, the beneficial ownership thereof is determined by a Book-Entry System at the Securities Depository, the requirements in this Indenture of holding, delivering or transferring Bonds shall be deemed modified to require the appropriate

person to meet the requirements of the Securities Depository as to registering or transferring the book-entry Bonds to produce the same effect. Any provision hereof permitting or requiring delivery of Bonds shall, while the Bonds are in the Book-Entry System, be satisfied by the notation on the books of the Securities Depository in accordance with applicable state law.

Except as otherwise specifically provided in this Indenture and the Bonds with respect to the rights of Participants and Beneficial Owners, when a Book-Entry System is in effect, the Authority and the Trustee may treat the Securities Depository (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of (i) payment of the principal of and premium, if any, and interest on the Bonds or portion thereof to be redeemed, (ii) giving any notice permitted or required to be given to Owners under this Indenture, and (iii) the giving of any direction or consent or the making of any request by the Owners hereunder, and neither the Authority nor the Trustee shall be affected by any notice to the contrary. Neither the Authority nor the Trustee will have any responsibility or obligations to the Securities Depository, any Participant or any Beneficial Owner with respect to (i) the accuracy of any records maintained by the Securities Depository or any Participant; (ii) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption of, or interest on, any Bonds; (iii) the delivery of any notice by the Securities Depository or any Participant; (iv) the selection of the Participants or the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (v) any consent given or any other action taken by the Securities Depository or any Participant. The Trustee shall pay, from the Revenues, all principal of and premium, if any, and interest on the Bonds registered in the name of a nominee of the Securities Depository only to or "upon the order of" the Securities Depository (as that term is used in the Uniform Commercial Code as adopted in Virginia), and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to the principal of and premium, if any, and interest on such Bonds to the extent of the sum or sums so paid.

The Book-Entry System may be discontinued by the Trustee and the Authority, at the direction and expense of the County, and the Authority and the Trustee will cause the delivery of Bond certificates to such Beneficial Owners of the Bonds and registered in the names of such Beneficial Owners as shall be specified to the Trustee by the Securities Depository in writing, under the following circumstances:

(i) The Securities Depository determines to discontinue providing its service with respect to the Bonds and no successor Securities Depository is appointed. Such a determination may be made at any time by giving 30 days' notice to the Authority and the Trustee and discharging its responsibilities with respect thereto under applicable law.

(ii) The County determines not to continue the Book-Entry System through a Securities Depository.

In the event the Book-Entry System is discontinued, the Trustee shall mail a notice to the Securities Depository for distribution to the Beneficial Owners stating that the Securities Depository will no longer serve as securities depository, the procedures for obtaining Bonds and

the provisions of this Indenture which govern the Bonds, including, but not limited to, provisions regarding authorized denominations, transfer and exchange, principal and interest payment and other related matters, and the Trustee shall submit a copy of such notice to the Municipal Securities Rulemaking Board **(the "MSRB")** for inclusion in its Electronic Municipal Market Access database, or any replacement or successor thereof **("EMMA")**.

When the Book-Entry System is not in effect, all references herein to the Securities Depository shall be of no further force or effect and the Trustee shall, at the expense of the County, issue Bonds directly to the Beneficial Owners.

The Trustee reserves the right to initially issue the Bonds directly to the Beneficial Owners of the Bonds, at the expense of the County, if the Trustee receives an opinion of Bond Counsel that determines that use of the Book-Entry System would cause the interest on the Bonds to be included in gross income of the Owners for federal income tax purposes.

THE AUTHORITY, THE COUNTY AND THE TRUSTEE DISCLAIM ANY RESPONSIBILITY OR OBLIGATIONS TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (v) THE ACCURACY OF ANY RECORDS MAINTAINED BY THE SECURITIES DEPOSITORY OR ANY PARTICIPANT; (vi) THE PAYMENT BY THE SECURITIES DEPOSITORY OR ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS; (vii) THE DELIVERY BY THE SECURITIES DEPOSITORY OR ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS INDENTURE TO BE GIVEN TO HOLDERS OF BONDS; (viii) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (ix) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY THE SECURITIES DEPOSITORY AS HOLDER OF BONDS.

Section 3.6 Form of Bonds.

The Bonds will be issued substantially in the form set forth in **Exhibit A** to this Indenture, with such appropriate variations, omissions and insertions as are permitted or required by this Indenture. There may be endorsed on the Bonds 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.

Section 3.7 Execution of Bonds.

The Bonds will, from time to time, be executed on behalf of the Authority by, or bear the facsimile signature of, the Chairman, and the corporate seal of the Authority (which may be in facsimile) will be affixed (or imprinted or reproduced if facsimile) and attested by the manual or facsimile signature of the Secretary or the Assistant Secretary.

If any officer of the Authority who signed or sealed any of the Bonds, or whose facsimile signature is on the Bonds, ceases to be an officer of the Authority before the Bonds so signed or

sealed have been actually authenticated by the Trustee or delivered by the Authority, the Bonds nevertheless may be authenticated, issued and delivered with the same force and effect as though the person who signed or sealed the Bonds or whose facsimile signature is on the Bonds had not ceased to be an officer of the Authority. Any Bond may be signed and sealed on behalf of the Authority by those persons who, at the actual date of the execution of the Bond, are the proper officers of the Authority, although at the date of the Bond the person was not an officer of the Authority.

Section 3.8 Authentication of Bonds.

No Bond will be secured by this Indenture, entitled to its benefits or be valid for any purpose unless there is endorsed on the Bond the Trustee's certificate of authentication, substantially in the form set forth in **Exhibit A** to this Indenture. The Trustee will authenticate each Bond with the signature of an authorized officer or employee of the Trustee, but it will not be necessary for the same person to authenticate all of the Bonds. The certificate on any Bond issued by the Authority will be conclusive evidence and the only competent evidence that the Bond has been duly authenticated and delivered under this Indenture.

Section 3.9 Registration, Transfer and Exchange.

The Authority will cause books for the registration and transfer of the Bonds to be kept at the designated corporate trust office of the Trustee, and the Authority appoints the Trustee as its registrar and transfer agent to keep the books and to make the registrations and transfers under such reasonable regulations as the Authority, the County or the Trustee may prescribe.

Upon surrender for transfer or exchange of any Bond at the designated corporate trust office of the Trustee, the Authority will execute and the Trustee will authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of like date, tenor and of any authorized denomination for the aggregate principal amount which the Owner is entitled to receive, subject in each case to such reasonable regulations as the Authority or the Trustee may prescribe. All Bonds presented for transfer, exchange, redemption or payment must be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and substance reasonably satisfactory to the Authority and the Trustee, and upon which the Trustee may conclusively rely, duly executed by the registered Owner or by the Owner's duly authorized attorney-in-fact or legal representative. No Bond may be registered to bearer.

New Bonds delivered upon any transfer or exchange will be valid obligations of the Authority, evidencing the same debt as the Bonds surrendered, and will be secured by this Indenture and entitled to all of its security and benefits to the same extent as the Bonds surrendered.

Section 3.10 Charges for Exchange or Transfer.

Except as provided in Section 3.12, no charge will be made for any exchange or transfer of any Bond, but the Authority or the Trustee may require payment by the Owner of any such Bonds, of a sum sufficient to cover any tax or other governmental charge that may be imposed.

Section 3.11 Temporary Bonds.

Until Bonds in definitive form are ready for delivery, the Authority may execute, and upon its request in writing, the Trustee will authenticate and deliver in lieu of definitive Bonds and subject to the same provisions, limitations and conditions, one or more printed, lithographed or typewritten Bonds in temporary form, in substantially the forms set forth in **Exhibit A** to this Indenture, with appropriate omissions, variations and insertions.

Section 3.12 Bond Mutilated, Lost, Stolen or Destroyed.

In the event any Outstanding Bond is mutilated, lost, stolen or destroyed, the Authority may execute, and, upon the Authority's request in writing, the Trustee will authenticate and deliver, a new Bond of the same series, principal amount and maturity and of like tenor as the mutilated, lost, stolen or destroyed Bond in exchange and substitution for such mutilated Bond, or in lieu of and substitution for such lost, stolen or destroyed Bond. Application for exchange and substitution of any mutilated, lost, stolen or destroyed Bond will be made to the Trustee at its designated corporate trust office. Any applicant for a substitute Bond must furnish to the Authority and the Trustee security or indemnification to their satisfaction. In case of loss, theft or destruction of a Bond, the applicant must also furnish to the Authority and the Trustee evidence to their satisfaction of the loss, theft or destruction and of the identity of the applicant, and in case of mutilation of a Bond, the applicant must surrender the Bond so mutilated for cancellation. The Authority and the Trustee may charge the Owner their reasonable fees and expenses in connection with the issuance of any substitute Bond.

Notwithstanding the foregoing provisions of this Section, in the event any such Bond has matured and no default has occurred which is then continuing in the payment of the principal of or interest on the Bond, the Authority may authorize the payment of the Bond (without surrender except in the case of a mutilated Bond) instead of issuing a substitute Bond, provided security or indemnification is furnished as provided in this Section.

Section 3.13 Cancellation of Bonds.

Any temporary or mutilated Bond surrendered to the Trustee, or any Bond redeemed, or paid at maturity, or any Bond delivered for transfer, exchange or replacement or purchased pursuant to instructions from the Authority, will be cancelled and the Trustee will deliver the cancelled Bond to the Authority or destroy such cancelled Bond in accordance with its policy regarding same, and, upon request at the expense of the requesting party, deliver a certificate of destruction thereof to the Authority.

Section 3.14 Legends.

Each Bond shall contain on its face a statement in substantially the form set forth in **Exhibit A** to this Indenture to the effect that neither the Authority nor the Commonwealth or any of its political subdivisions will be obligated to pay the principal of or premium, if any, or interest on the Bond except from the Revenues pledged therefor and neither the general credit

nor taxing power of the Commonwealth or any of its political subdivisions, including the County, is pledged to such payment. The Bonds may in addition contain or have endorsed on them such provisions, specifications and descriptive words not inconsistent with the provisions of the Act and this Indenture as may be necessary or desirable to comply with custom or otherwise as may be determined by the Authority or the County before their delivery.

ARTICLE IV

REDEMPTION OF BONDS

Section 4.1 Redemption of Bonds.

The Bonds may be called for redemption only as provided in this Article.

Section 4.2 Extraordinary Optional Redemption.

The Bonds are subject to redemption, in whole or in part, at any time, upon payment of a redemption price of 100% of the principal amount thereof to be redeemed, plus interest accrued to the date fixed for redemption, from and only to the extent of funds on deposit with the Trustee and available for such purpose, in the event the County elects not to use proceeds from any insurance recovery or condemnation award to restore the Leased Property or any integral portion thereof under circumstances involving (1) damage or destruction to substantially all of the Leased Property or (2) condemnation of all or substantially all of the Leased Property or sale in lieu thereof.

Section 4.3 Optional Redemption.

[The Bonds maturing on or after _____ 1, 2031 are subject to optional redemption by the Authority (at the direction of the County), in whole or in part (in $5,000 integrals), at any time on or after _____ 1, 2030 at a redemption price of 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the redemption date.]

Section 4.4 Mandatory Sinking Fund Redemption.

The Bonds will be required to be redeemed prior to maturity, in part, on _____ 1 in the years and in the amounts set forth below, upon payment of 100% of the principal amount thereof to be redeemed plus interest accrued to the date fixed for redemption:

The term Bonds maturing on _____ 1, 20__ are subject to mandatory redemption on the dates and in the amounts set forth below:

Year	Amount

*Stated Maturity

Section 4.5 **[RESERVED]**

Section 4.6 **Selection of Bonds for Redemption.**

If less than all of the Bonds are called for optional or extraordinary optional redemption, they will be called in such order of maturity as the Authority (at the direction of the County) may determine. The Bonds of any maturity to be called for redemption will be selected by the Trustee in such manner as it shall deem fair and equitable in its sole discretion and pursuant to its rules and procedures, in denominations of $5,000 or any whole integral multiple thereof, provided that any Bond or portion thereof remaining Outstanding shall be in an authorized denomination.

Section 4.7 **Notice of Redemption.**

In the case of any redemption of Bonds, the Trustee will give in its own name or in the name of the Authority notice, as provided for in this Section, that Bonds, identified by series and serial or CUSIP numbers, have been called for redemption, that they will be due and payable on the date fixed for redemption (specifying the date) upon surrender of the Bonds at the designated corporate trust office of the Trustee, and that all interest on the Bonds to be redeemed will cease to accrue on and after such date.

Notice will be sent by electronic transmission, overnight mail, delivered by hand or mailed by first class mail, postage prepaid, not less than 30 nor more than 60 days before the date fixed for redemption, to DTC, or, if DTC is no longer serving as securities depository for the Bonds, to the substitute securities depository, or, if no securities depository then exists, to the respective registered Owners of the Bonds called for redemption, at their respective addresses as they last appeared on the registration books maintained by the Trustee. So long as DTC or its nominee is registered Owner of the Bonds, the Trustee shall not be responsible for sending notices of redemption to the Beneficial Owners of the Bonds. The receipt of notice will not be a condition precedent to the redemption.

At the direction of the County, the Trustee may give a notice of redemption prior to a deposit of redemption moneys if such notice states that the redemption is to be funded with the proceeds of a refunding bond issue and is conditioned on the deposit of such proceeds. Provided that moneys are deposited on or before the redemption date, such notice shall be effective when given. If such proceeds are not available on the redemption date, such Bonds will continue to bear interest until paid at the same rate they would have borne had they not been called for redemption and principal will continue to be payable as scheduled. On presentation and surrender of the Bonds called for redemption at the place or places of payment, such Bonds shall be paid and redeemed.

Section 4.8 **Payment of Redeemed Bonds.**

If notice of redemption has been given as provided in Section 4.7, the Bonds called for redemption will be due and payable on the date fixed for redemption at the applicable redemption price, including accrued interest to the date fixed for redemption. Payment of the redemption price will be made by the Trustee upon surrender of the Bonds called for redemption. If less than the full principal amount of a Bond is called for redemption, the Authority will execute and deliver and the Trustee will authenticate, upon surrender of the Bond, and without charge to the Owner, Bonds for the unredeemed portion of the principal amount of the Bond so surrendered.

If any Bond has been duly called for redemption and payment of the principal of and premium, if any, and unpaid interest accrued to the date fixed for redemption on the Bond has been made or provided for, then, notwithstanding that the Bond so called for redemption has not been surrendered for cancellation, interest on the Bond will cease to accrue from the redemption date, and, from and after the redemption date, the Bond will no longer be entitled to any lien, benefit or security under this Indenture, and its Owner will have no rights in respect of the Bond except to receive payment of the principal of and premium, if any, and unpaid interest on the Bond accrued to the date fixed for redemption of the Bond.

ARTICLE V

ISSUANCE OF BONDS

Section 5.1 Issuance of Bonds.

(a) The Bonds will be issued under this Indenture for the purpose of providing funds to refund the Refunded Obligations and to pay any remaining Cost of the Project.

(b) The Authority will not issue any bonds, Bonds or other evidences of indebtedness or incur any obligation or indebtedness which will be secured by a mortgage or lien on the Leased Property or any lease thereof or a pledge of the Revenues as to the Leased Property except for the Bonds and any Additional Bonds issued under and in accordance with this Indenture.

(c) Subject to the restrictions set forth in subsection (b) of this Section, the Authority reserves the right in its sole discretion and without the consent of the Trustee or any Owner to issue from time to time bonds, notes and other evidences of indebtedness for any purposes authorized by the Act.

Section 5.2 Parity of Bonds.

This Indenture constitutes a continuing, irrevocable pledge of the Revenues and other funds, accounts, moneys, investments and all other property of any kind mortgaged, pledged or hypothecated of the Authority pledged in Article II to secure payment of the principal of, premium, if any, and interest on all Bonds which may, from time to time, be executed, authenticated and delivered under this Indenture. All Bonds and any Additional Bonds will in all respects be equally and ratably secured under this Indenture without preference, priority or distinction on account of the actual time or times of their authentication, delivery or maturity, so

that all Bonds and any Additional Bonds at any time outstanding under this Indenture will have the same right, lien and preference under and by virtue of this Indenture with like effect as if they had all been executed, authenticated and delivered simultaneously; provided that moneys in any account or subaccount of the Bond Fund relating to a particular Series of Bonds shall secure only such Series of Bonds; that moneys in any account or subaccount of the Project Fund relating to a particular series of Bonds shall secure only such Series of Bonds; that moneys in any account or subaccount of any debt service reserve fund relating to a particular Series of Bonds shall secure only such Series of Bonds; and that any municipal bond insurance policy or debt service reserve policy relating to a particular Series of Bonds shall secure only such Series of Bonds. Nothing in this Indenture will be construed, however, as (i) requiring that any Additional Bonds bear interest at the same rate or in the same manner as any other Bonds or any Additional Bonds, have the same, or an earlier or later maturity or be subject to the same redemption provisions as any other Bonds or any Additional Bonds, (ii) prohibiting the Authority from pledging funds or assets of the Authority other than those pledged under this Indenture, or (iii) prohibiting the Authority from providing for the termination of the Financing Lease upon the prepayment of all sums due under it.

Section 5.3 <u>Conditions of Issuing Bonds</u>.

Before the issuance and authentication of the Bonds by the Trustee, the Authority will deliver or cause to be delivered to the Trustee the following:

(a) An original executed counterpart of this Indenture.

(b) A certified copy of a resolution or resolutions of the Authority authorizing the execution and delivery of this Indenture, the Ground Lease, the Financing Lease and the Assignment and the issuance, sale, execution and delivery of the Bonds.

(c) An Opinion or Opinions of Counsel, subject to customary exceptions and qualifications, substantially to the effect that this Indenture has been duly authorized, executed and delivered by the Authority.

(d) An original executed counterpart of the Ground Lease, the Financing Lease and the Assignment.

(e) Certified copies of a resolution of the Board of Supervisors authorizing the execution and delivery of this Indenture, the Financing Lease, the Assignment and the Ground Lease.

(f) An Opinion or Opinions of Counsel, subject to customary exceptions and qualifications, substantially to the effect that:

(1) The Authority has been duly created and is vested with all the rights and powers conferred by the Act;

(2) This Indenture delivered pursuant to this Section has been duly authorized, executed and delivered by the Authority; and

(3) The Ground Lease, the Financing Lease and the Assignment are duly authorized, executed and delivered by the County and the Authority, as applicable, and constitute valid and binding obligations of the County and the Authority, as applicable, enforceable against them in accordance with their terms.

(g) Evidence satisfactory to the Underwriter of the due recordation of the Ground Lease, the Financing Lease and the Assignment in the Clerk's Office of the Circuit Court of Franklin County, Virginia.

(h) An opinion or opinions of Bond Counsel, subject to customary exceptions and qualifications, that the issuance of the Bonds has been duly authorized, that the Bonds are valid and binding limited obligations of the Authority entitled to the benefits and security of this Indenture and that the interest on the Bonds is excludable from gross income for purposes of federal and Commonwealth income taxation.

(i) A request and authorization of the Authority, signed by its Chairman, to the Trustee to authenticate and deliver the Bonds as directed in the request upon payment to the Trustee for the account of the Authority of the amount specified in the request.

Section 5.4 Issuance of Additional Bonds.

The Authority may issue Additional Bonds under a Supplemental Indenture for the purpose of financing the Costs of the Project, or costs of refunding any Bonds or Additional Bonds. The Authority will not issue any Additional Bonds or other evidences of indebtedness which will be secured by the Revenues as to the Leased Property received by the Trustee under the Financing Lease on a parity basis with the Bonds or other Additional Bonds unless the Authority has delivered or caused to be delivered to the Trustee the following:

(a) An original executed counterpart of a Supplemental Indenture, providing for the issuance and delivery of the Additional Bonds.

(b) An original executed counterpart of an amendment to the Financing Lease increasing the payments due thereunder to provide for the payment of the principal of and premium, if any, and interest on the Additional Bonds.

(c) A certified copy of a resolution or resolutions of the County authorizing the execution and delivery of the amendment to the Financing Lease providing for sufficient rental payments to pay debt service on all Bonds to be then outstanding (and Additional Bonds to be issued).

(d) A certified copy of a resolution or resolutions of the Authority authorizing the execution and delivery of a Supplemental Indenture, the issuance, sale, execution and delivery of the Additional Bonds, and the amendment to the Financing Lease providing for sufficient rental payments.

(e) The opinion of Bond Counsel, subject to customary exceptions and qualifications, substantially to the effect that the Supplemental Indenture and the amendment to the Financing Lease have been duly authorized, executed and delivered by the Authority.

(f) A certificate signed by the Chairman of the Authority and dated the date of the issuance of the Additional Bonds, to the effect that upon and immediately following the issuance of the Additional Bonds, no Event of Default under this Indenture, to such officer's knowledge, and no event or condition which, with the giving of notice or lapse of time or both, would become an Event of Default under this Indenture, will have occurred and be continuing.

(g) An Opinion or Opinions of Counsel, subject to customary exceptions and qualifications, substantially to the effect that:

(1) The Authority has been duly created and is vested with all the rights and powers conferred by the Act;

(2) The Supplemental Indenture delivered pursuant to this Section has been duly authorized, executed and delivered by the Authority and complies in all respects with the requirements of this Indenture; and

(3) The Financing Lease or any amendment to it delivered in connection with the issuance of the Additional Bonds is duly authorized, executed and delivered by the County and the Authority, as appropriate, and constitutes a valid and binding obligation of the County and the Authority, as appropriate, enforceable against them in accordance with its terms.

(h) An opinion of Bond Counsel, subject to customary exceptions and qualifications, that the issuance of the Additional Bonds has been duly authorized, that the Additional Bonds are valid and binding limited obligations of the Authority entitled to the benefits and security of this Indenture and that the interest on the Additional Bonds is excludable from gross income for purposes of federal income taxation or, if interest is not excludable, that the issuance and the intended use of the proceeds of the Additional Bonds will have no adverse effect on the tax-exempt status of the interest on any Bonds the interest on which was excludable from gross income when issued.

(i) A request and authorization of the Authority, signed by its Chairman, to the Trustee to authenticate and deliver the Additional Bonds as directed in the request upon payment to the Trustee for the account of the Authority of the amount specified in the request.

ARTICLE VI

APPLICATION OF BOND PROCEEDS

Section 6.1 <u>Application of Bond Proceeds</u>.

On the date of issuance of the Bonds, the Trustee will apply the proceeds (net of underwriter's discount of $_____ , other Cost of Issuance of $_____ and $_____

representing the refunding of the _____, each paid on the date of issuance of the Bonds in accordance with the closing memorandum (**the "Closing Memo"**) received from Davenport & Company, LLC, financial advisor to the County) to the Project Fund and used for payment of any remaining Cost of Issuance, the refunding of the Refunded Obligations and Cost of the Project.

ARTICLE VII

FUNDS AND ACCOUNTS

Section 7.1 Creation of Project Fund.

There is established with the Trustee a fund to be designated the "Industrial Development Authority of the County of Franklin, Virginia, 2020 Project Fund" **(the "Project Fund")**. The Trustee will deposit in the Project Fund the net proceeds (excluding underwriters' discount and other Cost of Issuance) of the Bonds as provided in Section 6.1. The Trustee will use moneys in the Project Fund as provided herein to refund the Refunded Obligations pay the Cost of the Project and to pay remaining Cost of Issuance. The Trustee will deposit in the Project Fund any amounts it receives under the Financing Lease as the Net Proceeds of any condemnation award or insurance recovery which will be used to repair, reconstruct or restore the Project.

Section 7.2 Payments from Project Fund.

The Trustee will use money in the Project Fund for Cost of the Project or Cost of Issuance under a disbursement procedure based on requisitions signed by a County Representative, in substantially the form attached to this Indenture as Exhibit B, and if received from Net Proceeds of any condemnation award or insurance recovery for the repair, reconstruction or restoration of the Project. Each such requisition shall specify the account or subaccount from which payment is to be made, and the Trustee shall be entitled to rely conclusively upon the information specified in each such requisition. Upon receipt of each such requisition, the Trustee will make payment from the Project Fund in accordance with such requisition. Notwithstanding anything in this Indenture to the contrary, the Authority and Trustee acknowledge that the proceeds of the Bond may be deposited in the State Non-Arbitrage Program of the Commonwealth of Virginia **("SNAP")** and disbursed pursuant to requisitions signed by a County Representative in substantially the form attached to this Indenture as Exhibit B as delivered to SNAP, with a copy to the Trustee. [The Refunded Obligations shall be refunded on such dates and in such manner as set forth in the Closing Memo without need of additional requisition.]

Section 7.3 Disposition of Balance in Project Fund.

Upon the completion of the Project and refunding of the Refunded Obligations and upon the Trustee's receipt of a certificate, signed by a County Representative, stating the date of the completion and which items of the Cost of the Project, if any, have not been paid (including amounts reimbursable to the Authority as payment of its expenses) and for the payment of which money should be reserved in the Project Fund, the balance of any money remaining in the

Project Fund in excess of the amount to be reserved for payment of unpaid items of the Cost of the Project will, at the option of the County, (i) be used to pay for any permitted costs under the Act including, without limitation, payment of interest on the Bonds for up to one year after completion of the Project (including reimbursement to the County for payment of such interest), (ii) be deposited in a special account created in the Bond Fund to purchase or redeem Bonds in accordance with Section 7.4 or (iii) if the County delivers to the Trustee an opinion of Bond Counsel to the effect that the exclusion of interest from gross income for purposes of federal income taxation on any Bonds will not be adversely affected, be used to pay principal of the Bonds; provided, however, that the excess money will either be used before the expiration of the applicable temporary period under Section 148 of the Code during which the excess money may be invested at an unrestricted yield or will be invested at a restricted yield in order to comply with any yield limitations imposed by the Code.

Section 7.4 Bond Fund.

There is established by the Authority with the Trustee a fund to be designated "Industrial Development Authority of the County of Franklin, Virginia, 2020 Bond Fund" **(the "Bond Fund")**. The Bond Fund shall have an Interest Subaccount and a Principal Subaccount. The Trustee will deposit in the Bond Fund the following:

(a) Any amounts transferred from the Project Fund as required or permitted by Section 7.3, for deposit in the Bond Fund;

(b) All payments of Basic Rent from the Leased Property received by the Trustee under the Financing Lease (excluding any payments of the Authority's or the Trustee's fees and expenses and excluding any Basic Rent to restore any debt service reserve requirement in any debt service reserve account established for any Additional Bonds);

(c) All prepayments made under the Financing Lease as directed by County;

(d) Net Proceeds which will be used to prepay the Bonds; and

(e) Any other amounts authorized to be deposited in the Bond Fund.

The Trustee shall deposit payments of Basic Rent and any other moneys received by the Trustee for the payment of debt service on the Bonds, first, into the Interest Subaccount of the Bond Fund and, then, into the Principal Subaccount of the Bond Fund.

The Trustee will use the money deposited in the Bond Fund to pay when due the principal of and premium, if any, and interest on the Bonds then Outstanding and to redeem or purchase Bonds in accordance with the redemption provisions of the Bonds and this Indenture. The Trustee will make each deposit of money described in subsections (a), (c) and (d) in a separate special account in the Bond Fund and will use such money at the direction of the County (i) to redeem Bonds, or (ii) in such other manner permitted under this Indenture.

Five days before each Interest Payment Date and five days before the maturity of the Bonds, the Trustee will determine if it has sufficient amounts on deposit in the appropriate accounts of the Bond Fund and available for such purpose to make the next ensuing principal or interest payment on the Bonds when due. If the amounts available in the appropriate accounts of the Bond Fund are insufficient for such purpose, the Trustee promptly will give notice of this fact and the amount of the deficiency to the Authority and the County.

Section 7.5 Accounts Within Funds.

The Trustee, at the written direction of the County or the Authority, will create accounts or subaccounts within any fund established by this Indenture and deposit amounts transferred to such fund in accounts or subaccounts therein as directed by the County or the Authority. In making transfers from any such fund, the Trustee will draw on accounts or subaccounts therein as directed in writing by the County or the Authority so long as required transfers can be made consistently with such directions.

Section 7.6 [RESERVED].

Section 7.7 Money to be Held in Trust.

All money required to be deposited with or paid to the Trustee for the account of any fund or account under this Indenture will be held by the Trustee in trust, and, except for money deposited with or paid to the Trustee for the redemption of Bonds, notice of the redemption of which has been duly given, will, while held by the Trustee, be subject to the lien or security interest created by this Indenture.

Section 7.8 Discharge of Liability.

In the event the principal of any Bond becomes due, either at maturity or at the date fixed for its redemption or otherwise, if money sufficient to pay the Bonds in full is on deposit in trust with the Trustee for the benefit of the Owners, all liability of the Authority to the Owners for the payment of the Bonds will cease and be completely discharged, and it will be the duty of the Trustee to hold such funds, without liability for interest on them, for the benefit of the Owner of the Bonds who, except as provided in the following paragraph, will thereafter be restricted exclusively to such funds for any claim of whatever nature under this Indenture or on, or with respect to, such Bonds.

Notwithstanding the foregoing, any money so deposited with and held by the Trustee and not applied to the payment of Bonds within five years after the date on which the payment became due will be repaid by the Trustee to the County. Thereafter, Owners will be entitled to look only to the County as unsecured creditors for payment, and then only to the extent of the amount so repaid, and the Authority and the County will not be liable for any interest on, and will not be regarded as a trustee of, the money. The Trustee will have no further responsibility for such funds once paid to the County.

ARTICLE VIII

INVESTMENT OF FUNDS

Section 8.1 Investment of Funds.

(a) Any money held in any funds and accounts established by this Indenture, except the Bond Fund may be separately invested and reinvested by the Trustee, at the request of and as directed in writing by a County Representative, in any of the following investments which are at the time legal investments for public funds under the Investment of Public Funds Act (Chapter 45, Title 2.2, Code of Virginia of 1950; as amended, the "Investment Act"), or any subsequent provision of law applicable to such investments:

(1) Notes, bonds and other evidences of indebtedness to which the full faith and credit of the Commonwealth is pledged for the payment of principal and interest or which are unconditionally guaranteed as to the payment of principal and interest by the Commonwealth which are rated in one of the two highest debt rating categories by Fitch, Inc. **("Fitch")**, Moody's Investors Service, Inc. **("Moody's")** and Standard & Poor's, a Division of The

McGraw-Hill Companies, Inc. (**"S&P"**), without regard to any refinement or gradation of such rating category by numerical modifier or otherwise;

(2) Government Obligations;

(3) Government Certificates;

(4) Notes, bonds and other evidences of indebtedness of any county, city, town, district, authority or other public body of the Commonwealth which are rated in one of the two highest long-term debt rating categories by Fitch, Moody's and S&P, without regard to any refinement or gradation of such rating category by numerical modifier or otherwise;

(5) Savings accounts, time deposits and certificates of deposit in any bank, including the Trustee and its affiliates, or savings and loan association within the Commonwealth, provided that the funds are secured by the Federal Deposit Insurance Corporation and in the manner required by the Virginia Security for Public Deposits Act or any successor legislation and no deposit will be made for more than five years and provided further that if any such savings account, time deposit or certificate of deposit is not insured by the Federal Deposit Insurance Corporation, such bank or savings and loan association shall be rated A-1+ or better by S&P and any such uninsured certificate of deposit shall be secured by collateral described in (2) and (3) above and shall have a maturity of one year or less;

(6) Obligations of the Farmers Home Administration or its successor agency or agencies, the General Services Administration, the United States Maritime Administration, the Government National Mortgage Association, the Department of Housing and Urban Development, and the Federal Housing Administration, provided such obligations represent the full faith and credit of the United States;

(7) Notes, bonds or other evidences of indebtedness of the Federal National Mortgage Association, the Federal Farm Credit Bank, the Federal Home Loan Bank or the Federal Home Loan Mortgage Corporation which are rated in the highest debt rating category by Moody's and S&P, without regard to any refinement or gradation of such rating category by numerical modifier or otherwise;

(8) Commercial paper issued by corporations, including banks and bank holding companies, organized under the laws of the United States or any state which is rated by Moody's within its Moody's rating of prime 1 and by S&P within its rating of A-1+ or better, and which matures not more than 270 days after the date of its purchase;

(9) Bankers' acceptances with a maximum term of one year, as permitted by the Investment Act, with any bank with an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A3" or better by Moody's and "A-1+" by S&P; and

(10) Money market funds rated AAAm or AAAm-G by S&P;

(11) The Virginia State Non-Arbitrage Program; and

(12) Such other investments as may be permitted by the Investment Act and rated at least investment grade by Moody's and S&P.

(b) Any money held by the Trustee in the Bond Fund or any debt service reserve account will be separately invested and reinvested by the Trustee, at the request of and as directed in writing by a County Representative, in investments described in subsections (1), (2), (3), (4) and (5) of Section 8.1(a), which are at the time legal investments for public sinking funds under the Investment Act, or any subsequent provisions of law applicable to such investments.

(c) Any investments described in subsections 8.1 (a)(2), (a)(3), (a)(6) and (a)(7) may be purchased by the Trustee pursuant to a repurchase agreement with any bank, savings institution or trust company, excluding the Trustee and its affiliates, which is rated "A" or better by Moody's and S&P and which is insured by the Federal Deposit Insurance Corporation, or with any broker-dealer with retail customers which falls under the Securities Investors Protection Corporation **("SIPC")** protection provided that in the case of any repurchase agreement with a broker-dealer, the broker-dealer shall have a short-term rating of A or better from Moody's and S&P. Such repurchase agreement will be considered a purchase of the investments even if title to and/or possession of the investments is not transferred to the Trustee so long as (i) the repurchase obligation of the bank or broker-dealer is collateralized by the investments themselves, (ii) the investments have a fair market value determined at least once every seven days at least equal to 103% of the amount invested in the repurchase agreement plus accrued interest, and any failure to maintain the fair market value of the investments at such level will require the Trustee to give notice to the other party to the agreement to correct the deficiency and if not corrected within two days to liquidate the collateral, (iii) the investments are held by the Trustee or an agent acting for the Trustee, (iv) the investments are not subject to liens or claims of third parties and in the case of a SIPC broker-dealer was not acquired pursuant to a repurchase agreement **("repo")** or reverse repo, and (v) a perfected security interest under the Uniform Commercial Code of Virginia or book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq., as amended, in the investments is created in the name of the Trustee for the benefit of the Owners.

(d) Investment in a money market fund or in the shares of any other management type investment company registered under the Investment Company Act of 1940, as amended, whose shares are registered under the Federal Securities Act of 1933, as amended, the investments of which fund or company are exclusively in obligations or securities described in subsections (2), (3) or (6) of Section 8.1(a), will be considered investments in obligations described in subsections (2), (3) or (6) of Section 8.1(a) provided that any such fund or company is rated AAAm-G, AAAM, or AAm by S&P.

(e) All investments and the earnings thereon will be held by or under the control of the Trustee and while so held will be deemed a part of the fund or account in which the money was originally held. The Trustee will sell and reduce to cash a sufficient amount of investments whenever the cash balance in any fund or account is insufficient for its purposes.

(f) Although the Authority recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the issuer agrees that

confirmations of permitted investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered and that no statement need be rendered for any fund or account if no activity occurred in such fund or account during such month.

(g) The Trustee shall not be liable for the making of any investment authorized by the provisions of this Article in the manner provided in this Article or for any loss resulting from any such investment so made, except for its own negligence, willful misconduct or breach of trust.

Section 8.2 Security for Deposits.

All money held in the funds created by this Indenture which are on deposit with any bank will be continuously secured in the manner required by the Virginia Security for Public Deposits Act or any successor provision of law.

Section 8.3 Investments through Trustee's Bond Department.

The Trustee may make investments permitted by Section 8.1 through its own bond or securities department or commercial banking department or those of its affiliates, and may invest in its money market funds provided such funds satisfy the requirements of Section 8.1.

Section 8.4 Valuation of Investments.

In computing the amount in any fund created by this Indenture, obligations will be valued at their cost or market value, whichever is lower, plus any accrued interest. Amounts in any debt service reserve fund established for any Additional Bonds will be valued as provided in the applicable Supplemental Indenture.

ARTICLE IX

GENERAL COVENANTS OF THE AUTHORITY

Section 9.1 Payment of Bonds.

The Authority will promptly pay the principal of and premium, if any, and interest on every Bond issued under and secured by this Indenture at the places, on the dates and in the manner specified in this Indenture and the Bonds; provided, however, that such obligations are limited obligations of the Authority and are payable solely from the Revenues and other property pledged and assigned by this Indenture to secure payment of the Bonds. Neither the faith and credit of the Commonwealth nor the faith and credit of any of its political subdivisions (including the Authority and the County) are pledged to the payment of the principal of or premium, if any, or interest on any Bond. The Bonds are not a debt of the Commonwealth of Virginia or any of its political subdivisions including the County, other than the Authority, and neither the Commonwealth of Virginia nor any of its political subdivisions other than the Authority will be liable on them. The Bonds will not directly, indirectly or contingently obligate the Commonwealth or any of its political subdivisions (including the Authority and the County) to levy any taxes or make any appropriations for the payment of the Bonds.

Section 9.2 Covenants and Representations of Authority.

The Authority will faithfully observe and perform all of its covenants, conditions and agreements contained in this Indenture and in every Bond executed, authenticated and delivered under this Indenture; provided, however, that the liability of the Authority under any such covenant, condition or agreement for any default or breach by the Authority is limited solely to and will be satisfied solely from the sources of payment described in Section 9.1. The Authority represents that (i) it is duly authorized under the Constitution and laws of the Commonwealth, including particularly and without limitation the Act, to issue the Bonds and to execute this Indenture, to enter into the Financing Lease and to pledge the Revenues and funds in the manner and to the extent set forth in this Indenture; (ii) all action on its part necessary for the execution and delivery of this Indenture has been duly and effectively taken; and (iii) the Bonds in the hands of the Owners are and will be valid and enforceable limited obligations of the Authority.

Section 9.3 Benefits to Owners.

The Authority covenants that all payments under the Financing Lease (other than payments for the fees and expenses of the Trustee and the expenses of the Authority) shall inure to the benefit of the Owners of any of the Bonds, and the Authority further agrees that it will not make or consent to any change or modification of the Financing Lease which would reduce the rates, rentals, fees or charges of the County thereunder, extend the time for payment of rentals provided therein, nor permit any change in operation or occupancy which would reduce the required payments under the Financing Lease to the Authority available for payment of the Bonds, except as herein and in the Financing Lease provided.

Section 9.4 Covenants with Respect to Financing Lease.

The Authority agrees that it will not suffer, permit or take any action or fail to take any action that may result in the termination or cancellation of the Financing Lease by the County. The Authority also agrees that it will fulfill its obligations, and will require the County to perform its or their duties and obligations, as the case may be, under the Financing Lease and the Ground Lease and that it will not agree to any abatement, reduction, abrogation, waiver, diminution or other modification of the obligation of the County to make any Basic Rent payment and to meet any of its obligations under the Financing Lease and the Ground Lease, except as provided in this Indenture. The Authority further agrees that it will promptly notify the Trustee, in writing, of any actual or alleged event of default under the Financing Lease and will notify the Trustee, in writing, at least thirty days before the proposed effective date of any proposed termination or cancellation of the Financing Lease.

Section 9.5 Trustee May Enforce Authority's Rights to Revenues.

The Trustee, subject to the provisions of the Financing Lease and this Indenture reserving certain rights to the Authority and respecting actions by the Trustee in its name or in the name of the Authority, may enforce for and on behalf of the Owners all rights of the Authority and all obligations of the County under and pursuant to the Financing Lease and the Ground Lease

providing for, among other rights, the delivery and receipt of Revenues whether or not the Authority is in default under this Indenture.

Section 9.6 Further Assurances.

The Authority will execute, acknowledge and deliver any indentures supplemental hereto and other acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, conveying, pledging and assigning to the Trustee of all the rights and funds assigned by this Indenture to secure the payment of the principal of, premium, if any, and interest on the Bonds. The Authority will cooperate with the County in causing any necessary financing statements relating to the Revenues, if required, to be executed and filed in all appropriate offices from time to time and will cause the financing statements and instruments of further assurance to be recorded and filed in such manner and in such places as are required by law in order to preserve and protect the rights and security of the Owners and will deliver copies thereof to the Trustee. The Authority will fully cooperate with the Trustee and the Owners in protecting the rights and security of the Owners. The Trustee is authorized to enter into agreements for the purpose of disclaiming any interest of the Owners in other assets of the Authority not pledged in this Indenture.

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a Trust or other legal entity the Trustee will ask for documentation to verify its formation and existence as a legal entity. The Trustee may also ask to see financial statements, licenses, and identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

Section 9.7 Sale and Lease of Leased Property.

Except for any lease or sublease permitted by the Ground Lease and the Financing Lease, the Authority will not sell, lease, sublease, assign, convey or otherwise voluntarily dispose of the Leased Property or any interest in the Leased Property unless (i) the Bonds have been or will be concurrently paid or deemed paid in full under Article XIV, and (ii) the Trustee receives a certificate signed by an Authority Representative and a County Representative to the effect that the disposition of the Leased Property will not have a material adverse effect on the ability of the Authority to pay when due the principal of and premium, if any, and interest on the Bonds then Outstanding.

Section 9.8 Prohibited Activities.

The Authority will not knowingly take any action, or approve the Trustee's making any investment or use of the proceeds of the Bonds, which would cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code. The Authority will not engage in any activities or take any action which might result in the income of the Authority becoming taxable by any governmental entity or take any other action which might result in the interest on the

Bonds becoming includable in the gross income of the recipients thereof for purposes of federal income taxation.

ARTICLE X

DEFAULTS AND REMEDIES

Section 10.1 Events of Default.

Each of the following shall constitute an Event of Default:

(a) Payment of interest on any Bond is not made when due and payable;

(b) Payment of the principal of or premium, if any, on any Bond is not made when due and payable;

(c) Subject to Section 10.11, default in the observance or performance of any other covenant, condition or agreement on the part of the Authority under this Indenture or in the Bonds;

(d) Appointment by a court of competent jurisdiction of a receiver for all or any substantial part of the Revenues and other funds of the Authority pledged pursuant to this Indenture, or approval by a court of competent jurisdiction of any petition for reorganization of the Authority or rearrangement or readjustment of the obligations of the Authority under provisions of any applicable bankruptcy or insolvency law; or

(e) The occurrence and continuation of an "Event of Default" under the Financing Lease.

Section 10.2 [Acceleration.

Upon the occurrence and continuation of an Event of Default, the Trustee may, and if requested by the Owners of not less than twenty-five percent in aggregate principal amount of the Bonds then Outstanding will, by notice to the Authority and County, declare the entire unpaid principal of and interest on the Bonds due and payable and, thereupon, the entire unpaid principal of and interest on the Bonds will immediately become due and payable, subject to the limitations in Section 10.11 herein. Upon any such declaration, the Authority will immediately pay the Owners of the Bonds the entire unpaid principal of and accrued interest on the Bonds, but only from the Revenues pledged hereunder and under the Assignment to such payment.]

Section 10.3 Other Remedies; Rights of Bondholders.

Upon the happening and continuance of an Event of Default, the Trustee may, with or without action under Section 10.2, pursue any available remedy, at law or in equity, to enforce the payment of the principal of and interest on the Bonds, as applicable, to enforce any covenant

or condition under the Ground Lease, the Financing Lease or this Indenture, or to remedy any Event of Default.

Upon the happening and continuance of an Event of Default, and if requested by the Owners of at least twenty-five percent in aggregate principal amount of the Bonds then Outstanding and having been indemnified as provided in Section 11.7, the Trustee will exercise such of the rights and powers conferred by this Section and by Section 10.2 as the Trustee, being advised by Counsel, and at the direction of the Owners, deems most effective to enforce and protect the interests of the Owners.

Section 10.4 Effect of Discontinuance or Abandonment.

If any proceeding taken by the Trustee on account of any default is discontinued or abandoned for any reason, or is determined adversely to the Trustee, the Authority, the Trustee and the Owners will be restored to their former positions and rights under this Indenture and all rights, remedies and powers of the Trustee will continue as though no such proceeding had been taken.

Section 10.5 Rights of Owners.

Anything in this Indenture to the contrary notwithstanding, upon the happening and continuance of any Event of Default, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding have the right, upon providing the Trustee security and indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee under this Indenture.

Section 10.6 Restriction on Owner's Action.

In addition to the other restrictions on the rights of Owners to request action upon the occurrence of an Event of Default and to enforce remedies set forth in this Article, no Owner of any of the Bonds has any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or any remedy under this Indenture or the Bonds, unless (i) the Owner previously has given to the Trustee written notice of an Event of Default; (ii) the Owners of a majority in aggregate principal amount of Bonds then Outstanding have made written request of the Trustee to institute any such suit, action, proceeding or other remedy, after the right to exercise such powers or rights of action, as the case may be, has accrued, and has afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted in this Indenture, or to institute such action, suit or proceeding in its or their name; (iii) there has been offered to the Trustee security and indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred; and (iv) the Trustee has not complied with the request within a reasonable time. Such notification, request and offer of indemnity are declared in every case, at the option of the Trustee, to be conditions precedent to the execution of the trusts of this Indenture or for any other remedy under this Indenture. It is intended that no one or more Owners of the Bonds secured by this Indenture will have any right to affect, disturb or prejudice the security of this Indenture, or to enforce any right under this Indenture or the Bonds, except in

the manner provided for in this Indenture, and that all proceedings at law or in equity will be instituted and maintained in the manner provided in this Indenture and for the benefit of all Owners of Outstanding Bonds. Nothing in this Indenture affects or impairs the right of the Owners individually to enforce payment of the Bonds, as applicable, in accordance with their terms.

Section 10.7 Power of Trustee to Enforce.

All rights of action under this Indenture or under any of the Bonds secured by this Indenture which are enforceable by the Trustee may be enforced by it without the possession of any of the Bonds, or their production at the trial or other related proceedings, and any suit, action or proceedings instituted by the Trustee will be brought in its own name, as trustee, for the equal and ratable benefit of the Owners of the Bonds, subject to the provisions of this Indenture.

Section 10.8 Remedies Not Exclusive.

No remedy in this Indenture conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy, and each remedy is cumulative and in addition to every other remedy given under this Indenture or now or hereafter existing at law, in equity or by statute.

Section 10.9 Waiver of Events of Default; Effect of Waiver.

The Trustee will waive any Event of Default and its consequences and rescind any declaration of acceleration upon the written request of the Owners of a majority in aggregate principal amount of all Outstanding Bonds. If any Event of Default with respect to the Bonds has been waived as provided in this Indenture, the Trustee will promptly give written notice of the waiver to the Authority and by first class mail, postage prepaid, to all Owners of Outstanding Bonds if such Owners had previously been given notice of the Event of Default. No such waiver, rescission and annulment will extend to or affect any subsequent Event of Default or impair any right, power or remedy available under this Indenture.

No delay or omission of the Trustee or of any Owner to exercise any right, power or remedy accruing upon any default or Event of Default will impair any right, power or remedy or will be construed to be a waiver of or acquiescence in any such default or Event of Default. Every right, power and remedy given by this Article to the Trustee and to the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 10.10 Application of Money.

Any money received by the Trustee pursuant to this Article will, after payment of the costs and expenses of the proceedings resulting in the collection of the money, the expenses, liabilities and advances incurred or made by the Trustee and the fees of the Trustee, be deposited in the Bond Fund and applied as follows:

(a) Unless the principal of all of the Outstanding Bonds is due and payable, the money will be applied,

First - To the payment of the persons entitled to it of all installments of interest then due on the Bonds; if the money available is not sufficient to pay in full any particular installment, the payment will be made ratably, according to the amounts due on such installment, to the persons entitled to it, without any discrimination or privilege;

Second - To the payment of the persons entitled to it of the unpaid principal of any of the Bonds which have become due (other than Bonds matured or called for redemption for the payment of which money is held pursuant to the provisions of this Indenture), and if the amount available is not sufficient to pay in full such Bonds, the payment will be made ratably, to the persons entitled to it without any discrimination or privilege; and

Third - To be held for the payment to the persons entitled to it when due of the principal of and interest on the Bonds, which may thereafter become due either at maturity or upon call for redemption before maturity and, if the amount available is not sufficient to pay in full such Bonds, due on any particular date, together with interest then due and owing, the payment will be made ratably, according to the amount of principal due on such date, to the persons entitled to it, without any discrimination or privilege.

(b) If the principal of all of the Outstanding Bonds is due and payable, the money will be applied to the payment of the principal of and interest then due and unpaid on the Outstanding Bonds, without preference or priority of any principal over interest or interest over principal or of any installment of interest over any other installment of interest, or of any such Outstanding Bond over any other Outstanding Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled to it, without any discrimination or preference except as to any difference in the respective amounts of interest specified in the Outstanding Bonds.

Whenever money is to be applied pursuant to the provisions of this Section, the money will be applied at such times, and from time to time, as the Trustee determines, having due regard to the amount of money available and the likelihood of additional money becoming available in the future. If subsection (b) of this Section is applicable, the Trustee will apply immediately to the payment of the Bonds any money it receives under this Article. Whenever the Trustee applies such money, it will fix the date upon which the application is to be made, and interest will cease to accrue on the amount of principal to be paid on such date. The Trustee will give, by mailing by first class mail, such notice as it deems appropriate of the deposit with it of any money and of the fixing of any such date.

Section 10.11 <u>Notice of Certain Defaults; Opportunity to Cure Such Defaults</u>.

Anything in this Indenture to the contrary notwithstanding, no default under subsection (c) of Section 10.1 will constitute an Event of Default until actual notice of the default is given to the Authority and the County by the Trustee or by the Owners of not less than twenty-five percent in aggregate principal amount of all Outstanding Bonds and the Authority and the

County shall have had thirty (30) days after receipt of the notice to correct the default or to cause the default to be corrected; provided, however, that if the default is such that it cannot be corrected within the applicable period, it will not constitute an Event of Default if corrective action is instituted by the Authority or the County within the applicable period and diligently pursued until the default is corrected, but in no event for a period longer than an additional sixty (60) days.

ARTICLE XI

TRUSTEE

Section 11.1 Appointment and Acceptance of Duties.

The Trustee accepts and agrees to the trusts created by this Indenture, but only upon the additional terms set forth in this Article, to all of which the Authority, and the Owners by their purchase and acceptance of the Bonds, agree.

Section 11.2 Responsibilities.

The recitals, statements and representations contained in this Indenture and the Bonds will be taken and construed as made by and on the part of the Authority, and not by the Trustee, and the Trustee does not assume or have any responsibility or obligation for (i) the correctness of any such recitals, statements and representations, (ii) the validity of the execution by the Authority of this Indenture or the Bonds, or (iii) the sufficiency of the security for the Bonds. The Trustee has no responsibility for any funds other than those funds actually paid to or received or held by it under this Indenture. Prior to the occurrence of an Event of Default of which the Trustee has received notice hereunder or, in the case of an Event of Default under subsections (a) or (b) of Section 10.1, is deemed hereunder to have notice, the Trustee need perform only those duties that are specifically set forth in this Indenture and no others and no implied covenants or obligations of the Trustee shall be implied by this Indenture. No provision of this Indenture requires the Trustee to expend or risk the Trustee's own funds or otherwise incur any financial liability in the performance of any of the Trustee's duties or in the exercise of any of the Trustee's rights or powers, if the Trustee has reasonable grounds for believing that repayment of the funds or adequate indemnity against the risk or liability is not reasonably assured to the Trustee. The Trustee is not responsible or liable for any loss suffered in connection with any investments made in accordance with Section 8.1. During the existence of an Event of Default, the Trustee will use the same degree of skill and care in performing its duties under this Indenture as a corporate trustee operating under a corporate trust indenture.

Section 11.3 Powers.

The Trustee may execute any of the trusts or powers of this Indenture and perform the duties required of the Trustee under this Indenture by or through attorneys, agents, receivers, or employees, and is entitled to obtain and rely on advice of counsel concerning all matters of trust and the Trustee's duty under this Indenture. The Trustee shall be reimbursed for reasonable compensation paid to all such attorneys, agents, receivers or employees as may be employed in

connection with this Indenture. The Trustee may conclusively act on an Opinion of Counsel and is not responsible for any loss or damage resulting from any action or non-action by it taken or omitted to be taken in good faith in reliance on such Opinion of Counsel.

The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds, except for any information provided by the Trustee, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions **("Instructions")** given pursuant to this Indenture and delivered using Electronic Means; provided, however, that the Authority shall provide the Trustee an incumbency certificate listing the officer or officers with the authority to provide such instructions **("Authorized Representative")** and containing specimen signatures of such Authorized Representatives, which incumbency certificate shall be amended by the Authority whenever a person is to be added or deleted from the listing. If the Authority elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's reasonable understanding of such Instructions shall be deemed controlling. The Authority understands and agrees that the Trustee cannot determine the identity of the actual sender of Instructions and that the Trustee shall conclusively determine that the Instruction that purport to have been send by an Authorized Representative listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Representative. The Authority shall be responsible for ensuring that only Authorized Representatives transmit Instructions to the Trustee and that the Authority and all Authorized Representatives are solely responsible to safeguard that use and confidentiality of applicable use and authorization codes, passwords and/or authentication keys upon receipt by the Authority. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reasonable reliance upon and compliance with such Instructions notwithstanding such Instructions conflict or are inconsistent with subsequent written Instructions. The Authority agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the reasonably Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections an risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions that the method(s) selected by the Authority; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 11.4 <u>Compensation</u>.

The Authority will pay, but solely from moneys provided by the County, to the Trustee compensation for all services rendered by the Trustee under this Indenture, including extraordinary fees and expenses relating to the performance of services by the Trustee upon the

occurring or continuation of an Event of Default or the occurrence and continuation of any condition or event which with notice or the lapse of time, or both, may constitute an Event of Default.

As security for the performance of the obligations of the Authority and the County under this Section, the Trustee shall have a lien prior to the lien securing the Bonds, which it may exercise through a right of setoff, upon all property or funds held or collected by the Trustee pursuant to this Indenture. The obligations of the Authority and the County to make the payments described in this Section shall survive discharge of this Indenture, the resignation or removal of the Trustee and payment in full of the Bonds.

Section 11.5 No Duty to Maintain Insurance.

The Trustee has no obligation to effect or to renew any policies of insurance and no liability for the failure of the Authority or the County to effect or renew insurance or to report or file claims or proofs of loss for any loss or damage insured against or which may occur.

Section 11.6 Notice of Event of Default.

The Trustee is not required to take notice, or be deemed to have notice, of any default or Event of Default other than a default or Event of Default under subsections (a) or (b) of Section 10.1, or unless specifically notified in writing of the default or Event of Default by the Authority, the County or the Owners of at least twenty-five percent in aggregate principal amount of the Outstanding Bonds. The Trustee may, however, require of the Authority full information and advice at any time as to the performance of any of the conditions and agreements contained in this Indenture.

Section 11.7 Action Upon Default.

The Trustee is under no obligation to take any action in respect of any default or Event of Default, or toward the execution or enforcement of any of the trusts created by this Indenture or to institute, appear in or defend any related suit or other proceeding, unless requested in writing to do so by the Authority, the County or the Owners of at least twenty-five percent in aggregate principal amount of the Outstanding Bonds and, if in the Trustee's opinion such action may involve the Trustee in expense or liability, unless furnished, from time to time as often as the Trustee may require, with reasonable security and indemnity satisfactory to the Trustee.

Section 11.8 Limitation of Liability.

The Trustee will be protected and will incur no liability in acting or proceeding in good faith upon any resolution, notice, telegram, request, consent, waiver, certificate, statements, affidavit, voucher, bond, requisition or other paper or document which the Trustee in good faith believes to be genuine and to have been authorized or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, and the Trustee is under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon them as conclusive

evidence of the truth and accuracy of such statements. The Trustee is not bound to recognize any Person as an Owner of any Bond or to take any action at an Owner's request unless the Bond is deposited with the Trustee or evidence satisfactory to the Trustee of the ownership of such Bond is furnished to the Trustee. Before the Trustee acts or refrains from acting, the Trustee may require a certificate of an appropriate officer or officers of the Authority or the County, as appropriate, or an Opinion of Counsel or Bond Counsel, as appropriate. The Trustee will not be liable for any action it takes or omits to take in good faith in reliance upon such certificates or Opinion of Counsel or Bond Counsel. The permissive right of the Trustee to do things enumerated in this Indenture will not be construed as a duty, and the Trustee is not answerable for other than its gross negligence.

Section 11.9 Ownership of Bonds.

The Trustee and any of its officers, directors, employees or agents, and any bank or trust company under common control with the Trustee may in good faith buy, sell, own, hold and deal in any of the Bonds issued under this Indenture, and may join in or take any action which any Owner may be entitled to take with like effect as if the Trustee were not a party to this Indenture. The Trustee and any bank, trust company or securities affiliate under common control with the Trustee, as principal or agent, may also engage in or be interested in any financial or other transaction with the Authority or the County, and may act as depository, trustee, or agent for any committee or body of Owners of the Bonds or other obligations of the Authority as freely as if it were not Trustee under this Indenture.

Section 11.10 No Duty to Invest.

Absent specific instructions pursuant to Article VIII, the Trustee is under no duty to invest money held by it pursuant to this Indenture. The Trustee has no liability for interest on any money which the Trustee may at any time receive under any of the provisions of this Indenture, except interest which the Trustee agrees with the Authority to pay.

Section 11.11 Reports by Trustee.

The Trustee will provide written reports to the County and, if requested in writing, the Authority at least monthly of (i) the balances in all funds held by the Trustee under this Indenture, (ii) all money received and expended by it under the terms of this Indenture, and (iii) such information as may be reasonably requested by the County or the Authority to calculate the amount of any rebate due under Section 148 of the Code and otherwise to maintain compliance with Section 148 of the Code and any other federal or Commonwealth law or regulation applicable to the County or the Authority or its affairs.

Section 11.12 Construction of Provisions of Indenture.

The Trustee may construe any provision of this Indenture insofar as it may appear to be ambiguous or inconsistent with any other provision, and any construction of any such provisions by the Trustee made in good faith will be binding on the Owners.

Section 11.13 Resignation.

The Trustee may at any time and for any reason resign and be discharged of the trusts created by this Indenture by executing an instrument in writing resigning the trust and specifying the date when the resignation will take effect, and filing the instrument with an Authority Representative and a County Representative not less than sixty days before the effective date of the resignation. The resignation will take effect on the day specified in the instrument, unless a successor Trustee has not been appointed and accepted the appointment by that date as provided for in this Article, in which event such resignation will take effect immediately on the appointment of and acceptance by a successor Trustee of the trusts under this Indenture.

Section 11.14 Removal.

The Trustee at any time and for any reason may be removed by an instrument in writing, filed with the Authority, the County and the Trustee so removed and executed by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding. In addition, provided that no Event of Default or event which, with notice or the passage of time or both, would become an Event of Default has occurred and is continuing, the Authority at any time upon written request of the County may remove the Trustee by an instrument in writing filed with the Trustee so removed and mailed to the Owners, if the Authority also files with such written instrument a certified resolution of the County in which the County determines either that (i) the Trustee so removed has not been satisfactorily performing its duties and obligations under this Indenture or (ii) the fees and expenses charged by the Trustee so removed are higher than the fees and expenses generally charged by banks or trust companies which would qualify as successor trustees under Section 11.16 to perform the duties and obligations of a trustee under indentures or trust agreements similar to this Indenture.

Section 11.15 Appointment of Successor Trustee.

If at any time the Trustee resigns, or is removed by action of the Owners, or is dissolved, or if the Trustee's property or affairs are taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy, or for any other reason, unless an Event of Default has occurred and is continuing, a vacancy will exist in the office of the Trustee, then a successor may be appointed by the Authority and the County, by an instrument or instruments in writing signed by an Authority Representative and a County Representative. Copies of each instrument will be promptly delivered to the predecessor Trustee and the Trustee so appointed, and notice thereof shall be given to the Owners. If an Event of Default has occurred and is continuing, a successor Trustee may be appointed by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, by an instrument or instruments in writing filed with the Authority and the County, signed by such Owners or their attorneys-in-fact duly authorized in writing. Copies of each instrument will be promptly delivered by the Authority to the predecessor Trustee and the Trustee so appointed, and notice thereof shall be given to the Owners.

Section 11.16 Successor to be Bank or Trust Company.

Any successor to the Trustee appointed pursuant to Section 11.15 must be a bank or trust company organized and doing business under the laws of the United States of America or any state thereof with trust powers, in good standing and having a reported capital, surplus and undivided profits of not less than $50,000,000, or a subsidiary trust company of such a bank or trust company whose parent bank or trust company has agreed in writing to be responsible for the debts and liabilities of such subsidiary trust company, if such a bank, trust company or subsidiary trust company is willing and able to accept the trusts herein conferred on reasonable or customary terms.

Section 11.17 Failure to Appoint a Successor Trustee.

If at any time the Trustee resigns and no appointment of a successor Trustee is made pursuant to the provisions of this Article before the date specified in the notice of resignation as the date on which the resignation will take effect, the Trustee or any Owner may apply to any court of competent jurisdiction to appoint a successor Trustee. The court may, after such notice, if any, as the court deems proper and prescribes, appoint a successor Trustee.

Section 11.18 Acceptance by Successor Trustee.

Any successor Trustee appointed under this Article will execute, acknowledge and deliver to the Authority an instrument accepting the appointment under this Indenture, and thereupon the successor Trustee, without any further act, deed or conveyance, will become duly vested with all the estates, property, rights, powers, trusts, duties and obligations of the successor Trustee's predecessor under this Indenture, with like effect as if originally named Trustee in this Indenture. Upon request of the successor Trustee, the Trustee ceasing to act and the Authority will execute and deliver an instrument transferring to the successor Trustee all of the estates, property, rights, powers and trusts under this Indenture of the Trustee ceasing to act, and the Trustee ceasing to act will pay over to the successor Trustee all money and other assets at the time held by the Trustee under this Indenture.

Section 11.19 Merger or Consolidation.

Any corporation or association into which any Trustee may be merged or with which the Trustee may be consolidated, or any corporation or association resulting from any merger or consolidation to which any Trustee is a party, or any corporation or association to which any Trustee may transfer all or substantially all of its corporate trust business, will be the successor Trustee under this Indenture, without the execution or filing of any paper or any further act on the part of the parties to this Indenture.

Section 11.20 [RESERVED].

Section 11.21 Notice of Occurrence of Event of Default.

Upon the occurrence of an Event of Default known to the Trustee in accordance with Section 11.6, the Trustee will, within thirty days of the Event of Default becoming known to the Trustee, give written notice of it by first class mail to each Owner of Bonds then Outstanding, unless such Event of Default has been cured before the notice is given.

Section 11.22 Intervention by Trustee.

In any judicial proceeding to which the Authority is a party and which in the opinion of the Trustee and the Trustee's counsel has a substantial bearing on the interests of the Owners of the Bonds, as applicable, the Trustee may, in the Trustee's own name, intervene on behalf of the Owners and will, upon receipt of indemnity satisfactory to the Trustee, do so if requested in writing by the Owners of at least twenty-five percent in aggregate principal amount of Bonds then Outstanding, as applicable, if permitted by the court having jurisdiction.

ARTICLE XII

MODIFICATION OF INDENTURE AND SUPPLEMENTAL INDENTURES

Section 12.1 Supplemental Indentures Without Consent of Owners.

Subject to Sections 12.3 and 12.6, the Authority and the Trustee may, without the consent of the Owners, enter into such indenture or indentures supplemental to this Indenture which will form a part of this Indenture for any one or more of the following purposes:

(a) To add to the covenants and agreements of the Authority contained in this Indenture other covenants and agreements to be observed, and to surrender any right or power in this Indenture reserved to or conferred upon the Authority;

(b) To cure any ambiguity, to supply any omission, or to cure, correct or supplement any defect or inconsistent provisions contained in this Indenture;

(c) To grant to the Trustee for the benefit of the Owners additional rights, remedies, powers or authority;

(d) To subject to this Indenture additional revenues, property or collateral;

(e) To modify, amend or supplement this Indenture or the Bonds to permit qualification under the Trustee Indenture Act of 1939 or any similar federal statute at the time in effect, or to permit the qualification of the Bonds for sale under the securities laws of any state of the United States;

(f) To provide for certificated Bonds;

(g) To evidence the succession of a new Trustee or the appointment by the Trustee or the Authority of a Co-Trustee and to specify the rights and obligations of the Co-Trustee;

(h) To make any modifications or changes necessary or appropriate to issue Additional Bonds;

(i) To obtain, maintain or enhance a credit rating for Bonds; or

(j) To make any other change which, in the judgment of the Trustee (and subject to Section 12.5), will not materially adversely affect the rights of any Owner of the Bonds then Outstanding.

Section 12.2 Supplemental Indentures with Consent of Owners.

Any modification or alteration of this Indenture or of the rights and obligations of the Authority or the Owners of the Bonds may be made by the Authority and the Trustee with the consent of the County and the Owners of a majority in aggregate principal amount of the Bonds Outstanding. However, without the consent of each Owner affected, no modification or alteration may (a) extend the maturity of the principal of, premium, if any, or interest on any Bond, (b) reduce the principal amount of, or, premium, if any, or rate of interest on, any Bond, (c) effect a privilege or priority of any Bond or Bonds over any other Bond or Bonds, (d) reduce the percentage of the principal amount of the Bonds required for consent to the modification or alteration, (e) alter the obligation of the County to make payments when due under the Financing Lease, (f) impair the exclusion of interest on any Bond from gross income for purposes of federal or Commonwealth income taxation, (g) create a lien ranking prior to or on a parity with (except in the case of Additional Bonds) the lien of this Indenture on the property described in Article II, or (h) deprive any Owner of the lien created by this Indenture on such property. In addition, if money has been deposited or set aside with the Trustee pursuant to Article XIV for the payment of Bonds and those Bonds have not in fact actually been paid in full, no amendment to the provisions of that Article may be made without the consent of the Owner of each of those Bonds affected.

If at any time the Authority requests the Trustee to enter into an indenture supplemental to this Indenture for any of the purposes of this Section, the Trustee will, upon being satisfactorily indemnified with respect to the expenses, cause notice of the proposed execution of such supplemental indenture to be mailed to each Owner of Bonds then Outstanding, as applicable, by first-class mail to the address of each Owner as it appears on the registration books; provided, however, that failure to give such notice by mailing, or any defect in it, will not affect the validity of any proceedings pursuant to this Section. Such notice will briefly set forth the nature of such proposed supplemental indenture and will state that copies of it are on file at the designated corporate trust office of the Trustee for inspection by all Owners. If, within six months or such longer period as is prescribed by the Authority following the giving of the notice, the Owners of a majority in aggregate principal amount of Bonds then Outstanding, as applicable, have consented to and approved in writing the execution of such supplemental indenture, no Owner will have any right to object to any of the terms and provisions contained in such supplemental indenture, or in any manner to question the propriety of its execution, or to

enjoin or restrain the Trustee or the Authority from executing such supplemental indenture or from taking any action pursuant to its provisions. Upon the execution of any indenture supplemental to this Indenture permitted by this Section, this Indenture will be deemed to be modified and amended in accordance with its provisions.

For the purposes of this Article, the Trustee will be entitled to conclusively rely on an Opinion of Counsel with respect to the extent, if any, to which any action affects the rights under this Indenture of any Owners of Bonds then Outstanding.

Notwithstanding anything to the contrary contained in this Indenture, the Authority and the Trustee may enter into any indenture supplemental to this Indenture upon receipt of the consent of all of the Owners of the Bonds then Outstanding, as applicable.

Section 12.3 Limitation on Amendments.

No amendment, change or modification of the Indenture shall result in a decrease of the obligation of the County under the Financing Lease to pay amounts sufficient to pay principal of, and premium, if any, and interest on the Bonds as the same become due. Notwithstanding any other provision of this Indenture, any amendment, change or modification of this Indenture will not become effective until the County has consented to the execution and delivery of such amendment, change or modification.

Section 12.4 Trustee Authorized to Enter Into Supplemental Indenture.

The Trustee is authorized to enter into with the Authority any supplemental indenture authorized or permitted by the terms of this Indenture, and the Trustee is authorized to make the further agreements and stipulations which may be contained in such supplemental indenture.

Section 12.5 Opinion of Counsel.

The Trustee will not execute any supplemental indenture amending this Indenture unless there has been filed with the Trustee one or more Opinions of Counsel upon which the Trustee may conclusively rely stating that the proposed supplemental indenture is authorized or permitted by this Indenture and complies with its terms and that upon execution it will be valid and binding upon the party or parties executing it in accordance with its terms.

Section 12.6 Consent of County.

The Trustee will not execute any supplemental indenture amending, modifying or supplementing this Indenture unless there has been filed with the Trustee a written consent of a County Representative to the supplemental indenture.

ARTICLE XIII

AMENDMENT OF GROUND LEASE, FINANCING LEASE OR ASSIGNMENT

Section 13.1 Amendments to Ground Lease, Financing Lease or Assignment Not Requiring Consent of Owners.

The Authority and the Trustee may, with the consent of the County, but without the consent of or notice to the Owners, execute or consent to, as applicable, any amendment, change or modification of the Ground Lease, the Financing Lease or the Assignment as may be required:

(a) By the provisions of the Ground Lease, the Financing Lease, the Assignment or this Indenture;

(b) For the purpose of curing any ambiguity or formal defect or omission in the Ground Lease, the Financing Lease or the Assignment;

(c) To subject to this Indenture additional revenues, leased properties or collateral;

(d) In connection with the issuance, sale and delivery of Additional Bonds as provided in and in compliance with Article V to provide for the payment of additional amounts sufficient to pay the principal of and premium, if any, and interest on the Additional Bonds and such other changes necessary in connection with the issuance of the Additional Bonds as will not, in the judgment of the Trustee, materially adversely affect the rights of any Owner of the Bonds then Outstanding; or

(e) In connection with any other change in the Ground Lease, the Financing Lease or the Assignment which, in the judgment of the Trustee (and subject to Section 13.4), will not materially adversely affect the rights of any Owner of the Bonds then Outstanding.

Section 13.2 Amendments, etc., to Ground Lease, Financing Lease or Assignment Requiring Consent of Owners.

Except for the amendments, changes or modifications set forth in Section 13.1, neither the Authority nor the Trustee will execute or consent to, as applicable, any amendment, change or modification of the Ground Lease, the Financing Lease, or the Assignment without the consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding as applicable, or, if less than all of the Bonds then Outstanding are affected by the modification, change or amendments, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, so affected. Any such consent will be given and procured as provided in Section 12.2. If at any time the Authority requests the consent of the Trustee to any proposed amendment, change or modification of the Ground Lease, the Financing Lease or the Assignment, the Trustee will, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed amendment, change or modification to be given in the same manner as provided by Section 12.2. The notice will briefly set forth the nature of the proposed

amendment, change or modification and will state that copies of the instrument embodying them are on file at the designated corporate trust office of the Trustee for inspection by all Owners.

Notwithstanding anything to the contrary contained in this Indenture, the Authority and the Trustee may execute or consent to, as applicable, any amendment, change or modification of the Ground Lease, the Financing Lease or the Assignment upon receipt of the consent of all of the Owners of the Bonds then Outstanding.

Section 13.3 Limitation on Amendments.

No amendment, change or modification to the Ground Lease, the Financing Lease or the Assignment shall result in a decrease of the obligation of the County under the Financing Lease to pay amounts sufficient to pay the principal of and premium, if any, and interest on the Bonds when due. Notwithstanding any other provision of this Indenture, any amendment, change or modification of the Ground Leases, Financing Lease or the Assignment will not become effective until the County has consented to the execution and delivery of such amendment, change or modification.

Section 13.4 Opinion of Counsel.

The Trustee will not execute any amendment, change or modification to the Ground Lease, the Financing Lease or the Assignment unless there has been filed with the Trustee one or more Opinions of Counsel upon which the Trustee may conclusively rely stating that such proposed amendment, change or modification is authorized or permitted by this Indenture and complies with its terms and that upon execution it will be valid and binding upon the party or parties executing it in accordance with its terms.

ARTICLE XIV

DISCHARGE OF INDENTURE

Section 14.1 Discharge of Indenture.

If (i) all Bonds secured by this Indenture have become due and payable or irrevocable instructions to redeem the Bonds or pay them at maturity have been given by the Authority to the Trustee, and (ii) the Trustee holds cash or noncallable Government Obligations or Government Certificates the principal of and interest on which at maturity will be sufficient (A) if Bonds have been called for redemption, to redeem in accordance with the relevant Sections of this Indenture all the Bonds on the date set for the redemption, (B) to pay at maturity all Outstanding Bonds not called for redemption, (C) to pay interest accruing on all Bonds until their redemption or payment at maturity, and (D) to pay the Trustee its reasonable fees and expenses and any other applicable fees and expenses, then the right, title and interest of the Trustee in the Trust Estate shall thereupon cease and the Trustee, upon request of the Authority or the County, shall release this Indenture and the Trust Estate and execute and deliver to the Authority such instruments in writing as are required to release such lien, and assign and deliver to the Authority any property at the time subject to this Indenture which may then be in its possession, except funds or

securities in which such funds are invested which are held by the Trustee for the payment of the principal of and interest on the Bonds. The Trustee shall be entitled to receive an Opinion of Counsel that any and all conditions precedent to the satisfaction and discharge of the Indenture have been complied with.

In the event that all of the Bonds secured by this Indenture are paid or deemed paid in accordance with the terms of this Indenture, then the right and interest of the Trustee in and to the Trust Estate created by this Indenture and all covenants, agreements and other obligations of the Authority to the Owners will cease and be discharged and satisfied. In the event any Bonds are paid or deemed paid in accordance with the terms of this Indenture, then such Bonds will cease to be entitled to any lien, benefit or security under this Indenture (other than the right to receive payment and certain rights regarding redemption and registration and transfer) and all covenants, agreements and other obligations of the Authority to the Owners of the Bonds will cease and be discharged and satisfied.

Section 14.2 Bonds Deemed to be Paid.

Bonds for the payment or redemption of which cash or noncallable Government Obligations or Government Certificates, the principal of and interest on which will be sufficient at the respective maturities or redemption dates prior to maturity of such Bonds to pay the principal thereof and the redemption premium, if any, and interest to accrue thereon at such maturity or redemption, have been deposited with the Trustee in the appropriate account of the Bond Fund (whether on or before their maturity or redemption date) will be deemed to be paid and no longer Outstanding; provided, however, that if the Bonds are to be redeemed before their maturity, unconditional notice of the redemption must have been duly given or irrevocable instructions to redeem the Bonds must have been given by the Authority to the Trustee. In connection with any advance refunding of the Bonds, there shall be delivered to the Trustee a verification report of an accountant as to the adequacy of the escrow so established.

ARTICLE XV

MISCELLANEOUS

Section 15.1 Limitation of Liability of Directors, Officers, etc., of Authority and the Trustee.

No covenant, agreement or obligation contained in this Indenture will be deemed to be a covenant, agreement or obligation of any present or future member, director, officer, employee or agent of the Authority or the Trustee in his or her individual capacity, and neither the members or directors of the Authority or the Trustee nor any of their members, officers, directors, employees or agents executing the Bonds will be liable personally on the Bonds or be subject to any personal liability or accountability by reason of their issuance. No member, director, officer, employee, agent or adviser of the Authority or the Trustee will incur any personal liability with respect to any action taken by him or her pursuant to this Indenture or the Act.

Section 15.2 Dissolution of Authority.

In the event of the dissolution of the Authority, all of the covenants, stipulations, promises and agreements contained in this Indenture by or on behalf of, or for the benefit of, the Authority will bind or inure to the benefit of the successors of the Authority from time to time and any officer, board, commission, agency or instrumentality to whom or to which any power or duty of the Authority is transferred; provided that in the event the County is the successor to the Authority as long as any Bonds remain Outstanding the fee title to the Leased Property and the leasehold interests created by the Ground Lease and Financing Lease shall not be deemed to be merged.

Section 15.3 Interested Parties.

Nothing in this Indenture is intended or is to be construed to confer upon any Person other than the Authority, the Trustee and the Owners of the Bonds issued under this Indenture, any right, remedy or claim under or by reason of this Indenture. This Indenture is intended to be for the sole and exclusive benefit of the Authority, the Trustee and the Owners of the Bonds.

Section 15.4 Severability of Invalid Provisions.

If any clause, provision or section of this Indenture is held to be illegal or invalid by any court, the invalidity of the clause, provision or section will not affect any of the remaining clauses, provisions or sections, and this Indenture will be construed and enforced as if the illegal or invalid clause, provision or section had not been contained in it.

Section 15.5 Notice.

All notices, certificates, requests or other communications under this Indenture must be in writing and will be deemed given, unless otherwise required, when mailed by first-class mail, postage prepaid, to the addresses set forth below:

If to the Authority:	Industrial Development Authority of Franklin County, Virginia c/o Franklin County Administration Office 1255 Franklin Street, Suite 112 Rocky Mount, VA 24151 (Attention: Chairman)
If to the Trustee:	[The Bank of New York Mellon Trust Company, N.A. 500 Ross Street, 12th Floor Pittsburgh, PA 15262 Attention: Corporate Trust Department]
If to the County:	Franklin County Administration Office 1255 Franklin Street, Suite 112 Rocky Mount, VA 24151 (Attention: County Administrator)

The Authority, the Trustee and the County may, by notice given under this Section, designate any further or different addresses to which subsequent notices, certificates, requests or other communications are to be sent.

If, by reason of the suspension of or irregularities in regular mail service, it is impractical to mail to the Owners of Bonds notice of any event when notice is required to be given pursuant to any provision of this Indenture, then any manner of giving notice which is satisfactory to the Trustee in its sole discretion will be deemed to be a sufficient giving of the notice.

Section 15.6 Consent of Holders.

Any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by the Bondholders may be in any number of concurrent writings of similar tenor and must be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken by it under such request or other instrument, namely:

(a) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged the execution thereof, or by an affidavit of any witness to such execution.

(b) The Trustee may establish a Record Date for the purpose of identifying Bondholders entitled to issue any such consent, request, direction, approval or instrument.

Section 15.7 Counterparts.

This Indenture may be executed in any number of counterparts, each of which, when so executed and delivered, will be an original, and the counterparts taken together will constitute one and the same instrument.

Section 15.8 Governing Law.

This Indenture will be governed by the laws of the Commonwealth, without regard to its conflicts of laws principles.

IN WITNESS WHEREOF, the parties have caused this Indenture to be executed on their behalf by their duly authorized officers.

INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF FRANKLIN, VIRGINIA

By: _____
Its: Chairman

[THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,] AS Trustee

By: _____
Its: _____

Acknowledged and Approved:

COUNTY OF FRANKLIN, VIRGINIA

By: _____
Its: County Administrator

EXHIBIT A

[Form of Bond]

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation **("DTC")**, to issuer or its agent for transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

R-__ CUSIP _____ ___

UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA

INDUSTRIAL DEVELOPMENT AUTHORITY OF
THE COUNTY OF FRANKLIN, VIRGINIA
PUBLIC FACILITY LEASE REVENUE REFUNDING BONDS, SERIES 2020

INTEREST RATE	MATURITY DATE	DATED DATE
____%	[October 15,] 20__	November __, 2020

REGISTERED OWNER: CEDE & CO.

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

The INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF FRANKLIN, VIRGINIA, a political subdivision of the Commonwealth of Virginia **(the "Authority")** for value received, promises to pay, solely from the revenues and other property pledged to the payment of this Bond, to the registered owner of this Bond or legal representative, the principal sum stated above on the maturity date stated above, and to pay solely from such source, interest on the principal amount of this Bond at the annual rate stated above, payable semi-annually on each [April 15 and October 15, commencing on April 15, 2021] all subject to prior redemption as described in this Bond. This Bond will bear interest (a) from its date of issuance (November __, 2020), if this Bond is authenticated before [April 15, 2021] or (b) otherwise, from the [April 15 or October 15] that is, or immediately precedes, the date on which this Bond is authenticated (unless the payment of interest on this Bond is in default, in which case this Bond will bear interest from the date to which interest has been paid). The principal of and premium, if any, on this Bond will be payable upon presentation and surrender of this Bond at the principal corporate trust office of [The Bank of New York Mellon Trust Company, N.A.] in Jacksonville, FL, as Trustee under the Indenture (as hereinafter defined), or its successor in trust **(the**

"Trustee"). Interest on this Bond will be paid by check or draft mailed to the person registered on the 15th day of the month preceding the interest payment date as the registered owner of this Bond at the address of such person on the registration books of the Authority maintained by the Trustee. Interest on this Bond will be computed on the basis of a year of 360 days and twelve 30-day months. Principal of and, premium, if any, and interest on this Bond are payable in lawful money of the United States of America. In case the date of maturity of the principal of this Bond or the date fixed for the payment of interest on or the redemption of this Bond is a date on which banking institutions are authorized or obligated by law to close at the place where the designated corporate trust office of the Trustee at which this Bond is then administered is located, then payment of the principal and interest need not be made on such date, but may be made on the next succeeding date which is not such a date at the place where such corporate trust office of the Trustee is located, and if made on such next succeeding date no additional interest shall accrue for the period after such date of maturity or date fixed for redemption.

This Bond and the issue of which it is a part and the interest on this Bond are limited obligations of the Authority and payable solely from the revenues and other property pledged and assigned to the Trustee under the terms of the Indenture to secure payment of this Bond. The principal of, premium, if any, and interest on this Bond will not be deemed to constitute a debt or a pledge of the faith and credit of the Commonwealth of Virginia or any of its political subdivisions other than the limited obligation of the Authority. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE AUTHORITY AND THE COUNTY OF FRANKLIN, VIRGINIA **(THE "COUNTY")** ARE OBLIGATED TO PAY THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT TO IT EXCEPT FROM THE REVENUES, MONEY OR PROPERTY OF THE AUTHORITY PLEDGED FOR SUCH PURPOSE, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA OR ANY OF ITS POLITICAL SUBDIVISIONS IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT TO IT.

This Bond is one of an issue of $_____ Public Facility Lease Revenue Refunding Bonds, Series 2020 **(the "Bonds")**, of like tenor, except as to number, denomination, maturity date, interest rate and privilege of redemption, authorized and issued by the Authority, pursuant to the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended, for the purpose of providing funds to finance (a) the refunding of all or a portion of the Authority's $16,345,000 Public Facility Lease Revenue Bond Anticipation Notes, Series 2018 **(the "2018 Notes")** issued to finance certain costs in connection with the construction, development and infrastructure improvements related to the Summit View Business Park in the County **(the "Project"),** including financing any remaining costs of such Project from remaining proceeds of the 2018 Notes, (c) refunding a Master Equipment Lease/Purchase Agreement dated as of February 26, 2015 between the County and Banc of America Public Capital Corp and a Schedule of Property No. 1 thereunder **(together, the "2015 Lease Obligation")**, (d) refunding the Authority's $5,186,000 Lease Revenue Refunding Bond, Series 2016A and $10,000,000 Lease Revenue Bond, Series 2016B **(the "2016 Bonds")**, secured by a Lease Agreement dated as of December 1, 2016 between the County and the Authority and a supplement thereto, (e) refunding the Authority's $7,677,000 Lease Revenue Refunding Bond, Series 2017A and $6,154,000 Lease Revenue Bond, Series 2017B **(the "2017 Bonds")**, secured by a Lease Agreement dated as of January 1, 2017 between the County and the Authority and a supplement

thereto, (e) refunding an Equipment Lease Purchase Agreement, dated as of September 7, 2018, **(the "Lease Agreement")**, between the County and Signature Public Funding Corp. and Equipment Schedule in the amount of $1,315,000 thereunder **(the "2018 Lease Obligation," and, together with the 2015 Lease Obligation, the 2016 Bonds, the 2017 Bonds and the 2018 Notes, the "Refunded Obligations")** and (f) costs of issuing the Bonds. The Leased Property (as defined in the Financing Lease, defined below) will be leased to the County by the Authority pursuant to a Financing Lease, dated as of November 1, 2020 **(the "Financing Lease")** between the Authority and the County. Under the terms of the Financing Lease, the County has agreed to make payments of rent to the Authority for the lease of the Leased Property. The obligation of the County to make payments under the Financing Lease constitutes a current expense of the County, subject to annual appropriation by the County. The Financing Lease may be terminated by the Trustee if funds are not appropriated by the County to make payments thereunder in subsequent years, all as more particularly described in the Financing Lease. The obligation of the County to make payments under the Financing Lease does not constitute a debt of the County within the meaning of any constitutional or statutory limitation nor a liability of or a lien or charge upon funds or property of the County beyond any fiscal year for which the County has appropriated moneys to make such payments. Neither the Trustee nor the Authority shall have any obligation or liability to the registered owner hereof with respect to payments to be made by the County under the Financing Lease or with respect to the performance by the County of any other covenant contained therein.

The Bonds are issued pursuant to an Indenture of Trust, dated as of November 1, 2020 **(the "Indenture")**, between the Authority and the Trustee. The Bonds are secured by the Leased Property (as defined in the Indenture) including without limitation Basic Rent, payable under the Financing Lease and assigned by an Assignment of Rents and Leases, dated as of November 1, 2020 **(the "Assignment")**, from the Authority to the Trustee which also assigns the Authority's rights (except for certain reserved rights) under the Financing Lease to the Trustee. Reference is made to the Indenture, the Financing Lease and the Assignment for a description of the revenues and property pledged and assigned and the provisions, among other things, with respect to the nature and extent of the security, the rights and obligations of the Authority, the County and the Trustee, the terms on which the Bonds are issued and secured, the rights of the registered owners of the Bonds and the provisions for defeasance of such rights. Additional Bonds secured on a parity with the Bonds may be issued on the terms provided in the Indenture.

The Bonds may not be called for redemption except as provided in the Indenture and as described herein.

The Bonds are subject to optional redemption prior to maturity, at the option of the Authority (at the direction of the County), on or after _____ 1, 2030 in whole or in part (in $5,000 integrals) at any time upon payment of 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the date fixed for redemption.

The Bonds will be required to be redeemed prior to maturity, in part, on _____ 1 in the years and in the amounts set forth below, upon payment of 100% of the principal amount thereof to be redeemed plus interest accrued to the date fixed for redemption:

Bonds maturing on _____ 1, 20__ are subject to mandatory redemption on the dates and in the amounts set forth below:

Year	Amount
	$_____
	$_____
____*	$_____

*final maturity

If any of the Bonds are called for redemption, the Trustee will cause a notice of redemption to be sent by electronic transmission, by overnight mail, by first class mail, postage prepaid or delivered by hand, not less than 30 nor more than 60 days before the date fixed for redemption, to the registered owners of the Bonds, at their respective addresses as they last appear on the registration books maintained by the Trustee. Failure to send any notice to a registered owner will not affect the validity of the proceedings for the redemption of the Bonds of any other registered owners to which notice was sent. If this Bond has been duly called for redemption and payment of the principal of, premium, if any, and unpaid interest accrued to the date fixed for redemption has been made or provided for, then, notwithstanding that this Bond has not been surrendered for cancellation, interest on this Bond will cease to accrue from such redemption date, and, from and after such redemption date, this Bond will no longer be entitled to any lien, benefit or security under the Indenture, and the registered owner of this Bond will have no rights in respect of this Bond except to receive payment of such principal of and unpaid interest accrued to the date fixed for redemption on this Bond. At the direction of the County, the Trustee may give a notice of redemption prior to a deposit of redemption moneys if such notice states that the redemption is to be funded with the proceeds of a refunding Bond issue and is conditioned on the deposit of such proceeds. Provided that moneys are deposited on or before the redemption date, such notice shall be effective when given. If such proceeds are not available on the redemption date, such Bonds will continue to bear interest until paid at the same rate they would have borne had they not been called for redemption and principal will continue to be payable as scheduled. On presentation and surrender of the Bonds called for redemption at the place or places of payment, such Bonds shall be paid and redeemed.

The registered owner of this Bond has no right to enforce the provisions of the Indenture or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect to the Indenture, except as provided in the Indenture. Upon the occurrence of certain events or upon certain conditions, in the manner and with the effect set forth in the Indenture, the principal of all of the Bonds issued under the Indenture and then outstanding, together with any accrued interest on them, may become or may be declared due and payable before their stated maturities. Modifications or alterations in the Indenture, the Financing Lease and the Assignment or any supplements to them, may be made only to the extent and under the circumstances provided by the Indenture.

The Bonds are issued as registered bonds without coupons in denominations of $5,000 or any integral multiple of $5,000. At the designated corporate trust office of the Trustee, in the manner and subject to the limitations and conditions upon payment of charges provided for in the Indenture, Bonds

may be exchanged for an equal aggregate principal amount of Bonds of like date and tenor and of authorized denominations and bearing interest at the same rate.

The transfer of this Bond may be registered by the registered owner in person or by his or her duly authorized attorney or legal representative at the designated corporate trust office of the Trustee, but only in the manner and subject to the limitations and conditions provided for in the Indenture and upon surrender and cancellation of this Bond. Upon any such registration of transfer, the Authority will execute and the Trustee will authenticate and deliver in exchange for this Bond a new Bond or Bonds, registered in the name of the transferee, of like date and tenor and of authorized denominations for the aggregate principal amount which the registered owner is entitled to receive. The Trustee will before due presentment of registration of transfer treat the registered owner as the person exclusively entitled to payment of principal of, premium, if any, and interest on this Bond, and the exercise of all other rights and powers of the owner.

All acts and conditions required to happen, exist or be performed precedent to and in connection with the issuance of this Bond have happened, exist and have been performed.

This Bond will not become obligatory for any purpose or be entitled to any security or benefit under the Indenture or be valid until the Trustee has executed the Certificate of Authentication appearing on this Bond.

IN WITNESS WHEREOF, the Industrial Development Authority of the County of Franklin, Virginia, has caused this Bond to be executed by the manual or facsimile signature of its Chairman or Vice Chairman, its seal to be impressed hereon or a facsimile of its seal to be printed on this Bond and attested by the manual or facsimile signature of its Secretary or Assistant Secretary.

INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF FRANKLIN, VIRGINIA

By: _____
Chairman

[SEAL]

Attest:

By:_____
Secretary

* * * * *

AUTHENTICATION DATE: November __, 2020

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Indenture.

[The Bank of New York Mellon Trust Company, N.A.,] Trustee

By: _____
Authorized Signature

(Form of Assignment)

FOR VALUE RECEIVED the undersigned sell(s), assign(s) and transfer(s) unto

_____

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

_____

_____

_____

(Please print or type Name and Address, including postal zip code of Transferee)

the within Bond and all rights under it, irrevocably constituting and appointing

_____, Attorney to transfer the Bond on the books kept for its registration, with full power of substitution.

Dated: _____

Signature Guaranteed:

_____

(Authorized Officer)
Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

Registered Owner:

_____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

(End of Form of Assignment)

No. _____

EXHIBIT B

Industrial Development Authority of the County of Franklin, Virginia
$_____ Public Facility Lease Revenue Refunding Bonds, Series 2020

REQUISITION AND CERTIFICATE

_____, 20__

[The Bank of New York Mellon Trust Company, N.A.
500 Ross Street, 12th Floor
Pittsburgh, PA 15262
Attention: Corporate Trust Department]

Ladies and Gentlemen:

On behalf of the Industrial Development Authority of the County of Franklin, Virginia **(the "Issuer")**, and the County of Franklin, Virginia **(the "County")**, I hereby requisition from the funds held by you in the Industrial Development Authority of the County of Franklin, Virginia, Franklin County Project Fund, in accordance with the Indenture of Trust, dated as of November 1, 2020 **(the "Indenture")**, from the Issuer to you, the sums set forth on the attached Schedule I to be paid to the person or persons set forth on the attached Schedule I, reflecting Costs of the Project as set forth on an invoice cover page, contract payment certificate, invoice summary or similar document attached to Schedule I.

I hereby certify that (a) each of the obligations to make such payment was incurred by the Issuer or the County in connection with the Project (as defined in the Indenture) or is required in connection with the refunding of the Refunded Obligations, is a proper charge against the Costs of the Project, and has not been the basis for any prior requisition which has been paid; (b) neither the County nor, to the best of the County's knowledge, the Issuer has received written notice of any lien, right to lien or attachment upon, or claim affecting the right of such payee to receive payment of, any of the money payable under this requisition to any of the persons, firms or corporations named herein, or if any notice of any such lien, attachment or claim has been received such lien, attachment or claim has been released or discharged or will be released or discharged upon payment of this requisition; and (c) no "Event of Default" (as defined in the Indenture), or event which after notice or lapse of time or both would constitute such an "Event of Default" has occurred and not been waived.

_____
County Representative

Schedule 1 to Requisition No. __

Amount	Payee and Address	Purpose	Account or subaccount from which paid

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Exhibit A - Form of Bond
Exhibit B – Form of Requisition

Tax Map Parcel No.: 2070070800

EXEMPT FROM CLERK'S FEE PURSUANT TO VIRGINIA CODE SECTION 17.1-266

This Financing Lease is exempt from recording taxes under Section 58.1-807 of the Code of Virginia of 1950, as amended, pursuant to Section 58.1-811E.

FINANCING LEASE

BETWEEN

INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF FRANKLIN, VIRGINIA

AND

COUNTY OF FRANKLIN, VIRGINIA

Dated as of November 1, 2020

Prepared by and return to:
Daniel M. Siegel, Esquire
Sands Anderson PC
P.O. Box 1998
Richmond, Virginia 23219
VSB# 20523

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EXHIBIT A - Real Estate
EXHIBIT B – Basic Rent Schedule

This Financing Lease is exempt from recording taxes under Section 58.1-807 of the Code of Virginia of 1950, as amended, pursuant to Section 58.1-811E.

FINANCING LEASE

THIS FINANCING LEASE is made as of November 1, 2020, between the **INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF FRANKLIN, VIRGINIA**, a political subdivision of the Commonwealth of Virginia **(the "Authority")**, and the **COUNTY OF FRANKLIN, VIRGINIA**, a political subdivision of the Commonwealth of Virginia **(the "County")**.

The Authority was duly created pursuant to the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended **(the "Act")**, for the purpose, among others, of exercising its powers under the Act with respect to facilities for counties, cities or towns within the Commonwealth of Virginia.

The Authority has determined pursuant to the Act to acquire leasehold interests in certain real estate located in the County and to assist the County finance (a) the refunding of all or a portion of the Authority's $16,345,000 Public Facility Lease Revenue Bond Anticipation Notes, Series 2018 **(the "2018 Notes")** issued to finance certain costs in connection with the construction, development and infrastructure improvements related to the Summit View Business Park in the County **(the "Project"),** including financing any remaining costs of such Project from remaining proceeds of the 2018 Notes, (c) refunding a Master Equipment Lease/Purchase Agreement dated as of February 26, 2015 between the County and Banc of America Public Capital Corp and a Schedule of Property No. 1 thereunder **(together, the "2015 Lease Obligation")**, (d) refunding the Authority's $5,186,000 Lease Revenue Refunding Bond, Series 2016A and $10,000,000 Lease Revenue Bond, Series 2016B **(the "2016 Bonds")**, secured by a Lease Agreement dated as of December 1, 2016 between the County and the Authority and a supplement thereto, (e) refunding the Authority's $7,677,000 Lease Revenue Refunding Bond, Series 2017A and $6,154,000 Lease Revenue Bond, Series 2017B **(the "2017 Bonds")**, secured by a Lease Agreement dated as of January 1, 2017 between the County and the Authority and a supplement thereto, (e) refunding an Equipment Lease Purchase Agreement, dated as of September 7, 2018, **(the "Lease Agreement")**, between the County and Signature Public Funding Corp. and Equipment Schedule in the amount of $1,315,000 thereunder **(the "2018 Lease Obligation," and, together with the 2015 Lease Obligation, the 2016 Bonds, the 2017 Bonds and the 2018 Notes, the "Refunded Obligations")** and (f) costs of issuing the Bonds, through the issuance of the Authority's Public Facility Lease Revenue Refunding Bonds, Series 2020 **(the "Bonds")**, all as provided under the Act. The Authority will, pursuant to the Act, provide for the refunding of the Refunded Obligations and the financing of the Project by the issuance of its Bonds payable from rentals to be received from the County pursuant to this Financing Lease and from such other moneys as may be made available for such purpose by the County.

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Definitions.

All words and terms defined in Article I of the Indenture have the same meanings in this Financing Lease. In addition, the following words and terms have the following meanings in this Financing Lease unless the context clearly requires otherwise.

"Additional Rent" means the Additional Rent that is payable pursuant to Section 5.2(b).

"Assignment" means the Assignment of Rents and Leases, dated as of the date hereof, from the Authority to the Trustee.

"Basic Documents" means the Indenture, this Financing Lease, the Ground Lease, the Assignment and the Bond Purchase Agreement.

"Basic Rent" means the Basic Rent that is payable pursuant to Section 5.2(a).

"Board" means the Board of Supervisors of the County.

"Bond Purchase Agreement" means the Bond Purchase Agreement, dated as of October __, 2020, among the County, the Authority and the Underwriter.

"Bonds" shall have the meaning set forth in the Indenture.

"County" means the County of Franklin, Virginia.

"Environmental Laws" means all federal, state and local laws (including common or decisional law), statutes, ordinances and regulations relating to pollution or protection of human health or the environment (including without limitation ambient air, surface water, ground water, wetlands, land surface or subsurface strata), including without limitation laws and regulations relating to emissions, discharges, releases or threatened releases of Hazardous Materials or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials. Environmental Laws include but are not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended **("CERCLA")**, the Federal Insecticide, Fungicide, and Rodenticide Act, as amended **("FIFRA")**, the Resource Conservation and Recovery Act, as amended **("RCRA")**, the Superfund Amendments and Reauthorization Act of 1986, as amended **(the "TSCA")**.

"Environmental Liabilities" shall mean any and all obligations to pay the amount of any judgment or settlement, the cost of complying with any settlement, judgment or order for injunctive or other equitable relief, the cost of compliance, cleanup, remediation, response or other corrective action in response to any notice, demand or request from a governmental authority, the amount of any civil penalty or criminal fine, and any court costs and reasonable amounts for attorney's fees, fees for witnesses and experts, and costs of investigation and preparation for defense of any claim or proceeding, regardless of whether such proceeding is threatened, pending or completed, that have been or may be asserted against or imposed upon the Authority or the Leased Property and arise out of:

(a) Failure of the County with respect to the Leased Property to comply at any time with all Environmental Laws;

(b) Presence of any Hazardous Materials on, in, at, under or in any way affecting the Leased Property or at, on, in, under or in any way affecting any adjacent site or facility;

(c) A release at any time of any Hazardous Materials on, in, at, under or in any way affecting the Leased Property or at, on, in, under or in any way affecting any adjacent site or facility;

(d) Identification of the Authority as a potentially responsible party under CERCLA or under any Environmental Law similar to CERCLA;

(e) Presence of any above-ground and/or underground storage tanks as defined in RCRA or in any applicable Environmental Law on, in, at, under or in any way affecting the Leased Property or on, in, at, under or in any way affecting any adjacent site or facility; or

(f) Any and all claims for injury or damage to persons or property arising out of exposure to Hazardous Materials originating at the Leased Property or resulting from operation thereof or located at the Leased Property or any adjoining property.

"Event of Default" or "Default" means any of the events enumerated in Section 10.1.

"Financing Lease" means this Financing Lease between the Authority and the County, as it may be modified, altered, amended and supplemented in accordance with its terms and the terms of the Indenture.

"Ground Lease" means the Ground Lease, dated as of the date hereof, between the County, as lessor, to the Authority, as lessee, relating to the lessors' interests currently and in the future to the Leased Property, as it may be modified, altered, amended and supplemented in accordance with its terms and the terms of the Indenture.

"Hazardous Materials" means chemicals, pollutants, contaminants, wastes and toxic substances, including without limitation:

(a) Solid or hazardous waste, as defined in RCRA or in any Environmental Law;

(b) Hazardous substances, as defined in CERCLA or in any Environmental Law;

(c) Chemical substances and mixtures, as defined in TSCA or in any Environmental Law;

(d) Pesticides, as defined in FIFRA or in any Environmental Law; and

(e) Crude oil or fractions thereof, gasoline or any other petroleum product or byproduct, polychlorinated biphenols, asbestos urea formaldehyde, flourinated hydrocarbons and radon.

"Indenture" means the Indenture of Trust, dated as of the date hereof, between the Authority and the Trustee, as it may be modified, altered, amended and supplemented in accordance with its terms.

"Lease Term" means the duration of the leasehold estate created by this Financing Lease as specified in Section 5.1.

"Leased Property" means the Real Estate and the improvements thereon, constituting the County Courthouse as more particularly described on Exhibit A hereto.

"Net Proceeds" means the gross proceeds of any recovery on any insurance policy or alternative arrangement or substitute arrangement with respect to the Leased Property (including but not limited to any recovery on any policy of title insurance) or condemnation or eminent domain award remaining after payment of attorneys' fees, fees and expenses of the Trustee and other expenses incurred in the collection of such gross proceeds.

"Payment of the Bonds" means payment in full of the principal of and interest on the Bonds and any Additional Bonds or provision for such payment as provided in the Indenture.

"Permitted Encumbrances" means, as of any particular time as to the Leased Property, (i) liens for *ad valorem* taxes and special assessments not then delinquent, (ii) liens of taxes and assessments which are delinquent but the validity of which is being contested in good faith and with respect to which the Authority or the County has set aside adequate reserves for payment, unless, as a result of the lien, the Leased Property or the interest of the Authority in it may be in danger of being lost or forfeited, (iii) any security interest or other liens created by the Basic Documents or any Supplemental Indenture, (iv) mechanics' and materialmen's liens incident to the construction or equipping of the Leased Property which are being contested in good faith and have not proceeded to judgment, provided the Authority or the County has set aside adequate reserves for payment, (v) restrictions and mineral rights and easements, rights of way, exceptions or reservations for the purpose of utilities (including but not limited to water and gas pipelines, sanitary and storm sewers, telephone lines, telegraph lines, power lines, substations and other facilities and equipment used in connection with such utilities), roads, streets, alleys, highways, railroads, dikes, canals, laterals, ditches, and other like purposes, (vi) such defects, irregularities, encumbrances, easements, rights of way and clouds on title as normally exist with respect to property owned or leased by the County similar in character to the Leased Property and as will not, in an Opinion of Counsel, impair the intended use of the Leased Property and (vii) present or future valid zoning laws and ordinances.

"Real Estate" means the land described in more detail on Exhibit A.

"Rental Payments" mean the sum of the Basic Rent and the Additional Rent set forth in Section 5.2.

"Trustee" means [The Bank of New York Mellon Trust Company, N.A.,] and its successor or successors under the Indenture.

"Underwriter" means _____, as underwriter for the Bonds.

Section 1.2 Rules of Construction.

Except where the context otherwise requires, (i) singular words connote the plural number as well as the singular and vice versa and (ii) pronouns inferring the masculine gender include the feminine and neuter genders and vice versa. All references to particular articles or sections are references to articles or sections of this Financing Lease unless otherwise indicated. The headings and Table of Contents in this Financing Lease are solely for convenience of reference and do not constitute a part of this Financing Lease or affect its meaning, construction or effect.

ARTICLE II

REPRESENTATIONS

Section 2.1 Representations by Authority.

The Authority makes the following representations as the basis for its undertakings under this Financing Lease:

(a) The Authority is a political subdivision of the Commonwealth, duly created by the County by an ordinance adopted by its Board of Supervisors, all pursuant to the Act.

(b) The undertaking by the Authority to refund the Refunded Obligations, to finance the Project and to acquire the Leased Property from the County and to lease the Leased Property to the County, has been authorized, as required by the Act, by the affirmative vote of a majority of the members of the Authority present at an open meeting at which a quorum was present and acting throughout.

(c) The Authority (i) has the power to enter into and to carry out its obligations under the Basic Documents, to acquire the Leased Property, to lease the Leased Property and to issue the Bonds to refund the Refunded Obligations and finance the Project, (ii) by proper action has duly authorized the execution and delivery of and performance of its obligations under the Basic Documents and the issuance of the Bonds, and (iii) simultaneously with its execution and delivery of this Financing Lease has duly executed and delivered the other Basic Documents and issued and delivered the Bonds.

(d) The Authority is not in default under or in violation of, and the execution, delivery and compliance by the Authority with the terms and conditions of, the Basic Documents and the Bonds, will not conflict with or constitute or result in a default under or violation of, the Act or any other existing law, rule or regulation applicable to the Authority.

(e) The execution, delivery and compliance by the Authority with the terms and conditions of the Basic Documents and the Bonds will not conflict with or constitute or result in a default under or violation of any indenture, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the Authority or any of its assets is subject.

(f) No further approval, consent or withholding of objection on the part of any regulatory body or any federal, state or local official is required in connection with (i) the issuance and delivery of the Bonds by the Authority, (ii) the execution or delivery of, or compliance by the Authority with the terms and conditions of, the Basic Documents and the Bonds, or (iii) the pledge and assignment made by the Authority to the Trustee under Article II of the Indenture, provided that no representation is made with respect to any federal or state securities or blue sky laws or regulations.

(g) No litigation, inquiry or investigation of any kind in or by any judicial or administrative court or agency is pending or, to the Authority's knowledge, threatened against it

with respect to (i) the creation and existence of the Authority, (ii) its authority to execute and deliver the Basic Documents and the Bonds, (iii) the validity or enforceability of any of such instruments, (iv) the title of any officer of the Authority who executed such instruments, or (v) any authority or proceedings related to the execution and delivery of such instruments on behalf of the Authority (and no such authority or proceeding has been repealed, revoked, rescinded or amended).

Section 2.2 Representations by the County.

The County makes the following representations as the basis for its undertakings under this Financing Lease:

(a) The County is a political subdivision of the Commonwealth.

(b) The County has the power to enter into and to perform its obligations under this Financing Lease and the other Basic Documents to which it is a party and by proper action has duly authorized the execution and delivery of this Financing Lease and the other Basic Documents to which it is a party.

(c) The County is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money, has not terminated or caused the termination of any debt instrument by failing to fulfill any County obligation to pay moneys which are subject to annual appropriation and is not in default under any instrument under and subject to which any indebtedness or payment obligation has been incurred, and no event has occurred and is continuing under the provisions of any such agreement that with the lapse of time or the giving of notice, or both, would constitute such an event of default.

(d) The County is not in default under or in violation of, and the execution, delivery and compliance by the County with the terms and conditions of this Financing Lease will not conflict with, or constitute or result in a default under or violation of, (i) the Act or any other existing law, rule or regulation applicable to the County or (ii) any indenture, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the County or any of its assets is subject, and no event has occurred and is continuing that with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation.

(e) No further approval, consent or withholding of objection on the part of any regulatory body or any federal or local official is required in connection with (i) the execution and delivery of this Financing Lease and the other Basic Documents to which it is a party or (ii) the performance by the County of its obligations under this Financing Lease and the other Basic Documents to which it is a party.

(f) No litigation, inquiry or investigation of any kind or by any judicial or administrative court or agency is pending or, to the County's knowledge, threatened against it in which any liability of the County is not adequately covered by insurance or in which any judgment or order would have a material adverse effect upon the activities or assets of the County or would affect the validity or performance of the County's obligations under this Financing Lease or the other Basic Documents to which it is a party.

(g) The lease of the Leased Property to the County pursuant to this Financing Lease will provide necessary improvements for essential governmental operations and services of the County and, therefore, will serve a function which is necessary and essential to the proper, efficient and economic operation of the County.

(h) To the knowledge of the County, there are no past actions, activities, circumstances, conditions, events or incidents, including without limitation, any release of any Hazardous Materials that could form the basis for assertion of any Environmental Liability with respect to the Leased Property against the County, the Authority, or the Leased Property. The County will comply with all Environmental Laws applicable to the County and the Leased Property, as it may exist from time to time. The County has not received any communication in any form from any governmental environmental authority alleging that the Leased Property is not in compliance with any Environmental law.

(i) The County expects to appropriate in its budget for the Fiscal Year ending June 30, 2021 funds sufficient to pay the amount of Basic Rent and Additional Rent expected to be due in such fiscal year.

ARTICLE III

LEASE OF LEASED PROPERTY

Section 3.1 Lease.

The Authority demises and leases to the County, and the County leases from the Authority, the Leased Property for the term set forth in Section 5.1 at the rents set forth in Section 5.2 and in accordance with the provisions of this Financing Lease.

ARTICLE IV

REFUNDING OF REFUNDED OBLIGATIONS, FINANCING OF PROJECT AND ISSUANCE OF BONDS

Section 4.1 Refunding of Refunded Obligations and Financing of Project.

The Authority agrees to issue the Bonds to refund the Refunded Obligations and finance the Project.

Section 4.2 Issuance of Bonds; Application of Proceeds of Bonds.

In order to provide funds to refund the Refunded Obligations and finance the Project, the proceeds of the Bonds and any Additional Bonds will be applied as provided in the Indenture.

Section 4.3 [Reserved].

Section 4.4 Additional Bonds.

Upon the request of the County, the Authority may, subject to the terms of the Indenture, issue Additional Bonds to refund the Bonds or any Additional Bonds.

Section 4.5 [Reserved].

Section 4.6 Disclaimer of Warranty.

The Leased Property has been designed, acquired, constructed and equipped at the County's request and by contractors, architects, engineers and suppliers approved by the County in accordance with plans and specifications approved by the County. THE PARTIES AGREE THAT THE AUTHORITY, THE TRUSTEE AND THE UNDERWRITER MAKE NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION OR FITNESS OF ANY PORTION OF THE PROJECT FOR THE COUNTY'S PURPOSES. In the event the County determines that any contractor or supplier is in default or has breached any representation, warranty or service agreement, the County, at its own expense, may proceed, either separately or in conjunction with others, to exhaust all available claims, actions and remedies against such contractor or supplier and against any surety for the performance of any contracts or the representation, warranty or service agreement and the recovery of damages arising out of such default. The County may prosecute or defend any such action or proceeding or take any other appropriate action which the County deems necessary or desirable in its own name or in the name of the Authority, if required. The proceeds so recovered will be paid to the County.

ARTICLE V

LEASE TERM AND RENT PROVISIONS

Section 5.1 Term of Financing Lease.

The Lease Term for the Leased Property will commence on the date of issuance and delivery of the Bonds by the Authority and, unless sooner terminated in accordance with this Financing Lease, terminate at the earlier of (i) October 15, 20__ (provided that all Rental Payments due hereunder have been paid on such date) or (ii) Payment of the Bonds.

Section 5.2 Payment of Rental Payments.

(a) The County will pay to the Authority the following Basic Rent for the Leased Property on the dates and in the amounts as follows:

Commencing on [April 1, 2021 and on each October 1 and April 1] thereafter, the Basic Rent which constitutes the amounts which, together with any other money available in the Bond Fund, will equal the principal of and premium, if any, and interest due on the Bonds on the following [April 15 and October 15] as shown on Exhibit B. At the direction of the County Administrator any amounts on deposit in the respective accounts in the Bond Fund (other than amounts held for any Series then due), which exceed any accumulated losses from any investment of such amounts, may be designated for application on any rental payment date to the payment of principal of and interest on the Series then due that are payable from such account,

and the amount so designated will be credited to the amounts payable under this subsection on such date.

(b) The County will pay when due, as Additional Rent for the Leased Property, (i) such fees as may be agreed upon in writing by the County and the Trustee, and in the absence of such agreement the reasonable fees and costs of the Trustee, for services rendered and expenses incurred by it as Trustee under the Indenture, as bond registrar and as paying agent on the Bonds, or as assignee under the Assignment, including any attorneys' fees incurred by the Trustee and any cost or expense necessary to cancel and discharge the Indenture upon Payment of the Bonds, and all other amounts which the County has assumed or agreed in this Financing Lease to pay, (ii) any amounts due to the Authority for its expenses, including attorneys fees and costs, and (iii) any amounts required to be paid to the United States under Section 148(f) of the Code with respect to the Bonds and any Additional Bonds.

Section 5.3 <u>Interest upon Default in Rental Payments</u>.

Any installment of Basic Rent not paid on or before its due date will bear interest from and after such due date until paid at the rate per annum that will yield the amount necessary to pay the interest due on the Bonds and any Additional Bonds on the date such interest is due.

Section 5.4 <u>Prepayment of Rental Payments</u>.

(a) So long as all payments then due pursuant to Section 5.2 have been paid, the County may elect by written notice to the Authority and the Trustee to make from time to time prepayments of Basic Rent and to purchase Government Obligations or Government Certificates, or to deposit cash, to be held by the Trustee, the principal of and interest on which (in the case of the Government Obligations or Government Certificates) at maturity, or the amount of the cash deposit, as the case may be, will be sufficient (1) if the Series of Bonds have been called for redemption, to redeem in accordance with the relevant Section of the Indenture all such Series of Bonds on the date set for such redemption, (2) to pay at maturity all Outstanding Bonds of such Series, (3) to pay interest accruing on all Bonds of such Series prior to their redemption or payment at maturity, and (4) to pay to the Trustee its reasonable fees and expenses and any other fees and expenses for which the County is responsible under this Financing Lease.

(b) So long as all payments then due pursuant to Section 5.2 have been paid, the County may elect by written notice to the Authority and the Trustee to make, at any time on or after _____1, 20__, prepayments of Basic Rent in an amount equal to the outstanding principal of the Bonds to be redeemed prior to maturity plus premium, if any, and interest accrued thereon to the redemption date for such Bonds, which date shall be specified in such notice.

The Authority directs the Trustee to apply any amounts so prepaid to redeem the Bonds under the provisions of the Indenture on the specified redemption date, if any. In order to exercise this prepayment right, the County shall, at least forty-five (45) days before the date on which the redemption is to occur, give written notice to the Authority and the Trustee of the prepayment.

Section 5.5 Payment of Authority and Trustee Expenses.

The County covenants to pay within thirty (30) days after receiving written demand therefor, an amount sufficient to pay the costs and expenses, including counsel fees, incurred by the Authority described below as a result of actions taken pursuant to the financing contemplated by this Financing Lease:

(a) All costs, fees and expenses incurred by the Authority (including attorney's fees) in connection with:

(1) the authorization, issuance and sale of the Bonds (to the extent not paid from proceeds from the Bonds pursuant to the Indenture);

(2) the ownership, occupation or use of the Leased Property, whether owned by the Authority or the County; or

(3) prepayment or redemption of the Bonds;

(b) Administrative costs and expenses of the Authority, including the fees of attorneys, accountants, engineers, appraisers, insurers or consultants, paid or incurred by the Authority by reason of the Bonds being outstanding or pursuant to requirements of the Basic Documents;

(c) All costs, fees and expenses of the Authority and its counsel, Bond Counsel, and all other costs, fees and expenses incident to the issuance of the Bonds, including, but not limited to any costs relating to obtaining ratings, and the refunding of the Refunded Obligations and the financing of the Project pursuant to the Indenture;

(d) All costs, fees and expenses of surveyors, engineers, architects, appraisers and accountants employed to make examinations or reports or to render opinions required by the Basic Documents to the extent not paid from proceeds of the Bonds pursuant to the Indenture;

(e) All costs, fees and expenses payable to the Trustee for (1) services provided under the Indenture or otherwise in connection with the issuance and delivery of the Bonds, the financing of the Project or (2) indemnity under the Indenture to the extent not paid from proceeds of the Bonds pursuant to the Indenture;

(f) All costs incurred in connection with the redemption or purchase of the Bonds;

(g) All amounts which are advanced by the Authority or the Trustee under the authority of this Financing Lease or the Indenture for the benefit of the County;

(h) All costs of collection and enforcement, including reasonable attorney's fees, incurred by the Authority or the Trustee in connection with enforcement of the Basic Documents or other measures taken in obtaining payment of the Bonds or payment of any other amounts or performance by the County under the Basic Documents; and

(i) Any other payments required to be made pursuant to the Basic Documents.

Payments pursuant to this Section shall be made by the County directly to the persons, firms or governmental agencies entitled to such payments, or, at the direction of the Authority or the Trustee, to the Authority or the Trustee as reimbursement therefor, all subject to Section 5.7 hereof.

Section 5.6 Indemnification.

To the extent permitted by law, the County, at all times, shall protect, indemnify and save harmless the Authority and the Trustee **(collectively, "Indemnitees")** from and against all liabilities, obligations, claims, damages, penalties, fines, losses, costs and expenses (including, without limitation, reasonable attorneys' fees) for all acts or failure to act (or alleged failure to act) under the Basic Documents or in connection with the Leased Property, the issuance, delivery and servicing of the Bonds, and the maintenance and preservation of the Leased Property, including without limitation: (i) all amounts paid in settlement of any litigation commenced or threatened against the Indemnitees, if such settlement is effected with the written consent of the County; (ii) all expenses reasonably incurred in the investigation of, preparation for or defense of any litigation, audit, proceeding or investigation of any nature whatsoever, commenced or threatened against the County, the Leased Property or the Indemnitees, or any of them; (iii) the full amount of any judgments, penalties, fines, damages, assessments, indemnities or contributions; (iv) the reasonable fees and expenses of attorneys, auditors and consultants retained by the Indemnitees or any of them; and (v) any brokerage fees or commissions arising from the sale of the Bonds, or the collateral security therefor.

The foregoing indemnity shall be effective to the extent of any deductible paid by the Indemnitees, or any of them, and thereafter only to the extent of any loss that may be sustained by the Indemnitees in excess of the net proceeds received from any insurance carried with respect to such loss, and the benefits of this Section shall not inure to any person other than the Indemnitees. Nothing contained herein shall require the County to indemnify the Authority for any claim or liability resulting from its gross negligence or willful or wrongful acts or, with respect to the Trustee, resulting from its gross negligence.

All references in this Section to the Indemnitees shall include their members, directors, officers, employees and agents.

Section 5.7 Nature of Obligations of the County.

(a) Except as otherwise provided in this Section, the obligation of the County to pay Rental Payments and all other amounts provided for in this Financing Lease and to perform its obligations under this Financing Lease will be absolute and unconditional, subject, however, to the provisions of paragraph (b) below, and such Rental Payments and other amounts will be payable without any rights of set-off, recoupment or counterclaim that the County might have against the Authority, the Trustee or any other person and whether or not the Leased Property is used or occupied by the County or is available for use or occupancy by the County.

(b) While recognizing that it is not empowered to make any binding commitment beyond the current fiscal year of the County, it is the current intention of the Board to make sufficient annual appropriations during the Lease Term to pay all Rental Payments and other amounts required to be paid by the County under this Financing Lease. Notwithstanding anything in this

Financing Lease to the contrary, the County's obligation to pay the cost and expense of performing its obligations under this Financing Lease, including without limitation its obligation to pay all Rental Payments and all other amounts required to be paid by the County under this Financing Lease, are subject to and dependent upon appropriations being made from time to time by the Board for such purpose. The County directs the County Administrator or other officer charged with the responsibility of preparing the County's budget to include in the budget for each fiscal year of the County during the Lease Term a request that the Board appropriate in the fiscal year the amount of Rental Payments and other payments due under this Financing Lease during such fiscal year. If, at any time during any fiscal year of the County, the amount appropriated in the budget of the County for the fiscal year is insufficient to pay when due the Rental Payments and other amounts due under this Financing Lease, the County Administrator (or other officer charged with the responsibility of preparing the County's budget) shall submit to the Board at the next scheduled meeting of the Board, or as promptly as practicable, but in any event within 30 days, a request for a supplemental appropriation sufficient to cover the deficit. If the amount appropriated by the County as of July 1 of any fiscal year is insufficient to pay when due the Rental Payments and other amounts due under this Financing Lease in such fiscal year, the County Administrator (or other officer charged with the responsibility of preparing the County's budget) shall submit to the Board within 31 days after giving the notice required by Section 8.7 a request to the Board to appropriate an amount sufficient to pay the Rental Payments and other amounts due hereunder in such fiscal year.

Section 5.8 Nature of Obligations of Authority.

The cost and expense of the performance by the Authority of any of its obligations under this Financing Lease will be limited to the availability of the proceeds of the Bonds issued for such purposes or any Net Proceeds or from other funds provided by the County for such purposes.

Section 5.9 Assignment of Payments by Authority.

The County acknowledges that all payments it is to make to the Authority under this Financing Lease (except payments under Sections 5.2(b)(ii) and (iii), 5.5, 5.6 and 10.6) are to be assigned by the Authority, along with the Authority's right, title and interest in and to the Ground Lease to the Trustee pursuant to the Indenture and the Assignment. The County agrees to make such payments so assigned directly to the Trustee pursuant to the Indenture. The County agrees to pay to the Trustee at its address set forth in Section 12.7 all payments payable by the County to the Authority under this Financing Lease (except payments under Sections 5.2(b)(ii) and (iii), 5.5, 5.6 and 10.6).

ARTICLE VI

OCCUPANCY AND MAINTENANCE; INSURANCE

Section 6.1 Maintenance and Modifications by County.

During the Lease Term, the County will keep, at its own expense, the Leased Property in as reasonably safe condition as its operation will permit and keep the Leased Property in good repair and operating condition (normal wear and tear excepted). The County will occupy and

maintain the Leased Property and pay the cost of such occupancy and maintenance. The County, as lessee, will provide services, including water, heat, light, electricity, repairs, replacements, security, janitorial, cleaning and caretaking services, all at the County's expense and without right of reimbursement from the Authority. The Authority as lessor will not be required to rebuild or to make any repairs, renewals or replacements of the Leased Property of any nature whatsoever, and the County expressly waives any right it may have to make any repairs, renewals or replacements at the expense of the Authority as lessor. The County may make any additions, enlargements, improvements and expansions to, or repairs, reconstruction and restorations of the Leased Property that do not adversely affect the value of the Leased Property or the structural integrity of any building or other structure forming a part of the Leased Property. All additions, enlargements, improvements and expansions to, or repairs, reconstruction and restorations of the Leased Property must comply with all applicable federal, state and local laws, rules, regulations, ordinances and codes.

Section 6.2 Taxes, Other Governmental Charges and Utility Charges.

The County will pay when due all taxes and governmental charges of any kind whatsoever lawfully assessed, levied or imposed against the Trustee, the Authority or the County with respect to the Leased Property or any machinery, equipment or other property installed in or brought by the County to the Leased Property. The County will pay when due all utility and other charges incurred in the operation, maintenance, use and occupancy of the Leased Property and all assessments and charges lawfully made by any governmental body for public improvements to the Leased Property. The County may, however, upon ten days' notice from the County Administrator to the Authority and the Trustee of the County's intention to do so, at its own expense and in its own name or in the name of the Authority, contest in good faith any such tax, assessment, utility or other charge, in which event it may permit the charge to remain unpaid during the period of the contest and any appeal unless, in the opinion of the Trustee (which may be based upon an Opinion of Counsel in the discretion of the Trustee), the action may subject the Leased Property to loss or forfeiture, in which event the charge will be promptly satisfied or secured by posting with the Trustee or an appropriate court of record a bond in form and amount satisfactory to the Authority and the Trustee. The Authority will cooperate with the County in the conduct, at the expense of the County, of any such contest and will, to the extent that it may lawfully do so, permit the County to conduct the contest.

Section 6.3 Additional Rights of the County.

The County may from time to time, in its discretion and at its own expense, install machinery, equipment and furnishings at the Leased Property. All machinery, equipment and furnishings installed by the County (and paid for from sources other than proceeds of the Bonds) will remain the property of the County and neither the Authority nor the Trustee will have any interest in such machinery, equipment and furnishings so long as no Default or Event of Default has occurred and is continuing under this Financing Lease. All machinery, equipment and furnishings installed by the County may be modified or removed at any time while the County is not in default under this Financing Lease so long as such removal or modification either does not damage the Leased Property or the County repairs any such damage.

Section 6.4 Insurance.

(a) The County shall continuously maintain such insurance as may be required from time to time and pay all premiums when due to insure against such risks as are customarily insured against public bodies for facilities and equipment similar in size and character to the Leased Property, including, without limitation:

(1) insurance in the amount of at least the full replacement cost of the Leased Property against loss or damage to the Leased Property with broad form extended coverage endorsements covering such risks as are normally covered by such endorsements, provided that during the period of acquisition, construction and equipping of the Leased Property, the County may provide builders' risk or a similar type of insurance in the amount of the full replacement cost of the Leased Property;

(2) insurance against liability for bodily injury, including death resulting there from, and against liability for damage to property, arising out of the ownership, maintenance or use of the Leased Property; and

(3) unless the County qualifies as a self-insurer under the laws of Virginia, workmen's compensation insurance with respect to the Leased Property.

(b) In lieu of separate policies the County may maintain blanket or umbrella policies having the same coverage as required by this Section. The policies described in subsections (1) and (2) above shall name the Trustee and the Authority as additional insureds as their interests may appear. Except as set forth below with respect to self insurance, all such insurance policies shall be provided by a commercial insurer rated A+ by A.M. Best Company or in the two highest rating categories of S&P and Moody's. The County shall have an annual review of its insurance coverage with respect to the Leased Property conducted by an insurance consultant selected by the County who is knowledgeable in the insurance business. Such review shall indicate that the policies required under this Section are in full force and effect and that the amounts and types of insurance comply with and satisfy all of the requirements of this Section, or, if any additional insurance coverage is required to comply with this Section, specifying the types and amounts of any such insurance. If any of the insurance required by this Section is provided through a self-insurance program, the insurance consultant's report. The Trustee and the Authority shall be provided with a copy of the review and/or report of the insurance consultant.

Section 6.5 <u>Net Lease</u>.

This Financing Lease will be deemed and construed to be a net lease, non-cancellable by the County during the Lease Term, and the County will pay absolutely net throughout the Lease Term the Rental Payments and all other payments required under this Financing Lease, free of any or all deductions, diminutions and set-offs, and without abatement for casualty, loss of title, condemnation or any other reason, subject to Section 5.7.

Section 6.6 <u>Advances by Authority or Trustee</u>.

If the County fails to make any payment or perform any act required of it under this Financing Lease, the Authority or the Trustee, without prior notice to or demand upon the County and without waiving or releasing any obligation or default, may (but will be under no obligation to) make the payment or perform the act. All amounts so paid by the Authority or the

Trustee and all costs, fees and expenses so incurred as to such payment and performance will, together with interest at the highest annual rate borne by any of the Bonds, be payable by the County as Additional Rent.

Section 6.7 Trustee's Rights to Enforce Payment.

The County acknowledges and consents to the provisions of Section 9.5 of the Indenture which permits the Trustee in its name or in the name of the Authority to enforce on behalf of the Owners of the Bonds all rights of the Authority and all obligations of the County under and pursuant to this Financing Lease and the Ground Lease providing for any payment to be made by the County under this Financing Lease.

Section 6.8 Disposition of Leased Property or Portions Thereof.

Except for easements permitted under Section 6.9, the Authority and the County will have no right to dispose of any interest in the Leased Property unless the following are delivered to the Trustee:

(a) A certificate of the County, signed by the County Administrator, stating that the proceeds from the disposition will be (i) applied to the purchase of additional real or personal property to become part of the Leased Property or (ii) deposited with the Trustee in the Bond Fund; and

(b) A certificate of the County Administrator to the effect that the disposition, together with any substitution of additional real or personal property becoming part of the Leased Property, (i) will not adversely affect the usefulness of the Leased Property or any part of it or its intended purpose or deprive the County of any real or personal property needed for access to or occupancy of the Leased Property and (ii) will not materially impair access to and from the Leased Property.

Upon receipt of the above, so long as the County is not in default under this Financing Lease, the Authority will release from this Financing Lease and convey to the County all of its interest in and to the property to be disposed of but only after any property that is to be substituted for it has been conveyed to the Authority and been subjected to this Financing Lease.

Section 6.9 Granting of Easements.

At the request of the County, if the County is not in default under this Financing Lease, the Authority will grant such easements, licenses, rights-of-way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to the Leased Property, free from the lien of this Financing Lease, or release existing easements, licenses, rights-of-way and other rights or privileges, with or without consideration, provided that the County delivers to the Authority and the Trustee the following in form reasonably acceptable to the Trustee.

(a) A copy of the proposed instrument of grant or release;

(b) A written application signed by the County Administrator requesting the Authority to execute the instrument; and

(c) A certificate of the County Administrator stating that the grant or release will not impair the effective use or interfere with the operation of the Leased Property for the purpose for which it is then being used or is intended to be used and will not destroy or materially impair the means of ingress or egress to and from the Leased Property.

Upon receipt of the above items, the Authority will promptly execute and deliver any and all instruments necessary or appropriate to confirm and grant any easement, license, right-of-way or other right or privilege and to release them from the lien of this Financing Lease.

ARTICLE VII

DAMAGE, DESTRUCTION OR CONDEMNATION

Section 7.1 Damage, Destruction or Condemnation.

The County agrees to notify the Authority and the Trustee immediately in the case of damage, destruction or loss of all or any portion of the Leased Property during the Lease Term as a result of fire or other casualty or condemnation or loss of title in an amount that the County determines in good faith will cost more than $250,000 to repair, reconstruct and restore. If the County determines in good faith that the cost of such repair, reconstruction or restoration is not in excess of $250,000, the County will retain the Net Proceeds and promptly repair, reconstruct and restore the Leased Property to substantially the same condition as before the damage, destruction, condemnation or loss of title, with such alterations and additions as the County may determine and which will not impair the capacity or character of the Leased Property for its intended use. If the cost of repairing, reconstructing and restoring the Leased Property is determined by the County in good faith to exceed $250,000, the County will instruct the Trustee to create a Net Proceeds subaccount in the Project Fund and pay the Net Proceeds to the Trustee, to be held in the Net Proceeds subaccount of the Project Fund and disbursed in accordance with Section 7.2 of the Indenture to promptly repair, reconstruct and restore the Leased Property to substantially the same condition as before the damage, destruction, loss of title or condemnation with such alterations and additions as the County may determine and which will not impair the capacity or character of the Leased Property for its intended use. If the Net Proceeds are not sufficient to pay in full the costs of such repair, reconstruction and restoration, the County will pay any excess costs. Any balance of Net Proceeds remaining after payment of the cost of such repair or restoration shall belong to the County.

The County may apply Net Proceeds derived from the Leased Property to the prepayment of Basic Rent to be applied to extraordinary optional redemption of the Bonds in whole, but only if (i) all or substantially all of the Leased Property is damaged or destroyed or (ii) all or substantially all of the Leased Property is condemned or sold in lieu of condemnation. The County shall pay any Net Proceeds which the County elects to apply to prepayment of Basic Rent to the Trustee to be deposited in the Bond Fund. If the County elects to prepay the Basic Rent in whole and the Net Proceeds are insufficient for such purposes, the County shall pay to the Trustee, for deposit in the Bond Fund, any amounts necessary to prepay all amounts of Basic

Rent. The County agrees that, if by reason of any such deficit the County shall make any payments pursuant to this paragraph, it shall not be entitled to any reimbursement therefor from the Authority or the Trustee nor shall the County be entitled to any reduction in the Rental Payments or other amounts payable by it pursuant to this Financing Lease.

Section 7.2 No Abatement of Rent.

Damage, destruction, condemnation or loss of title of any of the Leased Property shall in no way annul or void this Financing Lease or give rise to an abatement of the rent and the amounts payable under this Financing Lease or release the County from its obligations under this Financing Lease.

ARTICLE VIII

SPECIAL COVENANTS

Section 8.1 County's Right to Possession.

Except as otherwise provided in this Financing Lease, the County shall have the right to sole possession of the Leased Property during the Lease Term, subject to Permitted Encumbrances.

Section 8.2 Quiet Enjoyment.

The Authority makes no representation or covenant that the County will have quiet and peaceful possession of the Leased Property, except that the Leased Property is and will remain free from encumbrances, other than Permitted Encumbrances, done, made or knowingly suffered by the Authority or anyone claiming by, through or under it.

Section 8.3 Right of Inspection.

The Authority and the Trustee and their respective duly authorized agents have such rights of access to the Leased Property as may be reasonably necessary for the proper maintenance of the Leased Property in the event of the County's failure to perform its obligations under Section 6.1. The Authority, the Trustee and their duly authorized agents have the right at all reasonable times to enter upon, examine and inspect any part of the Leased Property and to examine the books and records of the County insofar as they relate to the occupancy and maintenance of the Leased Property.

Section 8.4 Covenant Not to Affect Tax-Exempt Status of Bonds.

(a) The County agrees that so long as it leases the Leased Property under this Financing Lease, it will not take any action nor permit any of its agencies or departments to take any action with respect to the Leased Property which will adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation, including without limitation any action that would result in either (i) ten percent (five percent or more with respect to unrelated use) or more of the gross proceeds of the Bonds or the facilities financed by such proceeds being considered as having been used directly or indirectly in any trade or business

carried on by any person other than a governmental unit as provided in Section 141(b) of the Code and more than ten percent (five percent with respect to payments derived from unrelated business use) of the debt service on the Bonds being derived from payments with respect to private business use, or (ii) five percent or more of such proceeds being considered as having been used directly or indirectly to make or finance loans to any person other than a governmental unit as provided in Section 141(c) of the Code.

(b) Without limiting the generality of the foregoing, the County will, at its sole expense, take all action required under Section 148 of the Code and applicable regulations to prevent loss of the exclusion from federal income taxation of interest on the Bonds, including, but not limited to (i) paying on behalf of the Authority the "rebate amount" to the United States in accordance with the "rebate requirement" described in Section 148 of the Code and applicable regulations, (ii) determining on behalf of the Authority, pursuant to such regulations the "rebate amount" and retaining records of all such determinations until six years after Payment of the Bonds, and (iii) complying with any requirements contained in any applicable Treasury Regulations.

(c) Neither the County nor the Authority shall (i) knowingly take any action, or approve the Trustee's making any investment or use of the proceeds of any of the Bonds or taking any other action, which would cause any of the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and the applicable regulations, or (ii) barring unforeseen circumstances, use or approve the use of the proceeds from the sale of any of the Bonds, otherwise than in accordance with the Authority's "non-arbitrage" certificate given immediately before the issuance and delivery of the Bonds.

Section 8.5 Mechanic's and Other Liens.

The County will not permit any mechanic's, materialman's or other liens incurred by it or on its behalf to be established or remain against the Leased Property, except that the County may, upon ten days' notice from the County Administrator to the Authority and the Trustee of the County's intention to do so, at its own expense and in its own name or in the name of the Authority, contest in good faith any lien, in which event the County may permit the lien to remain unsatisfied and undischarged during the period of the contest and any appeal unless the Trustee determines, with such advice from its counsel or otherwise as it deems necessary, that the action may result in the loss or forfeiture of any rights of the Authority or the Trustee under the Indenture or this Financing Lease, in which event the lien will be promptly satisfied or secured by posting with the Trustee or an appropriate court of record a bond in form and amount satisfactory to the Authority and the Trustee.

Section 8.6 Recording and Filing.

The County will, at its expense, record counterparts of the Ground Lease, this Financing Lease and the Assignment in the Office of the Clerk of the Circuit Court of Franklin County, Virginia, on or before the date of delivery of the Bonds.

Section 8.7 Notice of Appropriation.

The County shall give notice to the Trustee and the Authority by no later than June 30 of each year, while there remain any of the Bonds Outstanding, if the amount appropriated by the

Board for the Fiscal Year commencing on the immediately succeeding July 1 is insufficient to make all Rental Payments coming due in such Fiscal Year. Such notice shall specify the amount appropriated by the Board for such purpose and the amount of the deficiency.

Section 8.8 <u>County to Perform Duties Under Indenture</u>.

The County shall perform in a timely manner all obligations and duties required of or assigned to it under the terms of the Indenture, subject only to the provisions of Section 5.7 hereof.

ARTICLE IX

ASSIGNMENT, SALE, ENCUMBRANCE AND SUBLETTING

Section 9.1 <u>No Assignment, Sale or Encumbrance by County</u>.

The County will not sell, assign or otherwise dispose of or encumber its interest in the Leased Property except as provided in Sections 6.8, 6.9, 6.10 and 9.2.

Section 9.2 <u>Subletting by County</u>.

(a) The County may sublease space in the Leased Property with the consent of the Authority and the Trustee, such consent not to be unreasonably withheld; provided, however, that no sublease will be made if it would (i) have any adverse effect upon or affect or reduce the County's obligations under this Financing Lease, (ii) be to a party that could not under the Act be the lessee from the Authority of all or any portion of the Leased Property, (iii) reduce the term of this Financing Lease, (iv) be contrary to law or (v) violate the covenants set forth in Section 8.4.

(b) Before any sublease is made, the County will cause to be delivered to the Authority and the Trustee an opinion of bond counsel that the use of such portion of the Leased Property by the sublessee will not cause the interest on any of the Bonds then Outstanding to be included in gross income for purposes of federal income taxation.

(c) No sublease will relieve the County from primary liability for any of its obligations under this Financing Lease, and the County will continue to remain primarily liable for the payment of Rental Payments and for the observance and performance of all of the County's other agreements under this Financing Lease in accordance with, and subject to, its terms, including without limitation, the non-appropriation provisions of Section 5.7 hereof.

(d) Each sublessee pursuant to this Section will, to the extent of the interest subleased to it, in writing (i) assume and agree to perform the obligations of the County under this Financing Lease and (ii) agree to attorn to the Authority and any other successor in interest to the Authority (whether pursuant to this Financing Lease, the Indenture or otherwise).

(e) The County will promptly deliver executed counterparts of each sublease pursuant to this Section to the Authority and the Trustee.

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

Section 10.1 Events of Default.

An "Event of Default" or a "Default" means, whenever used in this Financing Lease, any one or more of the following events:

(i) failure by the County to pay Basic Rent (unless such failure occurs as a result of the failure of the Board to appropriate amounts due under this Financing Lease or the Indenture, in which case the provisions of Section 11.1 are applicable);

(ii) failure by the County to pay any other amount due under this Financing Lease, other than payments of Basic Rent, which failure continues for a period of thirty days after notice, specifying the failure and requesting that it be remedied, is given to the County by the Authority or the Trustee;

(iii) failure by the County to observe and perform any of its covenants, conditions or agreements in this Financing Lease other than as described in (i) or (ii) directly above, which failure continues for a period of thirty days after notice, specifying the failure and requesting that it be remedied, is given to the County by the Authority or the Trustee, unless the Authority or the Trustee agree in writing to an extension of such time;

(iv) the entering of an order or decree appointing a receiver for all or any part of the Leased Property with the consent or acquiescence of the County, or the entering of an order or decree without the acquiescence or consent of the County, if the order or decree is not vacated, discharged or stayed within 90 days of its entry.

Notwithstanding the foregoing provisions, a failure by the County to pay any amounts due under the Financing Lease, or perform any covenant, condition or agreement resulting from a failure by the Board to appropriate funds for such purposes, will not be an Event of Default and the provisions of Section 10.2 hereafter shall not apply. Instead, the provisions set forth in Article XI will apply.

Section 10.2 Remedies.

(a) Whenever any Event of Default has happened and is continuing, any one or more of the following remedial actions may be taken by the Trustee as assignee of the Authority under the Assignment to the extent that those actions are consistent with the Act and Article X of the Indenture, provided that either the Authority or the Trustee has given notice of the Event of Default to the County and the Event of Default has not been cured:

(1) with respect to Events of Default occasioned by parts (i), (ii) and (iii) of the preceding Section 10.1, the Trustee may re-enter and take possession of all or any part of the Leased Property without terminating the Financing Lease, exclude the County from possession

thereof and maintain any subleases then in effect, holding the County liable for any difference between the Basic Rent and any rentals received from the leasing of the Leased Property;

(2) the Trustee may terminate the Financing Lease, exclude the County from the Leased Property and lease all or any portion of its interests in the Leased Property for the account of the County to one or more parties, holding the County liable for any difference between the Basic Rent and any rentals received from such leasing of the Leased Property;

(3) the Trustee may have access to and inspect the County's records pertaining to the Leased Property; and

(4) the Trustee may take whatever action at law or in equity may appear necessary or desirable to collect payments then due or to become due, or to enforce performance and observance of any obligation or agreement of the County including, without limitation, mandamus.

(b) The Trustee will give notice to the County of the exercise of any of its rights or remedies under this Section in the manner provided in Section 12.7 and by telephone or telecopy; provided, however, that failure to give notice by telephone or telecopy will not affect the validity of the exercise of any right or remedy under this Section.

(c) Any balance of the money collected pursuant to action taken under this Section remaining after payment of all costs and expenses of collection and amounts due as Additional Rent will be paid into the Bond Fund for deposit into the account therein for the Series of Bonds then in default for application to the Payment of the Bonds of such Series then Outstanding in accordance with the provisions of the Indenture, or, if Payment of the Bonds of such Series has occurred, to the County.

Section 10.3 Reinstatement.

Notwithstanding the exercise of any remedy granted by Section 10.2, if all arrears of the principal of and interest on the Bonds which have become due and payable otherwise than by acceleration, and all other sums payable under the Indenture, except the principal of such Bonds which by acceleration has become due and payable, have been paid, all other things have been performed in respect of which there was a default and there has been paid the reasonable fees and expenses, including administrative expenses, of the Trustee and of the Owners of such Bonds (including reasonable attorneys' fees paid or incurred) and any acceleration under the Indenture is rescinded, then the Event of Default under this Financing Lease will be waived without further action by the Trustee or the Authority. Upon such payment and waiver, this Financing Lease will be fully reinstated, as if it had never been terminated, and the County will be restored to the use, occupancy and possession of the Leased Property, except any portion of the Leased Property with respect to which the Authority or the Trustee has entered into a firm bilateral agreement providing for its lease for a period of at least one year.

Section 10.4 No Remedy Exclusive.

No remedy conferred upon or reserved to the Authority or the Trustee in this Financing Lease is intended to be exclusive of any other available remedy, but each remedy will be

cumulative and will be in addition to every other remedy given under this Financing Lease or now or hereafter existing at law, in equity or by statute. No delay or omission in exercising any right or power accruing upon any Event of Default will impair or will be construed to be a waiver of any right or power, but any right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority or the Trustee to exercise any remedy reserved to it in this Article, it will not be necessary to give any notice, other than such notice as may be expressly required under this Financing Lease.

Section 10.5 No Additional Waiver Implied by One Waiver.

If any agreement contained in this Financing Lease should be breached by either party and thereafter waived by the other party, the waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach under this Financing Lease.

Section 10.6 Attorneys' Fees and Other Expenses.

The County will on demand pay to the Authority and the Trustee the reasonable fees of attorneys and other reasonable expenses incurred by any of them in the collection of Rental Payments, the enforcement of any other obligation of the County or in carrying out any of their respective obligations under this Financing Lease and will pay on demand legal expenses and fees properly incurred in connection with the issuance of the Bonds.

Section 10.7 Special Covenant as to Courthouse.

The County covenants and agrees pursuant to Virginia Code Section 15.2-1638 that if the County is excluded from possession of the Leased Property, that notwithstanding any other provisions herein, the County shall provide courthouses with suitable space and facilities to accommodate the various courts and officials serving the County, and a clerk's office the record room of which shall be fireproof, a jail, and upon request therefor, suitable office space and facilities for the attorney for the Commonwealth, at such other location in the County, as permitted or required by law.

ARTICLE XI

TERMINATION OF FINANCING LEASE

Section 11.1 Termination of Financing Lease for Non-Appropriation.

If the Board fails to appropriate funds for amounts due under this Financing Lease or the County cannot observe and perform any covenant or agreement as a result of such non-appropriation, the Trustee on behalf of the Authority, may terminate this Financing Lease upon 30 days' written notice. The Trustee may, with or without terminating this Financing Lease, exclude the County from possession and lease all or any portion of the Leased Property, applying the proceeds in accordance with the Indenture, and may hold the County liable for any deficiencies, subject to Section 5.7 (b) hereof.

Notwithstanding the foregoing paragraph, and for the sake of clarity, any funds lawfully appropriated for the payment of Basic Rent maturing prior to the termination of this Financing

Lease shall remain legally payable as Basic Rent hereunder. In the event the County does not vacate the Leased Property following termination pursuant hereto, the County shall remain liable for fair market rental until such vacation, to the extent permitted by law.

Section 11.2 Reinstatement.

Notwithstanding any termination of this Financing Lease by the Trustee on behalf of the Authority, in accordance with the provisions of Section 11.1, if all arrears of the principal of and interest on the Bonds which have become due and payable otherwise than by acceleration, and all other sums payable under the Indenture, except the principal of such of the Bonds which by any acceleration has become due and payable, have been paid, all other payments have been paid including the reasonable fees and expenses, including administrative expenses, of the Trustee (including reasonable attorneys' fees paid or incurred), and any acceleration under the Indenture is rescinded, and if the County has agreed to pay or provide for the payment of amounts under this Financing Lease and if the County observes or performs or agrees to observe or perform all covenants or agreements on its part to be observed or performed under this Financing Lease, this Financing Lease will be fully reinstated, as if it had never been terminated, and the County will be restored to the use, occupancy and possession of the Leased Property except any portion of the Leased Property with respect to which the Authority or the Trustee has entered into a firm bilateral agreement providing for its lease for a period of at least one year.

ARTICLE XII

MISCELLANEOUS

Section 12.1 Successors and Assigns; Third Party Beneficiary.

This Financing Lease is binding upon, inures to the benefit of and is enforceable by the parties and their respective successors and assigns, subject, however, to the provisions of Sections 9.1 and 9.2. The Trustee shall be a third-party beneficiary of this Financing Lease, and the permissive right of the Trustee to take actions enumerated in this Financing Lease shall not be construed as a duty to do so. The trustee is not answerable for other than its gross negligence.

Section 12.2 Severability.

If any provision of this Financing Lease is held invalid by any court of competent jurisdiction, the holding will not invalidate any other provision.

Section 12.3 Amendments.

This Financing Lease may not be amended before Payment of the Bonds except as provided in Article XIII of the Indenture.

Section 12.4 Amounts Remaining Under Indenture.

It is agreed by the parties to this Financing Lease that any amount with respect to the Bonds remaining in any fund or account created under the Indenture will, after Payment of the

Bonds, and the fees, charges and expenses of the Trustee and the Authority in accordance with the Indenture, belong to and be paid to the County.

Section 12.5 Governing Law.

This Financing Lease will be governed by the laws of the Commonwealth without regard to its conflicts of laws principles.

Section 12.6 Counterparts.

This Financing Lease may be simultaneously executed in several counterparts, each of which will be original and all of which taken together will constitute one and the same instrument.

Section 12.7 Notices.

Unless otherwise provided in this Financing Lease, all demands, notices, approvals, consents, requests, opinions and other communications under this Financing Lease must be in writing and will be deemed to have been given when delivered in person, or by FedEx or other express courier service, or when mailed by registered or certified mail, postage prepaid, addressed (i) if to the County, at 1255 Franklin Street, Suite 112, Rocky Mount, VA 24151 (Attention: County Administrator, (ii) if to the Authority, at c/o County Administration Office, 1255 Franklin Street, Suite 112, Rocky Mount, VA 24151 (Attention: Chairman) or, (iii) if to the Trustee, at [The Bank of New York Mellon Trust Company, N.A., 500 Ross Street, 12th Floor, Pittsburgh, PA 15262, Attention: Corporate Trust Department.] A duplicate copy of each demand, notice, approval, consent, request, opinion or other communication given under this Financing Lease by either the Authority or the County to the other will also be given to the Trustee. The Authority, the County and the Trustee may, by notice given under this Financing Lease, designate any additional or different addresses or persons to which subsequent demands, notices, approvals, consents, requests, opinions or other communications are to be sent.

Section 12.8 Liability of Authority.

Notwithstanding any provision of the Bonds or the Basic Documents to the contrary, the obligations of the Authority under the Bonds and the Basic Documents are not general obligations of the Authority but are limited obligations payable solely from the revenues which are specifically pledged for such purpose. Neither the Bonds nor the Basic Documents will be deemed to create or constitute a debt or a pledge of the faith and credit of the Commonwealth or any political subdivision thereof, including the County, and neither the Commonwealth nor any political subdivision thereof, including the Authority and the County, is obligated to pay the Bonds or the interest thereon or other costs incident thereto except from the special funds pledged therefor and the property pledged or mortgaged therefor. The Authority has no taxing power.

IN WITNESS WHEREOF, the parties have caused this Financing Lease to be executed on their behalf by their duly authorized officers.

INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF FRANKLIN, VIRGINIA

By: _____
Chairman

COMMONWEALTH OF VIRGINIA)
CITY/COUNTY OF FRANKLIN)

The foregoing instrument was acknowledged before me in the jurisdiction aforesaid, this ____ day of November, 2020, by _____, Chairman of the Industrial Development Authority of the County of Franklin, Virginia, a political subdivision of the Commonwealth of Virginia, on behalf of the Authority.

My Commission Expires: _____.

My Notary Registration number is:_____.

_____
Notary Public

[Additional signature page to follow]

COUNTY OF FRANKLIN, VIRGINIA

By:_____
Chairman, Board of Supervisors

COMMONWEALTH OF VIRGINIA)
CITY/COUNTY OF FRANKLIN)

The foregoing instrument was acknowledged before me in the jurisdiction aforesaid, this ____ day of November, 2020, by _____, Chairman of the Board of Supervisors of the County of Franklin, Virginia, on behalf of the County.

My Commission Expires: _____.

My Notary Registration number is: _____.

_____
Notary Public

EXHIBIT A

Real Estate Description

All that property located in the County of Franklin, Virginia and more particularly described as follows:

Buildings and improvements at 275 South Main Street, Rocky Mount, Virginia known as the Franklin County Courthouse which includes the Franklin County Circuit Court and Franklin County District Court located on a portion of the real estate parcel conveyed to the County referenced in Deed Book 2, Page 1 and Indenture dated September 15, 1802 and also referenced in Deed Book 2, Pages 1802-1814 located on a portion of the parcel located on Map: 20700 Parcel: 70800 in the Town of Rocky Mount, County of Franklin, Virginia.

EXHIBIT B
Rental Payments

Tax Map Parcel No.:2070070800

EXEMPT FROM CLERK'S FEE PURSUANT TO VIRGINIA CODE SECTION 17.1-266

EXEMPT FROM RECORDATION TAXES PURSUANT TO VIRGINIA CODE SECTION 58.1-811.E

GROUND LEASE

THIS GROUND LEASE, dated as of November 1, 2020 between the **COUNTY OF FRANKLIN, VIRGINIA (the "County")**, as lessor and for indexing purposes, the grantor, and the **INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF FRANKLIN, VIRGINIA,** a political subdivision of the Commonwealth of Virginia **(the "Authority")**, as lessee and for indexing purposes, the grantee;

WITNESSETH:

WHEREAS, the Authority desires to acquire a leasehold interest in certain real property located in the County, as described in **Exhibit A** hereto, **(the "Leased Property")**; and

WHEREAS, the Authority and [The Bank of New York Mellon Trust Company, N.A.,] as trustee **(the "Trustee")**, have entered into an Indenture of Trust, dated as of November 1, 2020 **(the "Indenture")**, to provide the terms for the issuance of the Authority's $_____ Public Facility Lease Revenue Refunding Bonds, Series 2020 **(the "Bonds")** to provide funds to finance (a) the refunding of all or a portion of the Authority's $16,345,000 Public Facility Lease Revenue Bond Anticipation Notes, Series 2018 **(the "2018 Notes")** issued to finance certain costs in connection with the construction, development and infrastructure improvements related to the Summit View Business Park in the County **(the "Project"),** including financing any remaining costs of such Project from remaining proceeds of the 2018 Notes, (c) refunding a Master Equipment Lease/Purchase Agreement dated as of February 26, 2015 between the County and Banc of America Public Capital Corp and a Schedule of Property No. 1 thereunder **(together, the "2015 Lease Obligation")**, (d) refunding the Authority's $5,186,000 Lease Revenue Refunding Bond, Series 2016A and $10,000,000 Lease Revenue Bond, Series 2016B **(the "2016 Bonds")**, secured by a Lease Agreement dated as of December 1, 2016 between the County and the Authority and a supplement thereto, (e) refunding the Authority's $7,677,000 Lease Revenue Refunding Bond, Series 2017A and $6,154,000 Lease Revenue Bond, Series 2017B **(the "2017 Bonds")**, secured by a Lease Agreement dated as of January 1, 2017 between the County and the Authority and a supplement thereto, (e) refunding an Equipment Lease Purchase Agreement, dated as of September 7, 2018, **(the "Lease Agreement")**, between the County and Signature Public Funding Corp. and Equipment Schedule in the amount of $1,315,000 thereunder **(the "2018 Lease Obligation," and, together with the 2015 Lease Obligation, the 2016 Bonds, the 2017 Bonds and the 2018 Notes, the "Refunded Obligations")** and (f) costs of issuing the Bonds, as more particularly set forth in the Indenture; and

Prepared by and return to:
Daniel M. Siegel, Esquire
Sands Anderson PC
P.O. Box 1998
Richmond, Virginia 23219
VSB# 20523

WHEREAS, the County desires to lease its interest in the Leased Property to the Authority and the Authority desires to accomplish the refunding of the Refunded Obligations and the financing of the Project with funds derived from the proceeds of the Bonds; and the Leased Property will be leased to the County pursuant to a Financing Lease between the Authority and the County, dated the date hereof **(the "Financing Lease")**; and

WHEREAS, the Authority desires to enter into this Ground Lease with the County in furtherance of the refunding of the Refunded Obligations and the financing of the Project;

NOW, THEREFORE, for and in consideration of the foregoing recitals, the mutual covenants hereinafter contained, the mutual benefits to be derived by the parties to this agreement and other good and valuable consideration, the parties hereto covenant and agree as follows:

Section 1. Lease of Leased Property. The County hereby demises and leases to the Authority, and the Authority hereby leases from the County all of its interest of the County in the Leased Property, together with all improvements now or hereafter located thereon or situated thereon, whether or not financed with proceeds of the Bonds, subject to the terms and provisions of this Ground Lease.

Section 2. Term. The term of this Ground Lease shall commence upon the execution hereof and shall expire finally at 12:01 a.m., [October 15, 2050] (but only if all Rental Payments due under the Financing Lease with respect to the Bonds have been paid), unless such term is sooner terminated as hereinafter provided.

Section 3. Rental. The Authority shall pay to the County, upon the execution hereof, as and for rental hereunder, the sum of $10.00 from the proceeds of the sale of the Bonds, and shall deliver other valuable consideration, including without limitation the execution of the Financing Lease by the County, receipt of which consideration is hereby acknowledged, representing rental of the Leased Property in advance for the term of this Ground Lease.

Section 4. Purpose. The Authority shall lease the Leased Property to the County pursuant to the Financing Lease, as well as for such purposes as may be incidental and necessary thereto; provided, however, that upon the occurrence of an Event of Default (as defined in the Financing Lease) by the County under the Financing Lease or failure by the Board of Supervisors of the County **(the "Board")** to appropriate funds to make Rental Payments thereunder, the Authority may exercise the remedies provided for in the Financing Lease, subject to any limitations and conditions set forth therein.

Section 5. Title to Leased Property. The County represents and warrants that it is the fee simple owner of the Leased Property.

Section 6. Assignment and Sublease. Except as provided herein, the Authority may not assign its rights under this Ground Lease or sublet the Leased Property, in whole or in part, without the consent of the County, except (a) in connection with the lease of the Leased Property

pursuant to the Financing Lease and any assignment of its rights under the Financing Lease, (b) if the Financing Lease is terminated due to nonappropriation of funds by the Board, or (c) if an Event of Default, as defined in the Financing Lease, has occurred and is continuing.

Section 7. Lease to County. Contemporaneously with the execution of this Ground Lease, the Authority and the County shall execute the Financing Lease whereby the Authority will lease to the County, and the County will lease from the Authority, all of the Authority's interest in the Leased Property in accordance with the terms thereof. Fee simple title to the Leased Property shall remain in the County at all times, subject to the leasehold interest of the Authority hereunder and of the County under the Financing Lease. The County consents and agrees to the terms of the Financing Lease, including provisions which govern maintenance, payment of taxes, insurance, damage and destruction of the Leased Property. Upon completion of all Rental Payments required under the Financing Lease and Payment of the Bonds (as defined in the Financing Lease), the Authority's interests in the Leased Property shall terminate as set forth below.

Section 8. Fees and Expenses. The County has agreed under the Financing Lease to pay all reasonable expenses of the Authority arising out of the transactions contemplated by the Basic Documents (as defined in the Financing Lease).

Section 9. Termination. In the event the County makes all of the payments of Basic Rent and Additional Rent (as defined in the Financing Lease) provided for in the Financing Lease or upon the expiration of the stated term hereof, and when all of the Bonds and other amounts secured by the Indenture are indefeasibly paid in full, the leasehold estate of the Authority in the Leased Property hereunder shall be transferred, conveyed and assigned by the Authority to the County and shall be terminated through the merger of the leasehold interest with the fee simple interest. The Authority agrees, upon payment in full of the Basic Rent and Additional Rent (and payment of the Bonds in full), to make such transfer, conveyance, assignment and termination and to surrender the Leased Property and all improvements thereon, to the County, after taking all actions necessary by law to permit such transfer, conveyance and assignment and, upon the request of the County to execute an appropriate instrument evidencing such transfer, conveyance and assignment.

The County shall not have the right (i) to exclude the Authority from the Leased Property or take possession of the Leased Property other than pursuant to its rights under the Financing Lease or (ii) to terminate this Ground Lease prior to the expiration of its term upon a default by the Authority of its obligations hereunder; except that if, upon payment by the County of all amounts specified in the Financing Lease and when all of the Bonds and other amounts secured by the Indenture are indefeasibly paid in full, the Authority fails to re-convey its leasehold estate hereunder to the County, then the County shall have the right to terminate this Ground Lease as to its interests in the Leased Property, such termination to be effective 30 days after giving notice of such termination to the Authority and, itself, re-convey the Authority's interests in the Leased Property to the County. In the event of a default by the Authority hereunder, in addition to all other remedies available to it hereunder, at law or in equity, the County shall be entitled to specific performance of the Authority's obligations hereunder and under the Financing Lease.

Section 10. **Quiet Enjoyment and Special Covenant**. Subject to the Financing Lease, the Authority at all times during the term of this Ground Lease shall peaceably and quietly have, hold and enjoy the entire leasehold estate created hereunder. The County covenants and agrees pursuant to Virginia Code Section 15.2-1638 that if the County is excluded from possession of the Leased Property, that notwithstanding any other provisions herein, the County shall provide courthouses with suitable space and facilities to accommodate the various courts and officials serving the County, and a clerk's office the record room of which shall be fireproof, a jail, and upon request therefor, suitable office space and facilities for the attorney for the Commonwealth, at such other location in the County, as permitted or required by law. There shall be no merger of the estates of landlord and tenant caused by the contractual agreements between the Authority and the County described in Section 7 of this Ground Lease or the interests in the Leased Property held by the Authority and the County pursuant thereto.

Section 11. **Defined Terms; Notices**. Capitalized terms used and not defined herein shall have the meanings given such terms by the Indenture. All notices to be given under this Ground Lease shall be in writing and shall be deemed to have been given when delivered in person, by FedEx or other express courier service or when mailed by first class registered or certified mail, postage prepaid, addressed to the County or the Authority as set forth in the Financing Lease.

Section 12. **Severability**. If any provision of this Ground Lease shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof.

Section 13. **Liability of Authority**. Notwithstanding any provision of this Ground Lease to the contrary, the obligations of the Authority under this Ground Lease are not general obligations of the Authority, but are limited obligations payable solely from payments of Basic Rent and Additional Rent, if any, as such terms are defined in the Financing Lease. No director or officer of the Authority shall be personally liable on the Authority's obligations hereunder.

Section 14. **Indemnification**. The County by acceptance of this financing agrees to indemnify, defend and save harmless, to the extent permitted by law, the Authority, its officers, members, directors, employees and agents from and against all liabilities, obligations, claims, damages, penalties, fines, losses, cost and expenses in any way connected with the issuance of the Bonds.

Section 15. **Assignment; Successors and Assigns; Third Party Beneficiary**. The County acknowledges that the Authority will assign its right, title and interest in this Ground Lease to the Trustee, pursuant to the Assignment, for the benefit of the Owners of the Bonds. This Ground Lease shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns. The Trustee shall be a third party beneficiary of this Ground Lease.

Section 16. **Counterparts**. This Ground Lease may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute but one and the same instrument.

Section 17. **Governing Law**. This Ground Lease shall be governed by the laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the parties have caused this Ground Lease to be duly executed as of the date first above written, by their duly authorized representatives.

INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF FRANKLIN, VIRGINIA

By: _____
Title: Chairman

COMMONWEALTH OF VIRGINIA)
CITY/COUNTY OF FRANKLIN)

The foregoing instrument was acknowledged before me in the jurisdiction aforesaid, this ____ day of November, 2020, by _____, Chairman of the Industrial Development Authority of the County of Franklin, Virginia, a political subdivision of the Commonwealth of Virginia, on behalf of the Authority.

My Commission Expires: _____.

My Notary Registration number is: _____.

_____
Notary Public

[Additional signature page to follow]

[Additional signature page to Ground Lease]

FRANKLIN COUNTY, VIRGINIA

By: _____
Title: Chairman, Board of Supervisors

COMMONWEALTH OF VIRGINIA)
CITY/COUNTY OF FRANKLIN

The foregoing instrument was acknowledged before me in the jurisdiction aforesaid, this ____ day of November, 2020, by _____, Chairman of the Board of Supervisors of the County of Franklin, Virginia, a political subdivision of the Commonwealth of Virginia, on behalf of the County.

My Commission Expires: _____.

My Notary Registration number is: _____.

_____
Notary Public

EXHIBIT A

Description of Leased Property

All that property located in the County of Franklin, Virginia and more particularly described as follows:

Buildings and improvements at 275 South Main Street, Rocky Mount, Virginia known as the Franklin County Courthouse which includes the Franklin County Circuit Court and Franklin County District Court located on a portion of the real estate parcel conveyed to the County referenced in Deed Book 2, Page 1 and Indenture dated September 15, 1802 and also referenced in Deed Book 2, Pages 1802-1814 located on a portion of the parcel located on Map: 20700 Parcel: 70800 in the Town of Rocky Mount, County of Franklin, Virginia.

$_____

INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE COUNTY OF FRANKLIN, VIRGINIA
PUBLIC FACILITY LEASE REVENUE REFUNDING BONDS, SERIES 2020

BOND PURCHASE AGREEMENT

_____ __, 2020

Industrial Development Authority of
The County of Franklin, Virginia
c/o County Administration Office
1255 Franklin Street, Suite 112
Rocky Mount, Virginia 24151
Attention: Chairman

County of Franklin, Virginia
1255 Franklin Street, Suite 112
Rocky Mount, Virginia 24151
Attention: County Administrator

Ladies and Gentlemen:

The undersigned, _____ (the "***Representative***"), acting on its own behalf and on behalf of _____, collectively, as underwriters for the hereinafter-defined Bonds (together, the "***Underwriter***"), offers to enter into this bond purchase agreement (this "***Bond Purchase Agreement***") with the Industrial Development Authority of the County of Franklin, Virginia (the "***Issuer***") and the County of Franklin, Virginia (the "***County***") which, upon the Issuer's and the County's acceptance of this offer, will be binding upon the Issuer and the Underwriter. This offer is made subject to the Issuer's and the County's acceptance of this Bond Purchase Agreement, which acceptance shall be evidenced by the execution of this Bond Purchase Agreement by a duly authorized officer of the Issuer and the County, on or before 5:00 p.m., Eastern Time, on _____ __, 2020, and delivery of the executed Bond Purchase Agreement to the Representative. Upon such acceptance, execution and delivery, this Bond Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the Issuer and the Underwriter. Except as expressly otherwise defined herein, capitalized terms used herein shall have the same meanings as set forth in the Preliminary Official Statement (as hereinafter defined).

1. Purchase and Sale.

(a) Upon the terms and conditions and in reliance on the representations, warranties and covenants hereinafter set forth, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell to the Underwriter, all (but not less than all) of the

$_____ aggregate principal amount of the Issuer's Public Facility Lease Revenue and Refunding Bonds, Series 2020 (the "***Bonds***"), dated the date of payment therefor and the delivery thereof (such payment and delivery being herein sometimes called the "***Closing***"). The purchase price for the Bonds shall be $_____, consisting of the $_____ principal amount of the Bonds, plus original issue premium of $_____, less an Underwriter's discount of $_____ (the "***Purchase Price***"). On or before the date of this Agreement, the Representative has delivered to the County, and the County acknowledges receipt of, a wire transfer in the amount of $_____, representing the good faith deposit of the Underwriter. At the Closing, the good faith deposit, exclusive of interest earned on such amount which shall accrue to the benefit of the County, will be deducted from the Purchase Price and applied by the County as proceeds of the Bonds, and the Underwriter shall pay the balance of the Purchase Price for the Bonds by wiring $_____, at the County's direction. If the Issuer fails to deliver the Bonds at the Closing, or if the Issuer is unable on or before the Closing to satisfy the conditions to the Underwriter's obligations contained in this Agreement, or if the obligations of the Underwriter are terminated for any reason permitted by this Agreement, the good faith deposit (with no credit for interest thereon), will be returned directly and promptly (on the Closing Date, as herein defined) to the Representative. If the Underwriter fails (other than for a reason permitted by this Agreement) to accept and pay for the Bonds upon their tender by the Issuer as provided in this Agreement, the good faith deposit will be retained by the County as full liquidated damages for such failure and for any and all defaults on the part of the Underwriter, and the delivery of the good faith deposit will constitute satisfaction, and will result in full release and discharge of the Underwriter and its affiliates from all claims and damages for such failure and for any and all defaults in connection with the Bonds.

(b) The Bonds are being issued pursuant to the Industrial Development and Revenue Bond Act, (Chapter 49 of Title 15.2 of the Code of Virginia, 1950, as amended) (the "***IDA Act***"), an Indenture of Trust dated as of November 1, 2020 (the "***Indenture***") by and between the Issuer and U.S. Bank National Association, as trustee (the "***Trustee***"), a resolution adopted by the Board of Supervisors of the County (the "***Board***") on October __, 2020 (the "***Board Resolution***"), and a Resolution adopted by the Issuer on October __, 2020 (the "***Bond Resolution***").

(c) The Bonds are limited obligations of the Issuer, payable from certain payments to be made by the County pursuant to a Financing Lease, dated as of November 1, 2020 between the County and the Issuer (the "***Financing Lease***"). The Bonds shall be dated the Closing Date, shall mature on the dates and in the amounts, shall bear interest at the rates and shall have the terms stated in **EXHIBIT A** attached hereto.

(d) The proceeds received by the Issuer from the sale of the Bonds will be used to finance (a) certain costs in connection with the acquisition, design, construction and equipping of a new courthouse in the County **(the "Project"),** (b) refunding all or a portion of a lease financing arrangement with the Virginia Resources Authority **("VRA")** in connection with VRA's Infrastructure and State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program), Series 2014C **(the "2014C Bonds")**, consisting of a First Amendment to Financing Lease dated as of October 2, 2014 amending the Financing Lease dated as of December 1, 2008, each between VRA and the County and a Prime Lease dated as of dated as of December 1, 2008 between VRA and the County **(together, the "Lease Obligations," and, the portion of the**

Lease Obligations allocable to the 2014C Bonds, the "Refunded Obligations") and (c) costs of issuing the Bonds, as more particularly set forth in the Indenture.

2. Sale of All the Bonds; Offering. It shall be a condition to the Issuer's obligation to sell and deliver the Bonds to the Underwriter, and to the obligation of the Underwriter to purchase and accept delivery of the Bonds, that the entire principal amount of the Bonds is sold and delivered by the Issuer and accepted and paid for by the Underwriter at the Closing. The Underwriter intends to make a *bona fide* public offering of all the Bonds at a price or prices not in excess of the initial public offering price or prices set forth on the inside front cover page of the Official Statement (as hereinafter defined). The Bonds may be offered and sold to certain dealers (including dealers depositing such Bonds into investment trusts or mutual funds) at prices lower than such public offering prices. The Underwriter reserves the right to make such changes in such prices as the Underwriter shall deem necessary in connection with the offering of the Bonds.

3. Establishment of Issue Price.

(a) The Representative on behalf of Underwriter agrees to assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at Closing an issue price certificate, together with the supporting pricing wires or equivalent communications. Such certificate shall be in substantially the form attached hereto as **EXHIBIT B**, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Issuer and Bond Counsel (as hereinafter defined), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) Except as otherwise set forth in **EXHIBIT A** attached hereto, the Issuer will treat the first price at which ten percent (10%) of each maturity of the Bonds (the "***10% test***") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Bond Purchase Agreement, the Representative shall report to the Issuer the price or prices at which Underwriter has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Issuer the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Issuer or Bond Counsel. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(c) The Representative confirms that the Underwriter has offered the Bonds to the public on or before the date of this Bond Purchase Agreement (the "***Sale Date***") at the offering price or prices (the "***initial offering price***"), or at the corresponding yield or yields, set forth in **EXHIBIT A** attached hereto, except as otherwise set forth therein. **EXHIBIT A** also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Issuer and the Representative agree that the

restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "***hold-the-offering-price rule***"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the sale date; or

(2) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative will advise the Issuer promptly after the close of the fifth (5th) business day after the sale date whether Underwriter has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Representative confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Representative that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative,

(B) to promptly notify the Representative of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by a dealer or broker-dealer, the Underwriter shall assume that each order submitted by a dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party

to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Representative or a dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative or a dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative or a dealer and as set forth in the related pricing wires.

(e) The Issuer acknowledges that, in making the representations set forth in this section, the Representative will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that the Representative shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(f) The Representative acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) "***public***" means any person other than an underwriter or a related party,

(ii) "***underwriter***" means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a "***related party***" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than fifty percent (50%) common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than fifty percent (50%) common ownership of

their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than fifty percent (50%) common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "***sale date***" means the date of execution of this Bond Purchase Agreement by all parties.

4. Official Statement. Each of the County and the Issuer hereby ratifies and approves the Preliminary Official Statement dated October __, 2020 (the "***Preliminary Official Statement***"), and consents to its distribution and use by the Underwriter prior to the date hereof in connection with the public offering and sale of the Bonds. The County confirms that the Preliminary Official Statement was "***deemed final***" by the County as of its date for purposes of Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "***Rule***"), except for the omission of certain pricing and other information permitted to be omitted by the Rule. To assist the Underwriter in complying with the Rule, each of the County and the Issuer has signed a Rule 15c2-12 Compliance Certificate dated the date of the Preliminary Official Statement (together, the "***Rule 15c2-12 Compliance Certificates***").

Upon acceptance of this offer, the County shall prepare a final Official Statement and shall, within the earlier of seven (7) business days following the date hereof or two (2) business days prior to the Closing Date, deliver to the Underwriter electronic and printed copies of such final Official Statement (such final Official Statement, together with any amendment or supplement thereto, being the "***Official Statement***") in sufficient format and quantity as may reasonably be required by the Underwriter in order to comply with the Rule and any applicable rules of the Municipal Securities Rulemaking Board (the "***MSRB***"). The Official Statement shall be in substantially the same form as the Preliminary Official Statement and, except for information permitted by the Rule to have been previously omitted, shall include only such additions, deletions and revisions as are approved by the Representative. The County hereby authorizes and approves the Official Statement and consents to the use and distribution of the Official Statement by the Underwriter in connection with the public offering and sale of the Bonds. At the time of or prior to the Closing, the Representative will file, or cause to be filed, the Official Statement with the MSRB. In addition, each of the County and the Issuer hereby approves and authorizes the Representative to coordinate the printing of the Official Statement and consents to the electronic distribution of the Official Statement, including any amendments thereto, in word-searchable PDF format as described in MSRB Rule G-32, and shall provide to the Underwriter an electronic copy of the Official Statement in the word-searchable PDF format no later than one (1) business day prior to the Closing Date to enable the Underwriter to comply with MSRB Rule G-32.

5. Representations, Warranties and Covenants of the County and the Issuer. Each of the County and the Issuer, as applicable, hereby represents, warrants and covenants that:

(a) Each of the County and the Issuer is a political subdivision duly organized and validly existing under the Constitution and laws of the Commonwealth of Virginia. The Issuer is authorized pursuant to the laws of the Commonwealth of Virginia, including the IDA Act and the Bond Resolution, to issue the Bonds. The County is authorized pursuant to the laws of the Commonwealth of Virginia, including Section 15.2-1800 of the Code of Virginia of 1950, as amended, to adopt the Board Resolution, and to execute the Financing Lease, the other Basic Documents (as defined in the Official Statement) to which it is a party, the Official Statement and the Continuing Disclosure Agreement executed and delivered by the County in the form attached as **APPENDIX E** to the Official Statement (the "***Continuing Disclosure Agreement***").

(b) Each of the Issuer and the County, as the case may be, has full legal right, power and authority to (i) adopt the Bond Resolution and the Board Resolution, respectively; (ii) execute and deliver this Bond Purchase Agreement and the other Basic Documents to which it is a party; (iii) issue, sell and deliver the Bonds to the Underwriter as provided herein; (iv) approve and authorize the distribution and use of the Preliminary Official Statement and the Official Statement; and (v) carry out and consummate all other transactions contemplated by this Bond Purchase Agreement, the Bond Resolution, and the other Documents (as hereinafter defined) to which it is a party.

(c) The Bond Resolution has been duly adopted by the Issuer, and the Board Resolution has been duly adopted by the Board. Each of the Issuer and the County has duly authorized all necessary action to be taken by it for: (i) the offering, issuance, sale, and delivery of the Bonds upon the terms set forth herein and in the Official Statement, (ii) the execution and delivery of the Bonds, this Bond Purchase Agreement, the Continuing Disclosure Agreement, and the other Basic Documents, and the performance of its respective obligations thereunder and under any and all such other agreements and documents as may be required to be executed and delivered by the Issuer or the County, as the case may be, in order to carry out, give effect to, and consummate the transactions contemplated hereby and by the Official Statement (collectively, the "***Documents***"), and (iii) the authorization of the use and distribution of the Official Statement.

(d) The Bond Resolution, the Board Resolution, this Bond Purchase Agreement and any other Document, when executed, as applicable, and delivered by the parties thereto, will constitute legal, valid and binding obligations of the Issuer or the County, as the case may be (subject, as to the enforcement of remedies, to the valid exercise of judicial discretion, the sovereign police powers of the Commonwealth of Virginia and constitutional powers of the United States of America and to any valid applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting the rights of creditors generally and the exercise of judicial discretion in accordance with general principles of equity).

(e) When delivered to and paid for by the Underwriter at the Closing, in accordance with the provisions of this Bond Purchase Agreement, the Bonds will have been duly authorized, executed, authenticated and delivered by the Issuer and will constitute legal, valid and binding limited obligations of the Issuer, enforceable in accordance with their terms (subject, as to the enforcement of remedies, to the valid exercise of judicial discretion, the sovereign police powers of the Commonwealth of Virginia and constitutional powers of the United States of America and to any valid applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting the rights of creditors generally and the exercise of judicial discretion in accordance with general principles of equity).

(f) The Issuer has complied, and will at the Closing be in compliance, in all material respects, with the Bond Resolution and the IDA Act. The County has complied, and will at the Closing be in compliance, in all material respects, with the Board Resolution.

(g) To assist the Underwriter in complying with the Rule, the County will enter into the Continuing Disclosure Agreement on or prior to the Closing Date in substantially the form set forth in **APPENDIX E** to the Official Statement.

(h) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the Issuer, threatened against or affecting the Issuer (or, to the knowledge of the Issuer, any meritorious basis therefor) (i) attempting to limit, enjoin or otherwise restrict or prevent the Issuer from functioning or contesting or questioning the existence of the Issuer or the County or the titles of the present officers of the Issuer or the County to their offices or (ii) wherein an unfavorable decision, ruling or finding would (A) adversely affect the existence or powers of the Issuer or the County or the validity or enforceability of the Bonds, the Bond Resolution, the Board Resolution, this Bond Purchase Agreement or any other Document or (B) materially adversely affect (1) the transactions contemplated by the Documents or the Official Statement or (2) the exemption of the interest on the Bonds from federal or Commonwealth of Virginia income taxation.

(i) The Issuer's adoption of the Bond Resolution, the County's adoption of the Board Resolution, and the execution and delivery of the Documents and the Bonds, and compliance with the provisions thereof and hereof, do not and will not conflict with or constitute, on either the Issuer's or the County's part, a violation of, breach of or default under (a) any material statute, existing law, administrative regulation, filing, judgment, decree or order, state or federal, or any provision of the Constitution or laws of the Commonwealth of Virginia, or any rule or regulation of the Issuer or the County, or (b) any material indenture, mortgage, lease, deed of trust, note, resolution or other agreement or instrument to which the Issuer or the County, or the properties of either, are subject or by which the Issuer or the County, or the properties of either, are or may be bound or, to the knowledge of the Issuer or the County, any judgment, decree, order, rule or regulation of any regulatory body or court having jurisdiction over the Issuer or the County, or the activities or properties of either, and no event has occurred and is continuing that, with

the passage of time or the giving of notice or both, would constitute such a violation, breach or default.

(j) Neither the Issuer nor the County is in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and neither is in default in any material respect under any document or instrument under and subject to which any indebtedness for borrowed money has been incurred which default would affect materially and adversely the transactions contemplated by the Documents. No event has occurred or is continuing under the provisions of any such document or instrument that, with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder, which event of default would affect materially and adversely the transactions contemplated by the Documents.

(k) Intentionally Omitted.

(l) On and as of the Closing, all authorizations, consents, and approvals of, notices to, registrations or filings with, or actions in respect of any governmental body, agency, or other instrumentality or court required to be obtained, given, or taken on behalf of the Issuer or the County in connection with the execution, delivery and performance by the Issuer and the County, as the case may be, of this Bond Purchase Agreement, the Bonds, and any other Document to which the Issuer or the County, as the case may be, is a party, will have been obtained, given, or taken and will be in full force and effect.

(m) Any certificate signed by an authorized officer of the Issuer or the County delivered to the Underwriter shall be deemed a representation and warranty by the Issuer or the County, as the case may be, to the Underwriter as to the truth of the statements made therein.

(n) Each of the Issuer and the County has cooperated, and will cooperate, with the Representative and Underwriters' counsel in any endeavor to qualify the Bonds for offering and sale under the securities or "***Blue Sky***" laws of such jurisdictions of the United States as the Representative may request; provided, however, that neither the Issuer nor the County will be required to execute a general or special consent to service of process or qualify to do business in connection with any qualification or determination in any jurisdiction.

(o) The audited general purpose financial statements of the County examined by Robinson, Farmer, Cox Associates, PLLC, independent auditors, for the fiscal year ended June 30, 2019, attached to the Official Statement as **APPENDIX B** thereto, present fairly the County's financial condition as of such date and the results of its operations for such fiscal year set forth therein and have been prepared in accordance with generally accepted accounting principles consistently applied. There has been no material adverse change in the financial affairs of the County since June 30, 2019, except as disclosed specifically in the Official Statement.

(p) If between the date of this Bond Purchase Agreement and the date twenty-five (25) days after the "***end of the underwriting period***" for the Bonds, as defined in the Rule, any event occurs that might or would cause the Official Statement to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Issuer or the County shall promptly provide written notice to the Representative thereof, and if, in the opinion of the Issuer, the County or the Representative, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the County shall at its expense supplement or amend the Official Statement in a form and in a manner approved by the Representative. For purposes of this Bond Purchase Agreement, the "***end of the underwriting period***" shall be deemed to be the Closing Date, unless the Representative shall have notified the County to the contrary on or before the Closing Date.

(q) If the Official Statement is supplemented or amended pursuant to subsection (p) above, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subsection) at all times subsequent thereto up to and including the Closing Date, the County shall take all steps necessary to ensure that the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(r) As to the County, except for final pricing and other information permitted to be omitted pursuant to the Rule, the Preliminary Official Statement (excluding therefrom the information under the captions "**Book-Entry Only System**," "**Tax Exemption**," "**Financial Advisor**," "**Relationship of Parties**" and "**Underwriting**," and in **APPENDIX D** thereto, as to which no representations or warranties are made), as of its date and as of the date hereof was and is true and correct in all material respects and did not and does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. As to the Issuer, the information in the Preliminary Official Statement under the subsections entitled **"SECTION TWO: THE BONDS – The Authority"** and **"SECTION FOUR: MISCELLANEOUS – Litigation"** (only as it pertains to the Issuer), as of its date and as of the date hereof was and is true and correct in all material respects and did not and does not contain any untrue or misleading statement of a material fact or omit to state any

material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(s) As to the County, the Official Statement (excluding therefrom the information under the captions "**Book-Entry Only System**," "**Tax Exemption**," "**Financial Advisor**," "**Relationship of Parties**" and "**Underwriting**," and in the columns labeled "**Yield**" and "**Initial Offering Price**" on the inside cover, and in **APPENDIX D** thereto, as to which no representations or warranties are made) is as of its date, and at all times after the date of the Official Statement up to and including the Closing Date will be, true and correct in all material respects and will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. As to the Issuer, the information in the Official Statement under the subsections entitled **"SECTION TWO: THE BONDS – The Authority"** and **"SECTION FOUR: MISCELLANEOUS – Litigation"** (only as it pertains to the Issuer), is as of its date, and at all times after the date of the Official Statement up to and including the Closing Date will be, true and correct in all material respects and will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(t) The County has not failed to materially comply with any previous undertaking relating to continuing disclosure of information pursuant to the Rule in the last five years.

The execution and delivery of this Bond Purchase Agreement by the Issuer and the County shall constitute a representation by the Issuer and the County to the Underwriter that the representations, warranties and covenants contained in this Section 5 are true as of the date hereof; provided that no officer or other official of the Issuer or the County shall be individually liable for the breach of any representation, warranty or covenant made by the Issuer or the County, as the case may be, in this Section 5.

6. Closing. At 10:30 a.m., Eastern Time, November 21, 2020, or at such other time or date as the Issuer, the County and the Representative shall mutually agree upon (the "***Closing Date***"), the Issuer shall (a) deliver or cause to be delivered, through the custody of The Depository Trust Company, New York, New York ("***DTC***"), or at such place as the Representative, the County and the Issuer shall mutually agree upon, for the account of the Underwriter, the Bonds duly executed by the Issuer in fully registered form, bearing CUSIP numbers, and registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds; and (b) deliver or cause to be delivered, to the Representative at the offices of Sands Anderson PC, Richmond, Virginia, or at such other place as the Issuer, the County and the Underwriter may mutually agree upon, the documents described in Section 7(d) hereof. Concurrently with the delivery of the Bonds and the documents mentioned in Section 7(d) hereof at the Closing, subject to the conditions contained herein, the Representative will accept such delivery and the Underwriter will cause to be paid the Purchase Price of the Bonds to the order or account of the County on behalf of the Issuer by wire transfer in immediately available funds. The Closing shall take place at the offices of the Sands Anderson

PC, Richmond, Virginia ("***Bond Counsel***"). The Bonds shall be available for inspection by the Underwriter at least two business days prior to Closing.

7. Closing Conditions/Right to Cancel. The Underwriter enters into this Bond Purchase Agreement in reliance upon the Issuer's and the County's representations and agreements herein and the performance by the Issuer and the County of its obligations hereunder, both as of the date hereof and as of the Closing Date. The Underwriter's obligations under this Bond Purchase Agreement are and shall be subject to the following additional conditions:

(a) At the time of the Closing, each of the Board Resolution and the Bond Resolution shall be in full force and effect, and neither the Board Resolution nor the Bond Resolution nor the Official Statement shall have been amended, modified or supplemented, except as may have been approved in writing by the Representative, and each of the Issuer and the County shall have duly adopted, and there shall be in full force and effect, such other resolutions as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby.

(b) The Bonds, as set forth in Section 6, shall be deposited with DTC or with the Trustee, as FAST agent for DTC.

(c) The Representative shall have the right to cancel the Underwriter's obligation to purchase the Bonds at the time of Closing if any of the documents, certificates or opinions to be delivered to the Underwriter hereunder is not delivered at the time of Closing or if, between the date hereof and the time of Closing, one or more of the following occurs:

(i) Legislation (whether or not yet introduced in the Congress of the United States ("***Congress***")) shall be enacted or be actively considered for enactment by the Congress or recommended to the Congress by the President of the United States or favorably reported for passage to either House of Congress by any committee of such House, or a conference committee of both Houses, to which such legislation had been referred for consideration, or a decision by a federal court of the United States or the United States Tax Court shall be rendered, or an order, ruling, regulation or official statement by or on behalf of the Treasury Department of the United States or the Internal Revenue Service or other governmental agency shall be made or proposed, or a release or official statement made by the President of the United States or by the Treasury Department of the United States or the Internal Revenue Service, with respect to federal taxation upon revenues or other income of the general character to be derived by the Issuer or upon interest received on obligations of the general character of the Bonds that, in the Representative's reasonable judgment, materially and adversely affects the market for the Bonds;

(ii) Legislation shall hereafter be enacted or actively considered for enactment or introduction, with an effective date on or prior to the Closing, or a decision by a court of the United States shall be rendered or a stop order, ruling, regulation or proposed regulation by or on behalf of the United States Securities and Exchange Commission or other agency having jurisdiction shall be made, to

the effect that the issuance, sale or delivery of the Bonds, or any other obligations of any similar public body of the general character of the Issuer is in violation of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939, as amended, or with the purpose or effect of otherwise prohibiting the issuance, sale or delivery of the Bonds, as contemplated hereby, or of obligations of the general character of the Bonds;

(iii) The Constitution of the Commonwealth of Virginia shall be amended or an amendment thereto shall be actively considered for enactment, legislation shall be enacted, a judicial decision shall have been rendered as to matters of Virginia law or any order, ruling or regulation shall have been issued or proposed by or on behalf of the Commonwealth of Virginia by any of its officials, agencies or departments, affecting the tax status of the County, its property or income, its bonds or notes (including the Bonds), or the interest on them, that, in the reasonable judgment of the Representative, would materially adversely affect the marketability or the market price of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds;

(iv) There shall have occurred any outbreak or escalation of hostilities or other national or international calamity or crisis (including an escalation of those existing on the date hereof), the effect of such outbreak, calamity or crisis on the financial markets of the United States being such as, in the Representative's reasonable judgment, would make it impracticable or inadvisable for the Underwriter to deliver the Bonds;

(v) There shall be in force a general suspension of trading on the New York Stock Exchange (the "***NYSE***") or any other national securities exchange or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the NYSE or any other national securities exchange whether by virtue of a determination by the NYSE or any other national securities exchange or by order of the United States Securities and Exchange Commission or any other governmental authority having jurisdiction over the applicable securities exchange;

(vi) A general banking moratorium shall have been declared by federal, Commonwealth of Virginia or New York authorities having jurisdiction over banking or other financial institutions, and be in force, or a major financial crisis or a material disruption in commercial banking or securities settlement or clearances services shall have occurred such as to make it, in the reasonable judgment of the Representative, impractical or inadvisable to proceed with the offering of the Bonds as contemplated in the Official Statement;

(vii) An event shall occur that makes untrue or incorrect in any material respect, as of the time of such event, any statement or information contained in the Official Statement or that is not reflected in the Official Statement but should be reflected therein in order to make the statements contained therein not

misleading in any material respect and requires an amendment of or supplement to the Official Statement and the effect of which, in the reasonable judgment of the Representative, would materially and adversely affect the market for the Bonds or the sale thereof, at the contemplated offering prices (or yields), by the Underwriter;

(viii) Any fact or event exists or has existed that, in the reasonable judgment of the Representative, requires or has required an amendment of or supplement to the Official Statement under the terms of this Bond Purchase Agreement, which, after consultation with the Issuer and the County, has not been completed to the Representative's reasonable satisfaction in accordance with Section 5(p) of this Bond Purchase Agreement;

(ix) Any amendment of or supplement to the Official Statement is distributed (whether or not such amendment or supplement was approved by the Representative prior to its distribution) that, in the reasonable judgment of the Representative, has a material adverse effect upon the ability of the Underwriter to sell the Bonds at the contemplated offering prices (or yields);

(x) The purchase of and payment for the Bonds by the Underwriter, or the sale of the Bonds to the Underwriter or their resale or reoffering by the Underwriter, on the terms and conditions provided in this Bond Purchase Agreement is prohibited by any applicable law not now in effect or any governmental authority, board, agency or commission;

(xi) Any litigation shall be instituted or be pending at the time of the Closing to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the Bond Resolution, the Board Resolution or the Documents or the existence or powers of the Issuer or the County with respect to its obligations under the Documents; or

(xii) Either Moody's Investors Service, Inc. ("***Moody's***"), S&P Global Ratings, a Division of the McGraw-Hill Companies, Inc. ("***S&P***"), or Fitch Ratings, Inc. ("***Fitch***") shall (A) have taken any action to lower, suspend or withdraw its respective rating on the Bonds or (B) shall give notice of any intended or potential downgrading or any review or possible change that does not indicate the direction of such possible change in its respective rating on the Bonds.

(d) At the Closing, the Representative shall receive and be satisfied with the form and substance of the following documents:

(i) A certified copy of the Board Resolution and the Bond Resolution, including a certification that each of the Board Resolution and the Bond Resolution remains in full force and effect as of the Closing Date, and certified copies of any additional proceedings taken by the Issuer with respect to the authorization and issuance of the Bonds;

(ii) The approving opinion of Bond Counsel in the form set forth in **APPENDIX D** to the Official Statement, and a reliance letter addressed to the Trustee and the Underwriter, each of which shall be dated the Closing Date;

(iii) A supplemental opinion of Bond Counsel dated the Closing Date and addressed to the Underwriter in substantially the form attached hereto as **EXHIBIT C**;

(iv) An opinion of [Matt Britton], counsel to the Issuer, dated the Closing Date and addressed to the Underwriter in substantially the form attached hereto as **EXHIBIT D**;

(v) An opinion of Matt Britton, County Attorney for the County, dated the Closing Date and addressed to the Underwriter in substantially the form attached hereto as **EXHIBIT E**;

(vi) An opinion of _____, as counsel to the Underwriter, dated the Closing Date and addressed to the Underwriter in substantially the form attached hereto as **EXHIBIT F**;

(vii) A certificate or certificates, dated the Closing Date, of the duly authorized representative(s) or officer(s) of the Issuer and the County, to the effect that (A) the representations and agreements of the Issuer and the County herein are true and correct in all material respects as of the Closing Date; (B) the financial information relating to the County provided to the Underwriter presents fairly the financial position of the County as of the date indicated therein and the results of its operations for the period specified therein and the financial statements from which such information was derived have been prepared in accordance with applicable law with respect to the period involved; (C) since June 30, 2019, there has not been any material adverse change in the financial condition of the County taken as a whole or any increase in the County's indebtedness for borrowed money, other than as previously disclosed to the Underwriter; (D) there are not pending or, to such representatives' or officers' knowledge, threatened legal proceedings that will materially and adversely affect the transactions contemplated hereby or by the Bond Resolution, the Board Resolution, or the validity or enforceability of the Bonds, or the security therefor; and (E) each of the Issuer and the County has complied with all 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 that have been waived by the Representative;

(viii) A copy of the Official Statement as executed by the County;

(ix) The executed Rule 15c2-12 Compliance Certificates, to the extent not received on the date of the Preliminary Official Statement;

(x) Executed counterparts of the Documents;

(xi) Specimen Bonds;

(xii) A certificate, dated the Closing Date, of the duly authorized representative(s) or officer(s) of the County to the effect that, as of the Closing Date, the information contained in the Official Statement is correct in all material respects;

(xiii) A certificate of the Issuer as to receipt of payment for the Bonds;

(xiv) Internal Revenue Service Form 8038-G prepared with respect to the Bonds and ready for filing;

(xv) A tax certificate of the Issuer with respect to the Bonds and the use of proceeds thereof;

(xvi) Evidence that Moody's, S&P and Fitch have issued ratings for the Bonds of not lower than "__," "___" and "___," respectively; and

(xvii) Such additional legal opinions, certificates, proceedings, instruments and other documents, as the Representative or legal counsel to the Underwriter may reasonably request to evidence compliance by the Issuer with legal requirements relating to the issuance of the Bonds, the truth and accuracy, as of the Closing Date, of all representations contained herein and the due performance or satisfaction by the Issuer and the County at or prior to the Closing Date of all agreements then to be performed and all conditions then to be satisfied as contemplated under this Bond Purchase Agreement, the Board Resolution and the Bond Resolution.

If the Issuer or the County shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Bond Purchase Agreement or if the obligations of the Underwriter shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate, and neither the Issuer, the County nor the Underwriter shall have any further obligations hereunder, except that Section 9 will continue in full force and effect.

8. Survival. All representations, warranties and agreements of the Issuer and the County set forth in or made pursuant to this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Bonds and any termination of this Bond Purchase Agreement.

9. Payment of Expenses. The Issuer or the County shall pay, out of the proceeds of the Bonds or from its own funds, any expenses incident to the performance of its obligations hereunder, including but not limited to: (a) the cost of the preparation, reproduction, printing, distribution, and mailing, of the Official Statement; (b) the fees and disbursements of Bond Counsel and counsel to the Underwriter; (c) the fees and disbursements of any experts retained by the Issuer; (d) fees charged by the rating agencies for the rating of the Bonds; and (e) the cost

of qualifying the Bonds under the laws of such jurisdictions as the Representative may designate, including filing fees and fees and disbursements of counsel for the Underwriter in connection with such qualification and the preparation of Blue Sky Memoranda.

If the Bonds are not sold by the Issuer to the Underwriter, the Issuer shall pay all expenses incident to the performance of the Issuer's obligations hereunder as provided in this Section.

The Issuer and the County have agreed to pay the Underwriter's discount set forth in Section 1 of this Bond Purchase Agreement, and inclusive in the expense component of the Underwriter's discount are actual expenses incurred or paid for by the Underwriter on behalf of the Issuer and the County in connection with the marketing, issuance, and delivery of the Bonds, including, but not limited to, the cost of obtaining CUSIP numbers assigned to the Bonds.

10. Notices. Any notice or other communication to be given to the Issuer and/or the County under this Bond Purchase Agreement may be given by delivering the same in writing or by telex or telecopy to the address shown below, and any notice under this Bond Purchase Agreement to the Underwriter may be given by delivering the same in writing to the Representative, on behalf of the Underwriter, as follows:

Industrial Development Authority
of Franklin County, Virginia
c/o County Administration Office
1255 Franklin Street, Suite 112
Rocky Mount, Virginia 24151
Attention: Chairman

County of Franklin, Virginia
1255 Franklin Street, Suite 112
Rocky Mount, Virginia 24151
Attention: County Administrator

_____
_____
_____
Attention: _____, Managing Director

11. Governing Law. This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

12. Effectiveness. This Bond Purchase Agreement shall become effective upon the acceptance hereof by the Issuer.

13. No Advisory or Fiduciary Role. The Issuer and the County each acknowledges and agrees that: (a) the transactions contemplated by this Bond Purchase Agreement are arm's length, commercial transactions between the Issuer and the County, and the Underwriter, and the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial

advisor or fiduciary to the Issuer or the County; (b) the Underwriter has not assumed any advisory or fiduciary responsibility to the Issuer or the County with respect to the transactions contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter or affiliates have provided other services or are currently providing other services to the Issuer or the County on other matters); (c) the only obligations the Underwriters have to the Issuer and the County with respect to the transactions contemplated hereby are expressly set forth in this Bond Purchase Agreement; (d) the Issuer and the County have consulted their own financial and/or municipal, legal, accounting, tax, and other advisors, as applicable, to the extent they have deemed appropriate; and (e) the primary role of the Underwriter is to purchase the Bonds for resale to investors in an arm's length commercial transaction between the Issuer and the County and the Underwriter. The Underwriter has financial and other interests that differ from those of the Issuer and the County.

14. Miscellaneous. (a) If any provision of this Bond Purchase Agreement shall be held or deemed to be, or in fact shall be, inoperative, invalid or unenforceable as applied in any particular case in any jurisdiction or jurisdictions because it conflicts with any provisions of any constitution, statute, rule or public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question inoperable or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Bond Purchase Agreement invalid, inoperative or unenforceable to any extent whatsoever.

(b) This Bond Purchase Agreement may be signed in any number of counterparts, each of which shall be an original, but all of which shall constitute but one and the same instrument.

(c) This Bond Purchase Agreement is made solely for the benefit of and is binding on Issuer, the County and the Underwriter (including successors or assigns of each Underwriter), and no other person shall acquire or have any right hereunder or by virtue hereof. It is the entire agreement of the parties, superseding all prior agreements, and may not be amended, supplemented or modified except in writing signed by the Issuer, the County and the Representative.

(d) Under this Bond Purchase Agreement, the Underwriter is acting as principal and not as agent or fiduciary, and the Underwriter's engagement is as an independent contractor and not in any other capacity. Each of the Issuer and the County agrees that it is solely responsible for making its own judgments in connection with the offering of the Bonds regardless of whether the Underwriter has or is currently advising the Issuer or the County on related or other matters.

[Remainder of Page Intentionally Left Blank – Signature Page Follows]

Very truly yours,

_____, _____, **and**
_____

By: _____,
as Representative

By:_____
Managing Director

Accepted and agreed to as
of the date first above written:

INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE COUNTY OF FRANKLIN, VIRGINIA

By: _____

Name: _____

Title: _____

COUNTY OF FRANKLIN, VIRGINIA

By: _____

Name: _____

Title: _____

[Signature Page to Bond Purchase Agreement – Franklin County IDA Series 2020]

EXHIBIT A

TERMS OF BONDS

INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF FRANKLIN, VIRGINIA

PUBLIC FACILITY LEASE REVENUE REFUNDING BONDS, SERIES 2020

Type of Bond	Maturity (_____1)	Principal Amount	Interest Rate	Yield	Initial Offering Price	10% Sold?	CUSIP No.†

Optional Redemption. The Bonds maturing on _____ 1 in the years 20__ through 20__ will be subject to redemption prior to their respective maturities at any time on or after _____ 1, 20__ at the option of the Issuer, in whole or in part (in increments of $5,000), at par plus accrued interest to the date of redemption.

Mandatory Sinking Fund Redemption. The term Bond having a stated maturity of _____ 1, 20__ is required to be redeemed in accordance with the following sinking fund requirements on

---

† A registered trademark of the American Bankers Association ("***ABA***"), used by Standard & Poor's in its operation of the CUSIP Service Bureau for the ABA. The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the County, and the County is not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely as a convenience to prospective purchasers and Holders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to the Bonds may be changed while they are outstanding based on a number of factors including, but not limited to, the refunding or defeasance of the Bonds or the use of secondary market financial products. There is no duty or obligation to, update this Official Statement to reflect any change of correction in the CUSIP numbers set forth above.

_____ 1 of each of the following years upon payment of 100% of the principal amount shown below to be redeemed, plus accrued interest to the redemption date:

Year	**Amount**

_____
*Stated Maturity

EXHIBIT B

FORM OF ISSUE PRICE CERTIFICATE

$_____
INDUSTRIAL DEVELOPMENT AUTHORITY OF
THE COUNTY OF FRANKLIN, VIRGINIA
PUBLIC FACILITY LEASE REVENUE REFUNDING BONDS, SERIES 2020

ISSUE PRICE CERTIFICATE

The undersigned, _____ (the "***Representative***") on behalf of itself, _____ and _____ (together, the "***Underwriter***"), hereby certifies as set forth below with respect to the $_____ Public Facility Lease Revenue Refunding Bonds, Series 2020 (the "***Bonds***"), issued and sold by the Industrial Development Authority of the County of Franklin, Virginia (the "***Issuer***"), on the date hereof.

1. The Underwriter purchased the Bonds from the Issuer at a price of $_____, consisting of the $_____ principal amount of the Bonds, plus original issue premium of $_____, less an Underwriter's discount of $_____ (the "***Purchase Price***").

2. On _____ __, 2020 (the "***Sale Date***"), the Underwriter made a *bona fide* offering of all the Bonds of each Maturity (as defined below) to the Public (as defined below) reflecting the following terms and initial public offering prices:

Type of Bond	Maturity (_____ 1)	Principal Amount	Interest Rate	Yield	Initial Offering Price	10% Sold?	CUSIP No.†

Optional Redemption. The Bonds maturing on _____ 1 in the years 20__ through 20__ will be subject to redemption prior to their respective maturities at any time on or after _____ 1, 20__ at the option of the Issuer, in whole or in part (in increments of $5,000), at par plus accrued interest to the date of redemption.

Mandatory Sinking Fund Redemption. The term Bond having a stated maturity of _____ 1, 20__ is required to be redeemed in accordance with the following sinking fund requirements on _____ 1 of each of the following years upon payment of 100% of the principal amount shown below to be redeemed, plus accrued interest to the redemption date:

Year	Amount

_____
*Stated Maturity

† A registered trademark of the American Bankers Association ("***ABA***"), used by Standard & Poor's in its operation of the CUSIP Service Bureau for the ABA. The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the County, and the County is not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely as a convenience to prospective purchasers and Holders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to the Bonds may be changed while they are outstanding based on a number of factors including, but not limited to, the refunding or defeasance of the Bonds or the use of secondary market financial products. There is no duty or obligation to, update this Official Statement to reflect any change of correction in the CUSIP numbers set forth above.

3. As of the Sale Date, the reasonably expected initial offering price of the Bonds to the Public is the price (expressed as a percentage of the principal amount) listed above (the "***Initial Public Offering Price***"). The Initial Public Offering Price is the price for the Maturity of the Bonds used by the Underwriter in formulating their agreed price to purchase the Bonds.

4. [As of the Sale Date, the Underwriter sold at least 10% of each Maturity at its Initial Public Offering Prices.]

5. Intentionally Omitted.

6. The following capitalized terms shall have the following meanings for purposes of this Certificate:

"***Maturity***" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

"***Public***" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. A purchaser of any of the Bonds is a "***related party***" to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) at least fifty percent (50%) common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than fifty percent (50%) common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than fifty percent (50%) common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

"***Underwriter***" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the Underwriter) to form an underwriting syndicate or group to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The Representative understands that the foregoing information will be relied upon by (i) the Issuer in establishing, among other things, the "***issue price***" of the Bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended (the "***Code***"), and certain other expectations with respect to the Bonds for purposes of Sections 103 and 141 through 150 of the Code set forth in the Tax and Non-Arbitrage Certificate dated as of November __, 2019, and executed by the Issuer, and in the preparation of Internal Revenue Service Form 8038-G for the Bonds and (ii) Sands Anderson PC, Richmond, Virginia, in connection with rendering its opinion to the Issuer that the interest on the Bonds is not includable in gross income of the owners thereof for

federal income tax purposes. The undersigned is certifying only as to facts in existence on the date hereof. Nothing herein represents the undersigned's interpretation of any laws, in particular the regulations under the Code or the application of any laws to these facts. The certifications contained herein are not necessarily based on personal knowledge but may instead be based on inquiry deemed adequate by the undersigned, or on institutional knowledge regarding the matters set forth herein. Although certain information furnished in this Certificate may have been derived from other purchasers, bond houses and brokers and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect. Notwithstanding anything set forth herein, the Representative is not engaged in the practice of law. Accordingly, the undersigned makes no representation as to the legal sufficiency of the factual matters set forth herein.

Dated: November __, 2020

[Remainder of Page Intentionally Left Blank – Signature Page Follows]

_____, _____, and _____

By: _____,
as Representative

By:_____
Managing Director

[Signature Page to Issue Price Certificate]

EXHIBIT C

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

EXHIBIT D

FORM OF COUNTY ATTORNEY OPINION

EXHIBIT E

FORM OF ISSUER'S COUNSEL OPINION

EXHIBIT F

FORM OF UNDERWRITER'S COUNSEL OPINION

Tax Map Parcel No.: 2070070800

EXEMPT FROM CLERK'S FEE PURSUANT TO VIRGINIA CODE SECTION 17.1-266

This Assignment of Rents and Leases is exempt from recording taxes under Section 58.1-811.A.3 of the Code of Virginia of 1950, as amended.

ASSIGNMENT OF RENTS AND LEASES

THIS ASSIGNMENT OF RENTS AND LEASES **(this "Assignment")** is made as of November 1, 2020, between the INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF FRANKLIN, VIRGINIA, a political subdivision of the Commonwealth of Virginia, as lessor **(the "Assignor," to be indexed as Grantor)**, and [The Bank of New York Mellon Trust Company, N.A.,] a national banking association duly organized and existing under the laws of the United States of America, as trustee under the Indenture (as hereinafter defined) **(the "Assignee," to be indexed as Grantee)**.

RECITALS

The Assignor and the County of Franklin, Virginia **(the "County")** have entered into a Financing Lease, dated as of November 1, 2020 **(the "Financing Lease")** and such parties have entered into a Ground Lease, dated as of November 1, 2020 **(the "Ground Lease," and collectively with the Financing Lease, the "Leases")** pursuant to which certain real property, consisting of the Leased Property, as defined in the Financing Lease, will be ground leased to the Assignor and leased by the Assignor back to the County. The cost of financing of the Project (as defined in the Financing Lease) and refunding the Refunded Obligations (as defined in the Financing Lease) will be financed in part by the sale of public facility lease revenue refunding bonds **(the "Bonds")**, the proceeds of which shall be deposited with the Assignee, as trustee, as provided for in the Indenture of Trust, dated as of November 1, 2020 **(the "Indenture")**, between the Assignor and the Assignee, relating to the Bonds. The Assignor has agreed to assign to the Assignee for the benefit of the owners of the Bonds, as security therefor, all of its rights, title and interest in and to the Leases, as provided therein, including the Assignor's right to receive payments under the Financing Lease (exclusive of the Assignor's rights to receive notices, indemnity and its administrative expenses).

Unless otherwise defined in this Assignment, all capitalized terms used in this Assignment shall have the same meanings as set forth in Article I of the Financing Lease.

AGREEMENT

NOW, THEREFORE, for and in consideration of the premises, the mutual benefits to be received by the parties to this Assignment, Ten Dollars ($10) cash in hand paid by the

Prepared by and return to:
Daniel M. Siegel, Esquire
Sands Anderson PC
P.O. Box 1998
Richmond, Virginia 23219
VSB# 20523

Assignee, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties to this Assignment, the parties hereto covenant and agree as follows.

1. The Assignor hereby conveys, transfers and assigns unto Assignee, its successors and assigns, all the rights, interests and privileges which Assignor, as lessor, has and may have in the Financing Lease and as lessee, has and may have under the Ground Lease, together with all modifications, extensions and renewals thereof, all rents, income, security deposits and profits due and to become due therefrom, and all rights and remedies of the Assignor pursuant to the Leases, including without limitation its rights and remedies upon the occurrence of a default thereunder or upon a failure by the County to appropriate funds to make payments under the Financing Lease (exclusive of the Assignor's rights to receive notices, indemnity and its administrative expenses).

2. This Assignment is made as security for the payment of the principal of and interest on the Bonds, as provided in the Indenture and the Financing Lease, and all other payments required by, and the performance of the County's and the Assignor's obligations under, the Basic Documents, as defined in the Financing Lease **(collectively, the "Obligations")**. Notwithstanding anything contained herein to the contrary, this Assignment is intended to be an absolute assignment from the Assignor to the Assignee of rents and leases and not merely the granting of a security interest therein.

3. The acceptance of this Assignment and the collection of rents or the payments under the Financing Lease shall not constitute a waiver of any rights of Assignee under the terms of the Bonds, the Basic Documents or any other agreement or instrument executed in connection therewith. Anything to the contrary herein or in the Basic Documents notwithstanding, the Assignor hereby assigns to the Assignee the Assignor's interest, if any, in (i) any payments or awards hereafter made to the Assignor in any court proceeding involving any of the lessees in any bankruptcy, insolvency or reorganization proceeding in any state or federal court with respect to the Leases hereby assigned; (ii) any proceeds of insurance received by the Assignor as a result of damage to or destruction of the Leased Property; and (iii) any and all payments made by any such lessee in lieu of or in addition to rent. To the extent permitted or required by law during the term of the Leases, the Assignor hereby appoints the Assignee as its irrevocable attorney in fact to appear in any action and to collect any such awards or payments.

4. The Assignor, if an Event of Default or a failure to appropriate (as described in Section 11.1 of the Financing Lease) occurs, authorizes the Assignee, at its option and in accordance with the Indenture, to exercise any rights the Assignor may have under the Leases to enter and take possession of the Leased Property, for the purpose of collecting all or any rents accruing therefrom, if any, and from the leases hereby assigned, if any, letting or reletting the Leased Property or any part thereof, evicting tenants under the leases hereby assigned (subject to Sections 10.2 and 11.1 of the Financing Lease), bringing or defending in its own name or the Assignor's name suits in connection with the leases hereby assigned, making such repairs as the Assignee deems necessary or appropriate and performing such other acts in connection with the management and operation of the Leased Property as the Assignee, in its discretion, may deem

proper; provided, however, that the Assignee shall have the foregoing rights and remedies only to the extent that they are provided in the Leases for the benefit of the Assignor, and nothing herein contained shall be deemed or construed to enlarge upon or modify any such rights or remedies (or as a waiver, modification, or amendment to any conditions, restrictions or limitations) set forth in the Leases. The permissive right of the Assignee to do a thing enumerated herein or in the Financing Lease will not be construed as a duty, and the Assignee is not answerable for other than its gross negligence. The County covenants and agrees pursuant to Virginia Code Section 15.2-1638 that if the County is excluded from possession of the Leased Property, that notwithstanding any other provisions herein, the County shall provide courthouses with suitable space and facilities to accommodate the various courts and officials serving the County, and a clerk's office the record room of which shall be fireproof, a jail, and upon request therefor, suitable office space and facilities for the attorney for the Commonwealth, at such other location in the County, as permitted or required by law.

5. Any rents or profits received by the Assignee pursuant to this instrument shall be applied to satisfy the Obligations.

6. Upon Payment of the Bonds and all other amounts payable pursuant to the Financing Lease and the Indenture, the lien hereof on the Leased Property shall be released and terminated.

7. The Assignee shall not be obligated to perform or discharge any obligation or duty to be performed or discharged by the Assignor under the Financing Lease.

8. The Assignor covenants and represents that, except as contemplated by the Basic Documents, no other assignment of any interest in the Leases has been made, and that, except as provided for in the Indenture or the Leases, the Assignor will not hereafter amend, alter, modify, cancel, surrender or terminate the Leases, exercise any option which might lead to any such amendment, alteration, modification, cancellation, surrender or termination or consent to the release of any party liable thereunder or to the assignment of the interest of any lessee or to any subletting without the prior written consent of the Assignee.

9. The Assignor hereby authorizes the Assignee to give notice in writing of this Assignment at any time to any lessee under the Financing Lease.

10. The full performance of the Bonds and the Basic Documents and the defeasance of the Indenture according to its terms shall automatically terminate this Assignment without the necessity of further action by either the Assignee or the Assignor.

11. This Assignment applies to and binds the parties hereto and their respective successors and assigns.

12. Notwithstanding anything contained in this Assignment to the contrary, all of the obligations of the Assignor hereunder shall be non-recourse obligations, and the owners of the Bonds and the Assignee shall look solely to the Assignor's interest in the Leases for the

satisfaction of any and all remedies they may have against the Assignor upon a default under one or more of the Basic Documents. Neither the owners of the Bonds, nor the Assignee, shall enforce or attempt to enforce any deficiency or other personal money judgment against the Assignor with respect to the Obligations.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Assignor has executed this instrument as of the date first written above.

INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF FRANKLIN, VIRGINIA

By: _____
Title: Chairman

COMMONWEALTH OF VIRGINIA)
CITY/COUNTY OF FRANKLIN)

The foregoing instrument was acknowledged before me in the jurisdiction aforesaid, this ____ day of November , 2020, by _____, Chairman of the Industrial Development Authority of the County of Franklin, Virginia, a political subdivision of the Commonwealth of Virginia, on behalf of the Authority.

My Commission Expires: _____.

My Notary Registration number is: _____.

_____
Notary Public

[Additional signature page to Assignment of Rents and Leases]

Accepted by:

[THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,] as Trustee

By: _____

Its: _____

COMMONWEALTH OF MASSACHUSETTS)
COUNTY OF MIDDLESEX)

The foregoing instrument was acknowledged before me in the jurisdiction aforesaid, this ____ day of _____, 2020, by _____, _____, on behalf of [The Bank of New York Mellon Trust Company, N.A.,] as Trustee.

My Commission Expires: _____.

My Notary Registration number is: _____.

_____
Notary Public

[Additional signature page to Assignment of Rents and Leases]

Seen and consented to:

COUNTY OF FRANKLIN, VIRGINIA

By:_____
Chairman, Board of Supervisors

COMMONWEALTH OF VIRGINIA)
CITY/COUNTY OF FRANKLIN)

The foregoing instrument was acknowledged before me in the jurisdiction aforesaid, this ____ day of November, 2020, by _____, Chairman of the Board of Supervisors of the County of Franklin, Virginia, on behalf of the County.

My Commission Expires: _____.

My Notary Registration number is: _____.

_____
Notary Public

Franklin County
A Natural Setting for Opportunity

EXECUTIVE SUMMARY

AGENDA TITLE: TWICE A YEAR REAL ESTATE TAX COLLECTION	***AGENDA DATE:*** **October 20, 2020**
SUBJECT/PROPOSAL/REQUEST Request of the Board of Supervisors to hear an update on twice a year real estate tax collection	***BOARD ACTION:*** ***Yes*** ***INFORMATION:*** ***No*** ***ATTACHMENTS:*** ***Yes***
STRATEGIC PLAN FOCUS AREA: ☐ *Economic Development* ☑ *Financial Stability* ☐ *Infrastructure* ☐ *Lifelong Learning* ☐ *Managed Growth* ☐ *Public Safety* ☑ *Operational Effectiveness*	***CONSENT AGENDA:*** ***No*** ***ATTACHMENTS:*** ***No***
	STAFF CONTACT(S): **Brian Carter, Director of Finance** **Margaret Torrence, Commissioner of Revenue** **Susan Wray, Treasurer**
	REVIEWED BY: **Christopher L. Whitlow, County Administrator**

BACKGROUND:
The Board of Supervisors amended the County Code Chapter 20 Taxation, Section 20-16 after a public hearing at the March 17, 2020 meeting to collect real estate taxes twice a year with semi-annual installments due on June 5 and December 5 each calendar year. At that time, the Board was informed that twice-a-year tax collection would begin January 1, 2022 at the earliest. Ms. Torrence, Commissioner of the Revenue, in coordination with staff, has received a quote from tax software vendor PCI to modify the current software to accept twice-a-year real estate tax assessment and collection.

DISCUSSION:
In order to implement twice-a-year real estate tax collection, the PCI software must be modified to assess real estate taxes and accept collections on June 5 and December 5. Ms. Torrence has obtained an updated quote from PCI in order to implement these changes. The cost to implement the software changes will be $63,000. Funds will need to be appropriated to fund these implementation costs. Staff recommends appropriating $63,000 from year-end savings for this project. Ms. Torrence will provide an update to the Board on any specific implementation plans. At this time, the implementation schedule and testing will occur during calendar year 2021 with implementation ready to go-live for the tax year beginning January 1, 2022.

RECOMMENDATION:
Staff respectfully requests that the Board of Supervisors consider appropriating $63,000 from year-end savings to fund the software implementation costs and authorize the County Administrator and County Attorney, in coordination with the Commissioner of Revenue and Treasurer, to sign any documents necessary to approve the software updates to allow twice-a-year real estate tax collection.

POSSIBLE BOARD ACTIONS:

MOTION to APPROVE:

I make a motion the Board of Supervisors appropriate $63,000 from year-end savings to fund the software implementation costs and authorize the County Administrator and County Attorney, in coordination with the Commissioner of Revenue and Treasurer, to sign any documents necessary to approve the software updates to allow twice-a-year real estate tax collection.

MOTION to TABLE:

I make a motion the Board table the software updates (to allow twice-a-year real estate tax collection) until further information is provided.

MOTION to DENY:

I make a motion the Board deny the software updates (to allow twice-a-year real estate tax collection).

Business System Design
For Franklin County

Project Name: ..... **Real Estate Twice a Year billing**

Project Description: ..... **SRX25875 Twice a year Billing**

Prepared By: ..... **Gregg Shepherd**

Cost of Work .....

Upon delivery of the initial document, 'track changes' will be enabled. Changes / comments will be entered directly into the document by the reviewing party and submitted back to PCI for review. Upon PCI's review of any amendments, the document will be re-issued for final sign off. This will be a cyclical process until such time as all parties accept the document contents. No development action will occur for this module until full acceptance has been received.

The delivery dates for this project will be managed based on acceptance of this document. Delays in the acceptance of this design document will affect any previously documented and estimated delivery dates. Upon final acceptance of the design document, the final revised delivery date will be issued to all parties.

Note: Comments and Changes left in document for record of discussions covered.

Total Project Cost.

Description / Comment	Customization Services	Implementation Services	Net billable
Project Costs	$77,000		$77,000
Less Ordinance Change Credit *Applied the Ordinance Change allotment from the Annual Maintenance contract of 5 days per year for 2020 and 2021	$14,000		$14,000
Total Project Cost	$63,000		$63,000

* The final payment milestone will be billed 30 days after delivery to test or when the work is promoted to the production environment, whichever comes first. Invoices due upon receipt.

Deliverable Milestone	Customization Services	Implementation Services	Net billable
Delivery of Enhancement in Test Environment *(For amounts greater than $1500, 60% will be due upon delivery to test).	$37,800		$37,800
User Acceptance of Enhancement into Production	$25,200		$25,200
Total Project Deliverables	$63,000		$63,000

Description of Changes

Background Information

Franklin County currently bills real estate tax in one installment, based on the assessments as of January 1st of the tax year. They produce the land book and bills in August of that tax year. The regular installment due date is December 5th of the tax year.

There is a County ordinance that specifies the process for billing building permit supplements. Any increase in assessment with a reason code of 16 from the CAMA system is billed sometime between the regular bill run and October 1st of the tax year in a special, Prorate, bill run. These bills are due December 5th of the tax year.

Supplements for prior tax years can be billed at any time and are due 30 days after they are created.

A town billing extracts are created at the time of the regular bill mailing.

Issues to be Resolved

Franklin County would like to switch from a one installment billing cycle to a two installment billing cycle for Real Estate. They would like for this to begin in tax year 2022. Installment one will begin on January 1st and end June 30th of the tax year with a due date of June 5th. Installment two would begin on July 1st and end on December 31th with a due date of December 5th.

Note that town billing extracts will not change. They will be done once a year in October.

Summary of the Change

Real estate configuration – The billing configuration and invoice configuration will be changed for tax year 2022 forward to create two installments - Installment one will begin January 1st and end June 30th with a due date of June 5th. Installment two would begin July 1st and end December 31th with a due date of December 5th.

Active bill years – The custom rule that specifies the minimum tax year that can be billed will be updated to 2022.

Lock down one installment tax years – all real estate billing records will be inactivated for tax years 2021 and prior. They will be available for review but cannot be modified.

RBS component review and modification - RBS will be reviewed and updated (CAMA import, bill creation, exonerations, Billing exports, G/L export, inquiries, reports, Sturgis web export) to properly work with one installment billing prior to 2022 and two installment billing from 2022 forward.

Supplemental invoice import – A new Process Runner import process will be created to import a file that contains supplemental invoice data. This process is used to adjust billing for tax years 2021 and back. A/R Account Maintenance can also be used to create and adjust invoices.

Billing Schedule – Currently, the regular bill run is done in August, based on the January 1st assessments. A new billing schedule will need to be created for two installment billing.

Building Permit Supplements (Prorate billing) - Because of the change to two installment billing, there is an opportunity (perhaps) to change the billing process for building permit supplements (Prorates). The process could remain the same, it could be done more frequently, or building permit supplements could be included in the supplemental bill run. A report could be produced to list all prorate billing for a tax year (by identifying value changes with a reason code 16).

Details of the Change

Note that using configuration to lock down 2021 and prior tax years allows the code modifications for this project to be part of the base package. All changes to core programs and processes must be usable by all clients. There will be no new Franklin County versions of any core functionality created. This will make Franklin County's billing system easier to use and to support.

Real estate configuration

Two installments. Installment one will begin January 1st and end June 30th with a due date of June 5th. Installment two would begin July 1st and end December 31th with a due date of December 5th.

- The billing configuration – billing control tables will be changed for two installments
- invoice configuration – Invoice type 9 will be modified for two installments with the new settlement terms

Active bill years

- Update the real estate minimum adjustment tax year custom rule to 2022

Lock down one installment tax years

- all real estate billing records will be inactivated for tax years 2021 and prior. SQL scripts will be developed to apply the changes. The BILLWIP:BwStatus = 'W' is an example. All billing tables will be identified, and existing mechanisms will be used to lock them down.

RBS component review and modification

These billing system components will need to be reviewed, modified (possibly), and tested for two installment billing and for the segregation of the one installment billing tax years

- The CAMA import. Franklin County has their own set of import record layouts and routines to import from the CAMRA CAMA system (this functionality is naturally client-specific)
- The regular bill run process (batch and one-off)
- The exoneration process (batch and one-off)
- Land book generator and report
- Bill export for the bill print vendor
- Bill export for mortgage companies
- Bill export for towns
- General Ledger export
- Sturgis web portal interaction
- RCS payment processing and payment precedence rules

- Batch payment processing
- Real estate Inquiry Maintenance
- General Inquiry
- A/R Maintenance
- Real estate reports

Supplemental invoice import

A new Process Runner import process will be created to import a file that contains supplemental invoice data. There are existing invoice import processes that can be used as starters.

Billing Schedule

A new billing schedule will need to be created for two installment billing.

Building Permit Supplements (Prorate billing) - Because of the change to two installment billing, there is an opportunity (perhaps) to change the billing process for building permit supplements (Prorates). The process could remain the same, it could be done more frequently, or building permit supplements could be included in the supplemental bill run. A report could be produced to list all prorate billing for a tax year (by identifying value changes with a reason code 16).

*** The current System upgrade for Franklin County needs to be live, in order to receive the updates for this project. The Upgrade project is targeted to be live by 2/2021. The work for this will be built on top of the upgraded system. ***

Technical Description

This section provides a detailed explanation of all changes from a technical perspective that will be made to the system.

This section will be detailed after acceptance of the BSD.

Program Changes

Database schema changes

Configuration Changes

Project Interdependencies and Inputs

This section is used to identify any other projects that may impact this project or that may impact this project.

This section will be detailed after acceptance of the BSD.

Release and Delivery

Test/Validation Requirements

This section lists the steps necessary to be taken by the validation team for implementing and testing the changes, including use case scenarios – PCI TECHNICAL TEAM.

This section will be detailed as development progresses.

Installation Components

This is a detailed listing of all software and hardware needed to implement the change.

Detail listing...

Installation Steps

This section lists the steps required to implement the changes.

Installation steps...

Project Conditions

Project Assumptions

None at this time.

Project Issues

None at this time.

Appendices

Include and supplemental documentation, tables of configuration information, file layout specifications, 3rd party documentation, and any other related documentation that may be required during the development process. This section can include the information itself of links to external documents. All documents MUST be hosted on SharePoint.

Franklin County

A Natural Setting for Opportunity

EXECUTIVE SUMMARY

AGENDA TITLE: SCHOOL APPROPRIATION REQUEST	***AGENDA DATE:*** **October 20, 2020**
	BOARD ACTION: ***Yes***
	INFORMATION: ***No***
SUBJECT/PROPOSAL/REQUEST Staff analysis of the Schools' appropriation request	***ATTACHMENTS:*** ***Yes***
	CONSENT AGENDA: ***No***
STRATEGIC PLAN FOCUS AREA:	***ATTACHMENTS:*** ***No***
☐ *Economic Development* ☑ *Financial Stability*	
☐ *Infrastructure* ☐ *Lifelong Learning*	***STAFF CONTACT(S):*** **Brian Carter, Director of Finance**
☐ *Managed Growth* ☐ *Public Safety*	**Dr. Mark Church, Superintendent**
☑ *Operational Effectiveness*	**David Terry, Director of Business and Finance**
	REVIEWED BY: **Christopher Whitlow, County Administrator**

BACKGROUND:
The Board of Supervisors has requested that County staff review all additional appropriation requests from the Franklin County Public Schools.

DISCUSSION:
The Schools will have approximately $1.8 million in operating savings from FY 2020 pending any audit adjustments. The School Board is requesting the appropriation of $1,777,756 in carryover funds from FY 2020 for employee bonuses and school air conditioning projects. Employee bonuses for all full-time and part-time employees are anticipated to cost $1,367,694. Funds for additional air conditioning projects are requested in the amount of $410,062. School staff will present the request to the Board of Supervisors.

RECOMMENDATION:
Staff requests the Board consider approving the Schools' carryover request for employee bonuses in the amount of $1,367,694. Staff also requests the Board consider approving $410,062 in school air conditioning capital projects from FY 2020 operating savings pending the completion of the audit.

POSSIBLE BOARD ACTIONS:

MOTION to APPROVE:

I make a motion that the Board of Supervisors approve the carryover request in the amount of $1,367,694 for School employee bonuses and, pending sufficient carryover savings from the final audit report, to approve $410,062 for School air conditioning capital projects.

MOTION to TABLE:

I make a motion that the Board table the carryover request in the amount of $1,367,694 for School employee bonuses and $410,062 for School air conditioning capital projects.

MOTION to DENY:

I make a motion the Board deny the carryover request in the amount of $1,367,694 for School employee bonuses and $410,062 for School air conditioning capital projects.

FRANKLIN COUNTY PUBLIC SCHOOLS

Office of Superintendent
25 Bernard Road • Rocky Mount, VA 24151-6614
(540) 483-5138 • FAX (540) 483-5806

October 14, 2020

Mr. Brian Carter
County Finance Director
1255 Franklin Street, Suite 111
Rocky Mount, VA 24151

Dear Brian:

I am writing to respectfully request that the Franklin County Board of Supervisors consider approving an increase in our 2020-21 appropriations as follows pending audit completion and verification of the amounts:

School Operating and Capital Fund Revenues:

Carryover from 2019-20 School Operating Budget	$1,367,694
School Capital Fund Revenues	$410,062
Total Revenues	$1,777,756

School Operating and Capital Fund Expenditures

Employee Bonuses for all full-time and part-time employees	$1,367,694
School Capital Fund- School Air Conditioning Projects	$410,062
Total Expenditures	$1,777,756

We respectfully request that the Franklin County Board of Supervisors give its approval for this request at their meeting to be held on Tuesday, October 20, 2020 meeting.

Thank you for your consideration.

Sincerely,

C. David Terry
Director of Business & Finance

CDT

cc: Dr. W. Mark Church, Division Superintendent
Mrs. Suzanne M. Rogers, Assistant Superintendent
Mr. Gregg Cuddy, Director of Human Resources
Ms. Sharon L. Tuttle, Assistant Director of Business & Finance
Mr. Christopher Whitlow, Interim County Administrator

Franklin County
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EXECUTIVE SUMMARY

AGENDA TITLE: Economic Development Updates – Overview of SVBP Projects ***SUBJECT/PROPOSAL/REQUEST:*** Updates on economic development projects at the Summit View Business Park South Region D3 Road Segment and Site Pad Grading Bid Request ***STRATEGIC PLAN FOCUS AREA:*** ☑ *Economic Development* ☐ *Financial Stability* ☑ *Infrastructure* ☐ *Lifelong Learning* ☐ *Managed Growth* ☐ *Public Safety* ☐ *Operational Effectiveness*	***AGENDA DATE:*** **October 20, 2020** ***BOARD ACTION:*** ***Yes*** ***INFORMATION:*** ***No*** ***ATTACHMENTS:*** ***Yes*** ***CONSENT AGENDA:*** ***No*** ***ATTACHMENTS:*** ***No*** ***STAFF CONTACT(S):*** ***Burnette*** ***REVIEWED BY:*** **Christopher L. Whitlow, County Administrator**

BACKGROUND:
The Franklin County Office of Economic Development continues work on a number of projects to increase the availability of jobs, attract new tax base, and raise the community's quality of life. The continued construction of the Summit View Business Park (SVBP) is a critical piece of this effort. Periodically, County staff will update the Board on this effort and receive feedback on necessary steps moving forward.

DISCUSSION:
Staff will update the Board on the progress of various initiatives at the Summit View Business Park. This will include an update on current expected timelines of construction projects underway, as well as upcoming construction and design projects at the Summit View Business Park.

In addition, staff will request Board approval to proceed with bidding for the construction of the D3 road segment and associated site pad in the southern region of the park. In March 2019, Engineering Concepts, Inc. (ECI) was contracted to design the D3 road segment. The D3 section is the next segment of roadway in the south region of the park and begins where the first phase of the South Access Road project ended. This D-3 road section will tie the already completed roadway to the future connector road project. In addition to the road segment, the project will also utilize approximately 160,000 cubic yards of excess dirt from the road construction to build an approximately fifteen (15) acre pad site for new business entrants to the park. All existing pad sites are currently under construction or design. The County has previously prepared two pad sites that were quickly taken by Stik-Pak Solutions and Traditional Medicinals. Having available pads has proven to be a very effective way to generate interest from new businesses and bring private investment to the community. With the rapid success of the business park, Summit View does not currently have any available pad sites for incoming businesses. Utilizing the excess dirt from the D3 road project to create a new pad site is a cost-effective and strategic undertaking that will increase the chances of bringing the fourth business to SVBP. This project is the next planned and budgeted activity for Summit View where the current estimated cost for the D3 road segment and approximately 15-acre pad site is $3,024,730. Budgeted funds are available within the Summit View Business Park capital account #30320235-57020. Once bids have been received, staff will bring qualified bids back to the Board for review and contract award. Costs for work by the engineer to perform the bidding process were included in the original contract with ECI previously approved by the Board.

RECOMMENDATION:
Staff respectfully requests that the Board hear updates on the current and upcoming projects at the Summit View Business Park. In addition, staff respectfully requests the Board approve moving forward with bidding of the D3 Road Segment and new pad site as presented. .

POSSIBLE BOARD ACTIONS:

MOTION to APPROVE:

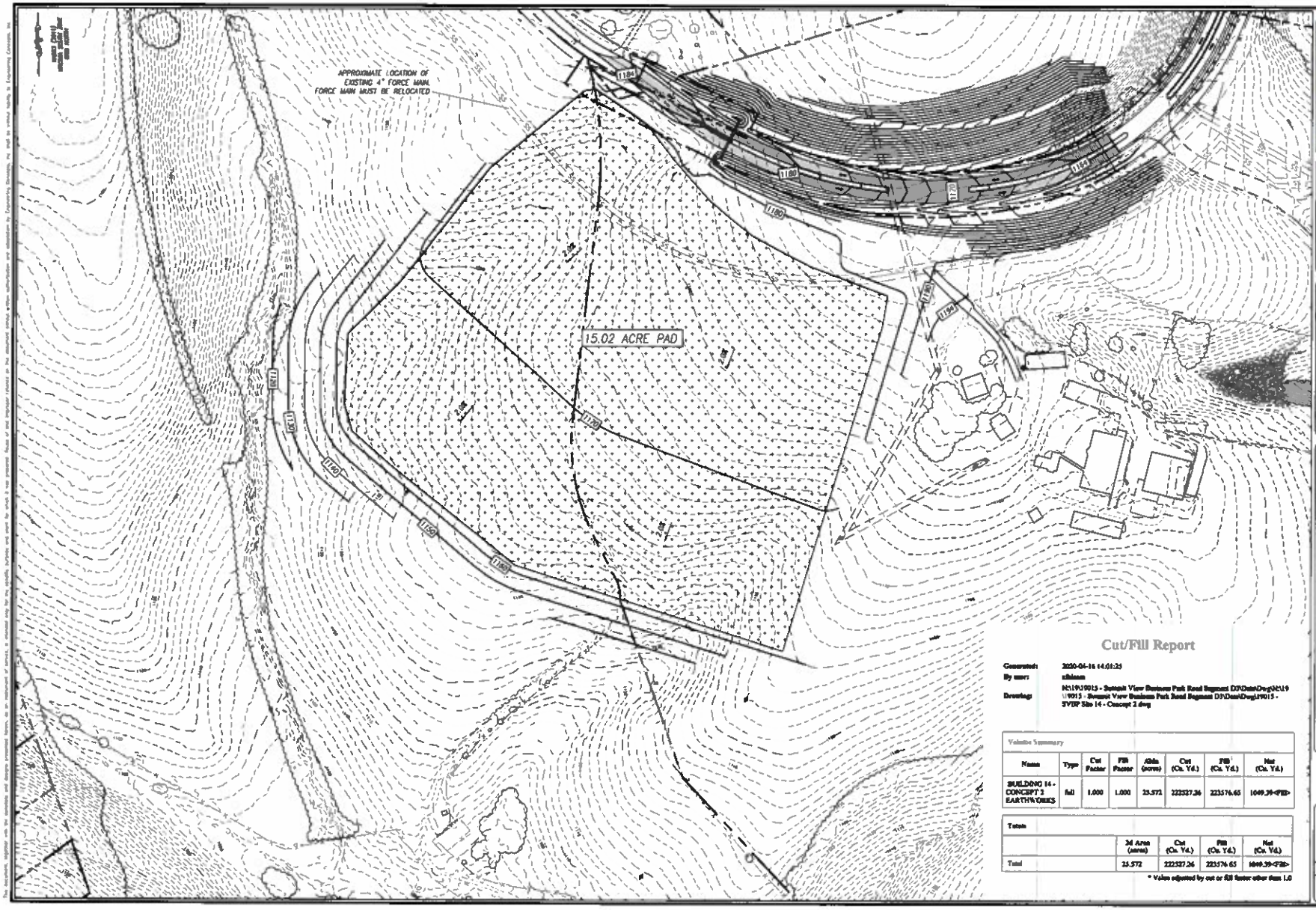
I make a motion to approve moving forward with bidding of the construction contract for the D3 Road Segment and associated pad site at the Summit View Business Park.

MOTION to TABLE:

I make a motion to table moving forward with bidding of the construction contract for the D3 Road Segment and associated pad site at the Summit View Business Park until additional information is provided.

MOTION to DENY:

I make a motion to deny moving forward with bidding of the construction contract for the D3 Road Segment and associated pad site at the Summit View Business Park as presented.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EXISTING 4" FORCE MAIN.
FORCE MAIN MUST BE RELOCATED
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By user: nhinson
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Volume Summary
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BUILDING 14 - CONCEPT 2 EARTHWORKS | fill | 1.000 | 1.000 | 23.572 | 222527.26 | 223576.65 | 1049.39<Fill>
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Total | 23.572 | 222527.26 | 223576.65 | 1049.39<Fill>
* Value adjusted by cut or fill factor other than 1.0
ENGINEERING CONCEPTS, INC.
Franklin County
No. | Description | Date
SUMMIT VIEW BUSINESS PARK
D3 ROAD SEGMENT
OVERALL FILL SITE 14
CONCEPT 2
PRELIMINARY
APRIL 16, 2020
0 90 180
GRAPHIC SCALE
PROJECT: 19015
02

ENGINEERING CONCEPTS, INC.
84 Deadmans Street
Danville, Virginia 24563
540.473.1253

Franklin County

No.	Description	Date

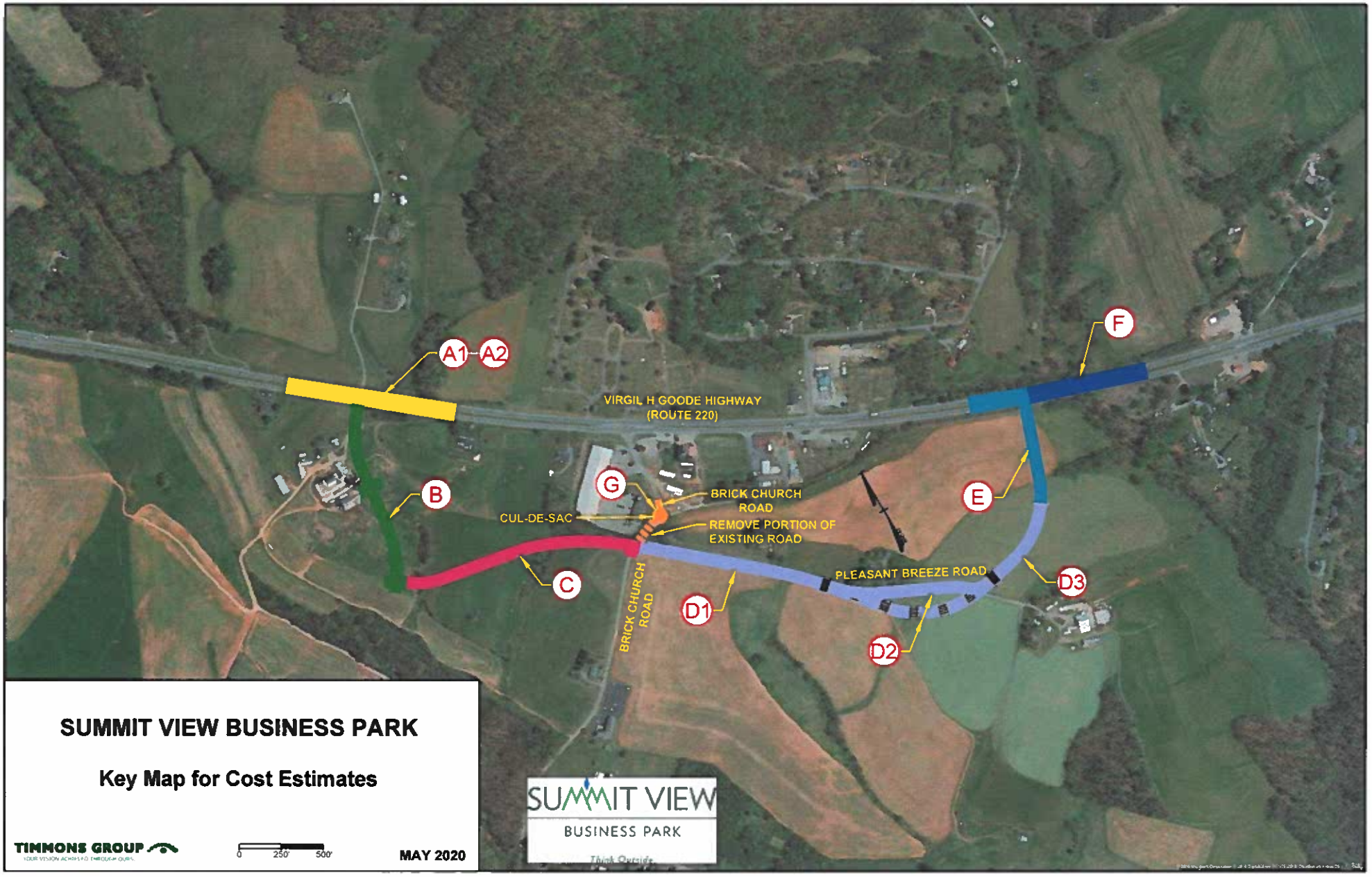
SUMMIT VIEW BUSINESS PARK
ACCESS ROAD - PHASE III
OVERALL PLAN
FRANKLIN COUNTY, VA

ENGINEERING CONCEPTS
30% SUBMITTAL
AUG. 23, 2019

0 75 150
GRAPHIC SCALE

PROJECT: 19015

C04



SUMMIT VIEW BUSINESS PARK

Key Map for Cost Estimates

TIMMONS GROUP

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MAY 2020

Franklin County
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EXECUTIVE SUMMARY

AGENDA TITLE: ***Zoning Ordinance Amendment-Duplexes***	***AGENDA DATE:*** **October 20, 2020**
	ACTION: ***YES***
SUBJECT/PROPOSAL/REQUEST: ***Possible Zoning Amendments To Allow Duplexes by Special Use Permit in Agriculture A-1***	***INFORMATION:*** ***ATTACHMENTS:*** ***YES***
	CONSENT AGENDA: ***NO***
STRATEGIC PLAN FOCUS AREA:	***STAFF CONTACT(S):*** ***Sandy***
☑ *Economic Development* ☐ *Financial Stability*	
☐ *Infrastructure* ☐ *Lifelong Learning*	***REVIEWED BY:***
☑ *Managed Growth* ☐ *Public Safety*	***Christopher L. Whitlow, County Administrator***
☐ *Operational Effectiveness*	

BACKGROUND:

During the Board's August meeting, a citizen requested that the Board consider zoning amendments to allow duplexes in the Agriculture A-1 zoning district. After discussion, the Board referred this item to the Planning Commission for consideration and recommendation.

Dwelling, two-family or duplexes are currently allowed in the Residential Multi Family (RMF) zoning district and Residential Planned Unit Development Districts (RPD) as a by-right use. This housing type is also allowed in the non-zoned areas of the County. Duplexes are currently not allowed in any other zoning districts.

DISCUSSION:

The Planning Commission held two (2) work sessions to discuss the current County Code regulations for duplexes and possible amendments. The Planning Commission also reviewed how duplexes were managed in some similar localities in Virginia.

At their meeting on October 13, 2020, the Planning Commission recommended by a vote of 7-0, that the Board of Supervisors consider scheduling public hearings for the Planning Commission and Board of Supervisors on November 10, 2020 and December 22, 2020, respectively, for possible amendment to Section 25-179 of the Franklin County Code by adding Dwelling, two-family or duplex, as a permitted use in A-1, Agricultural zoning districts, by issuance of a Special Use Permit by the Board of Supervisors. The Commission further recommended that a minimum lot size of one (1) acre be required as found in Section 25-180 Minimum lot size and Section 25-188 Special Requirements of the County Code. Under this recommendation, duplexes shall continue to be allowed in the non-zoned areas of the County, and in

Residential Multifamily Districts (RMF) and Residential Planned Unit Development Districts (RPD) as a permitted use.

RECOMMENDATION:

Staff respectively requests the Board of Supervisors accept the recommendation from the Planning Commission to allow duplexes as a use by Special Use Permit in the Agriculture A-1 zoning district and authorize the County's Zoning Administrator to schedule public hearings before the Planning Commission and Board of Supervisors on November 10, 2020 and December 22, 2020, respectively, for a possible amendment to the Franklin County Code.

POSSIBLE BOARD ACTIONS:

MOTION to APPROVE:

I make a motion to accept the recommendation from the Planning Commission to allow duplexes as a use by Special Use Permit in the Agriculture, A-1 zoning district and authorize the County's Zoning Administrator to schedule public hearings before the Planning Commission and Board of Supervisors on November 10, 2020 and December 22, 2020, respectively, for a possible amendment to the Franklin County Code.

MOTION to TABLE:

I move to table this matter until more information can be provided by staff and/or the Planning Commission.

MOTION to DENY:

I make a motion to deny the recommendation of the Planning Commission to amend the Franklin County Code to allow duplexes as a use by Special Use Permit in Agriculture, A-1.

Franklin County
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EXECUTIVE SUMMARY

AGENDA TITLE: **2021 Legislative Agenda Items** **SUBJECT/PROPOSAL/REQUEST:** **Legislation Agenda Items Request for the 2021 General Assembly Session** **STAFF CONTACT(S):** Whitlow, Sefcik	**AGENDA DATE:** **October 20, 2020** **ACTION:** **INFORMATION:** **CONSENT AGENDA:** NO **ACTION:** **INFORMATION:** **ATTACHMENTS:** YES **REVIEWED BY:** Christopher L. Whitlow, County Administrator

BACKGROUND:
Each year the County submits or highlights various items of concern regarding the upcoming session of the Virginia General Assembly. Attached is a copy of the 2020 Virginia Association of Counties (VACo) Legislative Program and Policy Statement which articulates the position of counties across the Commonwealth of Virginia. In addition to the VACo program, staff has included a copy of the draft 2021 West Piedmont Planning District Commission's Regional Legislative Platform and the SML Regional Chamber of Commerce platform.

DISCUSSION:
This past year, various issues of concern have been communicated to the County's legislative delegation, including opposition to a proposed statewide landfill tipping fee; flexibility for farmers protecting livestock through predator control measures; support for the 2nd amendment; adequate funding support to fill state trooper position vacancies in our County and region; continued funding and support of law enforcement; as well as support for additional funding for broadband initiatives. While the VACo and other legislative agendas will not be adopted until later next month, staff wanted to engage Board discussion early on to help guide the drafting of the various legislative platforms.

RECOMMENDATION:
Staff respectfully requests the Board discuss its legislative priorities as noted above.

Smith Mountain Lake Regional Chamber of Commerce
Government Affairs Committee

The mission of the Government Affairs Committee is to:

- Understand local, state and federal legislative, policy and regulatory matters affecting businesses;
- Develop and recommend to the Board advocacy positions on relevant issues; and
- Clearly communicate the Chamber's positions to its members, elected officials and the community at large.

Virginia State Officials
Governor Ralph Northam
Lt. Governor Justin E. Fairfax
Senator Mark R. Warner
Senator Tim Kaine
Congressman Denver Riggleman

SML Area State Legislators
Senator Stephen D. Newman
Senator Frank Ruff
Senator William M. Stanley
Senator David Suetterlein
Delegate Kathy J. Byron
Delegate Charles Poindexter
Delegate T. Scott Garrett
Delegate Christopher T. Head
Delegate Terry Austin
Delegate Les R. Adams

SMITH MOUNTAIN LAKE
Regional Chamber of Commerce

2021 PUBLIC POLICY AGENDA

With more than 650 members, the Smith Mountain Lake Regional Chamber of Commerce (SMLRCC) provides information, support and advocacy for the region's business community. It serves Bedford, Franklin, and Pittsylvania counties.

Additionally, the Chamber operates a state-certified Visitor Center at Smith Mountain Lake.

The organization's mission is to promote tourism and grow business in the region.

SMLRCC spearheads the business community's involvement in public policy issues. State and local issues directly impacting the lake region's economic vitality are the focal point of the organization's annual Public Policy Agenda.

In order to represent the local business community with a unified voice, policy issues of greatest interest to the Chamber's members are annually identified. Those for 2020 are presented on the following pages.

Franklin County, VA
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Business Savvy. People Friendly.
PITTSYLVANIA COUNTY, VIRGINIA

VIRGINIA IS FOR LAKE LOVERS™

16430 Booker T. Washington Hwy., Ste. 2, Smith Mountain Lake, VA 24121
540.721.1203, www.visitsmithmountainlake.com

Dedicated to promoting tourism and growing business for its members and the community, the SMLRCC supports:

Business and Tourism

- Creating a SML Community Center that will expand economic growth in the area by providing a venue for events to attract tourists, businesses, and residents.
- In this economic environment, sustain the budget of Virginia Tourism Corporation and the Virginia Mountains Region.
- A cautious approach to significant legislative and regulatory changes, e.g., to the minimum wage and paid family leave, that could slow the economic recovery and job creation.
- Virginia's Right To Work (RTW) Laws and works to oppose laws or regulations that undermine Virginia RTW status. This RTW status has been and continues to be a reason businesses chose to relocate, with commensurate increases in employment levels, here as opposed to other states.

Protecting the Lake

- Safeguarding the lake against non-native, harmful plants and animals. More resources should to be dedicated to educate boaters from surrounding states, e.g., billboards at high-traffic entry points, to prevent zebra mussel infestation into Virginia's waters.
- Ensuring government oversight to preserve the pristine quality and quantity of water inflows to the Lake with respect to the Mountain Valley Natural Gas Pipeline Project.

Economic Infrastructure

- Supporting local government/private industry partnerships to rapidly make the region more broadband competitive.
- Expand recreational opportunities such as hiking and biking trails.
- Increasing investment in career and technical (CTE) education in K-12 to promote job creation in the region.
- Expanding secondary education and other state-level initiatives in trades creating a more comprehensive, unified system of publicly funded employment training services.
- Requiring the Federal Energy Regulatory Commission (FERC) to add the rights of private property owners to the list of factors considered when issuing and enforcing hydropower project licenses.

Transportation

- Supporting establishment of an Amtrak stop in the Town of Bedford.
- Increasing funds to improve Central and Southwestern Virginia's highway infrastructure, including:
  - Improvements to the safety and traffic flow on State Route 122, the only north-south artery for our region, between Rocky Mount and Bedford; and
  - Construction of I-73.
- Including "peak tourist season" road use as part of economic development measures in VDOT SMART

Franklin County
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West Piedmont
Planning District Commission

DRAFT

2021 REGIONAL LEGISLATIVE PROGRAM

Funding, Revenue & Taxation

The WPPDC opposes any legislation intended to restrict or limit local government taxing authority including the Business/ Professional /Occupational License (BPOL) Tax.

The WPPDC supports legislation allowing Virginia counties to increase meals tax levies up to the 8% maximum rate currently permitted cities and towns. Additionally, the WPPDC supports allowing counties to either adopt a new meals tax, or increase an existing tax without a referendum as cities and towns are permitted.

The WPPDC supports the elimination of state exemptions limiting the amount of local machinery and tool taxes which may be collected on solar power farm equipment and facilities.

The WPPDC supports the creation of a sustainable approach to address funding and service delivery of at-risk youth services under the Children's Services Act (CSA) to stem ever burgeoning local government costs.

Due to the Covid 19 pandemic, the WPPDC urges the Commonwealth to provide creative and flexible financial support and accommodations as necessary to address unprecedented new challenges for local economies and to help restore and strengthen them.

Education

The WPPDC supports the state fully funding the Standards of Quality recommended by the State Board of Education and the Standards of Accreditation

Regional Cooperation

The WPPDC supports increased state funding for the Commonwealth's 21 planning districts to further their vital mission to promote collaborative approaches to issues which are regional in scope.

Economic Development

~~The WPPDC supports state economic development policies and programs supporting local and regional development efforts by maintaining and creating new and flexible funding resources to promote local and regional initiatives including, but not limited to, the Agriculture and Forestry Industries Development Fund (AFID~~

WPPDC supports federal and state programs and appropriate incentives to assist localities in fostering the availability of workforce housing in the region.

Transportation

The WPPDC supports sustainable state funding for Smart Scale and other state programs necessary to support critical long term transportation investments to facilitate economic prosperity in the West Piedmont Region.

The WPPDC supports the creation of a new inland port in Southern Virginia to facilitate the timely transport of goods from the region's business community and the attendant economic development impact such a facility would create in the region.

Workforce Development

~~The WPPDC supports the Commonwealth continuing to replicate on a state wide basis the model created by the Dan River Region Collaborative (DRRC) in the Counties of Halifax, Henry, Patrick, Pittsylvania, and the Cities of Danville and Martinsville for employees and job candidates to earn the ACT National Career Readiness Certificate (NCRC) and for communities to achieve the Certified Work Ready Community (CWRC) designation. The DRRC program is the first in Virginia to pursue the CWRC designation and also the first in the nation to implement this effort in a rural region.~~

The WPPDC supports federal/state funding and program initiatives to address the opioid crisis by targeting prevention, treatment, recovery, and workforce re-entry support programs.

Broadband

WPPDC urges the Commonwealth and the federal government to assist communities in efforts to deploy universal affordable access to the internet in underserved areas.

WPPDC advocates continued state support of local and regional authorities created under the Virginia Wireless Service Authorities Act, Virginia Resources Authority, and other favorable financing mechanisms for broadband projects. Assistance should include economic incentives, along with budgetary and statutory policies facilitating broadband deployment and adoption.

The WPPDC opposes mandates restricting local land use authority over the siting of telecommunications infrastructure.

Law Enforcement Funding

The WPPDC advocates for continued funding of school resource officers in Virginia public school systems as a vital public safety measure to protect students, faculty, and staff.

The WPPDC advocates state funding support for local law enforcement personnel at a level adequate to enable localities to retain experienced personnel in a market including competition from both the Virginia state police and North Carolina law enforcement agencies.

Contact Information: David R. Hoback, Executive Director
West Piedmont Planning District Commission
P.O. Box 5268, Martinsville, VA 24115
Ph: 276.638.3987, Fax: 276.638.8137 Email: dhoback@wppdc.org

2020 Legislative Program
Virginia Association of Counties

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VACo's 2020 Overarching Legislative Priority Position

Equal Taxing Authority

Counties provide the same core services, such as public education, human services, and public safety, to their residents as cities and towns but have limited opportunities to raise revenue. VACo supports granting counties the same authority that is enjoyed by cities and towns to enact local taxes without referendum.

ECONOMIC DEVELOPMENT AND PLANNING

Priorities

Broadband

VACo urges the Commonwealth to provide adequate financial assistance to counties to build the necessary telecommunications infrastructure to deploy universal affordable access to the internet for all areas, particularly in underserved and rural areas. Additionally, VACo supports legislation that provides additional tools for counties to finance, build and operate open access networks in partnership with commercial internet service providers.

Proffers and Growth Management Tools

VACo supports changes to the conditional zoning law to allow greater flexibility in the application process for determining fiscal impacts.

VACo also supports legislation that grants localities additional tools to adequately meet increasing needs for public services driven by new development without burdening current residents with the cost of new growth through increased real estate taxes. Such additional tools may include broad impact fee authority for all counties, and adequate public facilities provisions.

Utility-Scale Solar

VACo supports returning the authority to counties to determine local tax incentives for utility-scale solar installations and opposes any expansion or extension of the state-mandated tax exemption on local property taxes for solar equipment. Additionally, VACo supports maintaining local authority to address all impacts associated with utility-scale projects.

Positions

Land Use

VACo supports maintaining local authority to plan and regulate land use and opposes any legislation that weakens these key local responsibilities.

Regulation of Home-based Businesses

VACo opposes any legislation that limits or restricts local authority to regulate home-based businesses, including short-term rentals regardless of whether services or goods are purchased through an online hosting platform.

Affordable and Workforce Housing

VACo supports maintaining federal and state funding and appropriate incentives to assist localities in fostering affordable housing, as well as workforce housing for employees such as teachers and first responders.

Economic Development

VACo supports economic development policies and programs that bolster local and regional development efforts by maintaining state funding, streamlining state and federal processes, and granting additional funding and authority to promote local and regional initiatives. This includes the provision of adequate funding for the Agriculture and Forestry Industries Development Fund (AFID); the Commonwealth Opportunity Fund; and the operations of the Virginia Economic Development Partnership (VEDP). VACo also supports state funding for Virginia's planning district commissions and local cooperative extension offices, which play key roles in addressing regional challenges.

Impacts of Federal and Military Facilities

VACo supports maintaining federal and state funding and technical assistance to mitigate the impacts on counties affected by federal budget cuts and to sustain current and future federal facilities in Virginia. VACo supports state and local partnerships that work to prevent encroachment and non-compatible land uses next to military installations. VACo also supports workforce training and retraining for programs that support defense activities in Virginia.

Maintain Public Sector Role in Onsite Sewer Program

VACo supports an onsite sewage program at the Virginia Department of Health (VDH) that protects public health and the environment in all regions of the Commonwealth. The Commonwealth should give special focus to addressing the challenge of failing septic systems and allow localities authority to develop and implement policies that support the state's program. VACo supports the private sector providing onsite sewage system design, installation and repair services, as long as the services can be provided at affordable rates and in a timely manner, and as long as VDH continues to provide these direct services as well.

Siting of Transmission Lines

VACo supports requiring utilities to seek input from localities and property owners before any actions to construct, modify or enlarge utility transmission facilities.

EDUCATION

Priority

Education Funding

VACo urges the General Assembly to provide full state funding for public education, including the Standards of Quality (SOQ) as recommended by the Board of Education, where these recommendations coincide with prevailing local practice, targeted incentive programs, capital, and maintenance support, and teacher salaries.

Full state funding should be achieved without reduction to other parts of state public education budgets or to other core services. Changes to school security and high school graduation standards will require additional resources to implement and those costs must be adequately funded by the state. VACo supports additional state resources and additional funding options for localities for capital and school construction costs.

VACo supports the current practice whereby all year-end funds appropriated to the school divisions by the locality revert to the locality, retaining discretion with the governing body to evaluate and approve the reallocation of year-end fund balances.

Positions

Charter Schools

VACo opposes legislation that removes authority from local school boards and divisions to establish charter schools.

Childhood Development and School Readiness

VACo supports efforts to increase at-risk children's access to high-quality, enriching learning environments, including more resources and flexibility for localities participating in programs like the Virginia Preschool Initiative and Head Start.

Critical thinking Skills

VACo supports changes to educational programs and standards that rely less on standardized testing and more on critical thinking skills such as performance-based assessments.

Funding Support Personnel

VACo supports full restoration of budget cuts, including the elimination of the funding cap on support positions, and full reinstatement of the Cost of Competing Adjustment "COCA" for support staff. In addition to meeting its obligations to fully fund instructional staff, the Commonwealth should meet its obligation to fully fund K-12 support staff.

Library System
VACo supports additional state resources for the funding of financial aid to the local library system.

School Safety and Security
VACo supports efforts to improve school safety and preparedness including establishing a Statewide School Safety Drill, for students, teachers, administrators, law enforcement, and other staff to engage in active shooter drills. VACo supports the development of model policies to provide guidance on active shooter drills and updates to school safety plans and drills. VACo supports dedicated state funding to improve school security for both capital and operational costs including funding that would serve as an incentive for local school divisions to hire additional Resource Officers, School Protection Officers, or other security personnel and measures.

Special Education Regional Tuition Reimbursement Program
VACo supports enhancing local capacity to serve children with high-level support needs in the least restrictive environment, including regional special education programs. VACo supports local flexibility in the structure of such programs. If a new model for the distribution of funding for special education students with intense support needs is implemented, such a model should be phased in gradually, with state dollars provided to enable school divisions that would otherwise experience reductions in funding to continue to meet federal maintenance of effort requirements.

Teacher Shortage and Retention
VACo urges the General Assembly to approve and fund strategies addressing the teacher shortage in the Commonwealth. VACo supports a targeted approach to teacher shortage by prioritizing areas in critical need, as recommended by the Virginia Department of Education. VACo supports using district-level data to determine how to best fill shortage gaps, especially in hard-to-staff divisions. VACo supports reducing burdens on the teacher workforce in the Commonwealth. VACo supports programs aimed at reducing student debt for teaching in public schools. VACo also supports programs that encourage teachers to stay in the profession including measures that provide mentorship, guidance and other forms of support for teachers in their first five years in the profession.

Workforce-Ready Students
VACo supports changes in curriculum and funding that will increase the number of students leaving the K-14 system with workforce-ready credentials. VACo supports incorporating career and technical education curriculum at the elementary school level. VACo supports high school students earning academic credit for participating in an internship, apprenticeship, credential, and other work programs. VACo supports innovative models for schools to give academic credit for students that earn industry workforce skills through certifications, or licensure from an approved education or training provider. VACo supports establishing partnerships to strengthen the school-to-workforce pipeline in a

variety of ways including guaranteed employment opportunities with local businesses and learning opportunities shared between local community colleges and high schools.

ENVIRONMENT AND AGRICULTURE

Priority

Water Quality Improvement Funding

VACo supports effective partnerships across all levels of government as well as adequate financial and technical assistance from the federal and state governments to improve water quality. VACo supports improved water quality but opposes strategies that penalize local governments by withdrawing current forms of financial assistance or imposing monitoring, management, or similar requirements on localities without providing sufficient resources to accomplish those processes. VACo supports efforts to continue to restore and protect the Chesapeake Bay but opposes additional nutrient regulations on wastewater treatment facilities that are scientifically unsound, economically unfeasible, or unnecessary for meeting the Commonwealth's goals. VACo opposes the imposition of a state fee, tax or surcharge, on water, sewer, solid waste, or any service provided by a local government or authority.

Positions

Aquifer Protection

VACo supports initiatives by the state to assure adoption of actions to reduce high chloride concentrations and loss of artesian head pressure in Virginia's aquifers. VACo also supports a review of regulations and supports education initiatives that promote reclamation of water on a local level for industrial and irrigation uses to offset future demands on all ground and surface water used for human consumption.

Biosolids

VACo supports an effective statewide regulatory program governing land application of biosolids. Such a program should not infringe upon the authority of local governments to monitor compliance. VACo supports the ability of local governments to propose amendments to biosolids permits as they are considered by DEQ.

Conservation

VACo encourages targeted initiatives to facilitate the protection of land for conservation purposes. VACo supports the creation a Purchase of Development Rights program that provides state funding for the Virginia Land Conservation Foundation and participation incentives for landowners. Such programs preserve prime soils for food production and protect important forest land and environmentally sensitive areas in the Commonwealth.

VACo supports voluntary state and federal conservation programs, including the United States Department of Agriculture's (USDA) Environmental Quality Incentives Program and the Conservation Stewardship Program, to assist producers with the implementation of best management practices.

Dam Safety
VACo supports programs that keep downstream owners and developers aware of potential inundation zones. VACo also supports sufficient state and federal funding for the repair and maintenance of dams.

Energy
VACo supports renewable energy policies and energy efficiency measures that reduce greenhouse gas emissions, lessen dependence upon foreign sources of energy, and improve the feasibility of using renewable energy, including efforts to remove barriers to municipal net metering. VACo supports legislation that encourages renewable energy production through the implementation of Renewable Portfolio Standards. VACo supports creative financing mechanisms that enable localities to implement their own renewable energy and energy efficiency programs and measures. VACo supports maintaining local zoning authority regarding renewable energy facilities and other utility projects to protect agricultural and other local considerations. Finally, VACo supports responsible policies that enable coal and natural gas extraction, processing, and transport while protecting agricultural interests and natural resources.

Hydraulic Fracturing
VACo supports a stringent state regulatory program for hydraulic fracturing (or "fracking") that addresses the potential to tap into natural gas reserves in ways that protect public and private groundwater supplies and preserve local government authority to regulate and/or ban this type of mining activity through their land use ordinances. VACo supports transparency efforts that require the disclosure of all chemicals and chemical mixes used in the fracking process prior to their use.

Invasive Species and Noxious Weeds
VACo supports funding for, and the complete implementation of, the Virginia Invasive Species Management Plan. VACo supports an amendment to the term, "noxious weeds," enabling additional invasive plants to be considered for regulation. All programs and proposals should be evaluated for their commercial impact, allowing no more than a negligible impact on Virginia's agricultural industry. Finally, VACo supports requiring better state prevention and mitigation practices.

Large Utility Projects
VACo supports the provision of adequate direction and resources for the state to improve monitoring and enforcement of Erosion and Sediment Control and Stormwater requirements by entities constructing large-scale utility projects. The state should conduct a review of the annual standards, specifications, and construction general permit requirements to determine adequate protection of water quality and natural resources.

Non-Point Source Pollution

VACo supports a well-financed state program to address non-point source runoff from agricultural operations. The program should encourage implementation of priority best management practices (BMPs) such as nutrient management planning, use of cover crops, continuous no-till farming and development of forested riparian buffers and livestock stream exclusion.

Predator Control

VACo urges state and federal agencies to support the agricultural industry by allowing farmers and producers sufficient flexibility when protecting livestock against predatory animals. VACo encourages the USDA Wildlife Services Division and the Virginia Department of Agriculture and Consumer Services to allow producers access to the predator control tools required for the continuation of effective livestock production. VACo also supports USDA's Livestock Indemnity Program and the financial relief it provides to producers who have lost livestock to the attacks of federally protected predators.

Southern Rivers Watershed

VACo supports continued funding for the Southern Rivers Watershed Enhancement Program to improve water quality in non-Chesapeake Bay watersheds.

Stormwater Programs

VACo supports state funding that enables local governments to fully satisfy the resource and funding needs associated with local stormwater management programs. VACo supports legislation that proposes creative and cost-effective stormwater management practices. VACo supports initiatives that clarify and modernize stormwater regulations and permitting processes, including measures that makes permitting more efficient, reevaluates the fee structure system, and allows for considerations of factors such as long-term maintenance costs. VACo supports legislation that proposes innovative solutions to facilitate compliance with stormwater standards in ways that promote economic development while achieving water quality goals.

Tree Conservation and Replacement

VACo supports expanding tree replacement and tree conservation statutes to include all localities in Virginia.

Onsite Wastewater Systems

VACo supports legislation ensuring that potential buyers of real property are told about the type, size and maintenance requirements and associated costs of the wastewater systems on the property prior to the signing of the initial sales contract and the recordation of engineered systems plat and deed at the time of sale.

Uranium Mining
VACo supports continuation of a moratorium on uranium mining and milling within the Commonwealth of Virginia.

Technical Assistance
VACo supports robust state funding for entities that provide critical resources and technical assistance to localities in their efforts to comply with environmental policies and regulations. This includes, but is not limited to, organizations such as the Virginia Cooperative Extension and Planning District Commissions (PDCs).

Water Supply Planning
VACo supports appropriations adequate to ensure full funding by the state for the ongoing development and implementation of state-mandated water supply plans. VACo does not support overly burdensome permitting processes or applications for water usage.

FINANCE

Priorities

Local Finance

VACo supports the authority of county governments to levy and collect revenue from local business taxes.

Positions

Appeals of Tax Assessments

VACo opposes proposals to make major changes to the current appeals processes for real or tangible personal property assessments, such as changes to the assessor's presumption of correctness or the role of the state Tax Commissioner with respect to valuation of property.

Funding for State Mandated Positions and Jails

The Commonwealth must meet its obligations to fund appropriate staffing for the state's system of justice, to include clerks, magistrates, Commonwealth's Attorneys, public defenders, district court employees, and probation office employees. In the absence of adequate state support for this critical function of government, localities are frequently placed in the untenable position of supplementing the justice system with local dollars in order to ensure its continued functioning. VACo urges the Commonwealth to meet its full funding obligations and provide flexibility in the use of state funds for compensation of constitutional officers and state-supported local employees.

VACo requests that jail per diem funding in the 2020-2022 biennial state budget be increased to levels that better represent the costs of housing inmates and be adjusted for inflation in the future so that payments keep pace with rising costs. The current rates of $4 per day for local-responsible inmates and $12 per day for state-responsible inmates are inadequate and represent an underfunded mandate on counties. The Compensation Board estimated a total average daily cost of operating local and regional jails at $85.83 per inmate in FY 2017, of which $46.30 was contributed by localities.

VACo supports payment of the medical costs of inmates using a cost-effective program jointly funded at the federal and state levels. VACo supports streamlining the process of eligibility determination and enrollment for inmates who may qualify for Medicaid. VACo supports the provision of clinically appropriate health care for individuals incarcerated in local and regional jails; if the state establishes standards for the provision of health care, including behavioral health care, in local and regional jails, these standards should be adopted through the regulatory process with ample opportunity for stakeholder involvement, and the state must provide sufficient funding to allow these standards to be met.

Funding for Payments of Service Charges in Lieu of Taxes for State Facilities

VACo supports reinstating state payments (PILT) to counties that mitigate the impacts of state correctional and behavioral healthcare facilities on county revenue. VACo supports measures to ameliorate the effects of large amounts of other tax-exempt property on the local tax base.

Implementation of Medicaid Expansion

VACo supports full state funding for the local costs associated with Medicaid expansion, including local eligibility workers and case managers. VACo supports restoration of General Fund reductions to Community Services Boards in FY 2020. These savings were incorporated in the 2018 Appropriations Act and were expected to be generated by replacing General Fund support for services for previously-uninsured CSB clients with Medicaid billing for clients newly eligible for Medicaid. However, there is concern that Medicaid reimbursements may not fully cover the General Fund reductions.

Legislation with Local Fiscal Impact

VACo supports legislation or other measures providing additional time for localities to review legislation that may have an impact on local revenues or expenditures.

Modernization of Communications Sales and Use Tax Structure

VACo supports updating the Communications Sales and Use Tax (CSUT) to ensure that it reflects the modern telecommunications landscape, which has evolved since the CSUT took effect in January 2007.

VACo opposes any further diversion of Communications Sales and Use Tax Trust Fund dollars beyond the uses already specified in statute. These revenues should be held in trust for localities and not diverted for general state purposes. Currently, funds from the Communications Sales and Use Tax Trust Fund are taken "off the top" for the Department of Taxation's costs to administer the tax, the telephone relay center operated by the Department for the Deaf and Hard of Hearing, and any franchise fees owed to localities. Language adopted in the 2018-2020 biennium budget provides for an additional diversion of funds to the state General Fund from assumed savings in the telephone relay contract; these funds would otherwise flow to localities.

Real and Personal Property Tax Exemptions Enacted Prior to 2003

VACo supports providing localities the ability to decide whether to maintain property tax exemptions granted by the General Assembly prior to passage of the Constitutional amendment vesting the authority to grant such exemptions with localities. The Constitutional amendment which was passed by the voters in 2002 and took effect in January 2003 placed decision-making authority about local tax exemptions with local governing bodies, within certain limits, and this authority should apply to exemptions granted before 2003 as well.

GENERAL GOVERNMENT

Priorities:

Unfunded Mandates

VACo opposes unfunded mandates and shifting fiscal responsibility for existing programs by the Commonwealth from the state to localities. When funding for a mandated program is altered, the mandate should be suspended until full funding is restored. When legislation with a cost to localities is passed by the General Assembly, the cost should be borne by the Commonwealth, and the legislation should contain a sunset clause providing that the mandate is not binding on localities until funding by the Commonwealth is provided.

Positions

Collective Bargaining for Public Employees

VACo opposes any effort to mandate collective bargaining for public employees.

Election Costs and Districts

VACo supports legislation that would decrease the costs of elections to localities. These costs include primaries, voting equipment, personnel and voting places. Cost reduction solutions include requiring parties to pay for primary elections, having one date for primary elections, using printed ballots, establishing countywide voting places and other similar measures. The state should provide adequate funding to localities for optical scan and other voting equipment and registrar costs. VACo also supports legislation to minimize or eliminate Split Voting Precincts. Additionally, VACo supports a streamlined process to address situations in which census boundaries do not align with locally drawn or commonly adhered to boundaries.

Ethics Reform

VACo supports common sense efforts to strengthen Virginia's public ethics and conflicts of interest laws that are applicable and practical at the local level.

Freedom of Information Act (FOIA)

VACo opposes changes to the Virginia Freedom of Information Act that would impose additional burdens on localities.

Grievance Hearings

VACo supports legislation authorizing localities to use an administrative hearing officer and existing grievance panels and procedures, and opposes the mandate of a three-member panel. VACo also supports providing immunity to local government employees, officers, volunteers, administrative hearing officers and panel members for claims arising out of participation in personnel grievance procedures.

Interoperability
VACo supports the state's goal that agencies and their representatives at the local, regional, state and federal levels be able to communicate using compatible systems to respond more effectively during day-to-day operations and major emergencies. Local governments require dedicated federal and state funding sources to achieve this goal.

Local Authority
VACo supports relaxation of the Dillon Rule and legislation maintaining and enhancing local authority and autonomy in matters including land use, revenue measures, procurement and other issues of local concern. VACo supports extending powers currently granted to some local governments to all local governments. VACo opposes legislation that erodes local authority.

Next Generation 9-1-1 (NG9-1-1)
VACo supports the Commonwealth's transition to Next Generation 9-1-1 (NG9-1-1) in a way that does not unfairly burden localities, financially or otherwise.

Pretrial Services
VACo supports increased funding for and expansion of pretrial services.

Public Notice, Public Hearing and Public Procurement
VACo supports legislation to streamline required newspaper advertising for public notices, public hearings and public procurement including legislation to give localities the option to use electronic or other forms of notification as an alternative to newspaper advertising.

Public Safety – Body Worn Cameras
VACo supports maintaining the ability of local governments to adopt policies and practices regarding body worn cameras that reflect local needs and fiscal realities.

Sovereign Immunity
VACo opposes any substantive change in local governments' present defense of sovereign immunity. VACo opposes bringing counties under the Virginia Tort Claims Act.

State Assistance for Police Departments
VACo supports increasing state assistance for police departments through "599" Aid to Localities. This funding is designed to equalize state funding between counties in which the sheriff department provides law enforcement and those cities, counties and towns with a police department.

HEALTH AND HUMAN RESOURCES

Priority

Health and Human Resources Funding

VACo supports transparent state policies and funding to ensure the Commonwealth's at-risk families have access to high quality and appropriate services. The Commonwealth should provide full funding to localities and their state administrative entities for state-mandated human services and provide the necessary program flexibility to enable localities to provide comprehensive and case-tailored services.

Positions

Aging/Long-Term Care

VACo supports efforts that allow seniors to remain at home in a safe and secure environment. VACo urges the General Assembly to provide sufficient funding for companion services, in-home services, and home-delivered meals.

Behavioral Healthcare

VACo supports continued funding by the Commonwealth sufficient to allow Community Services Boards (CSBs) to meet adequately the charge of providing services through a community-based system of care. State support must adequately enable CSBs to provide the additional services mandated by the General Assembly to be phased in over the next several years, as well as any additional requirements that may be added, such as a requirement to provide behavioral health treatment in local and regional jails.

Any changes to CSB funding should involve meaningful consultation with localities as key funding partners in the behavioral health system. In addition to local contributions to CSBs, localities make significant commitments to behavioral health through support for services funded through the Children's Services Act and local spending on behavioral health care in local and regional jails, among other funding commitments.

Proposed changes to the funding structure, such as the creation of new funding formulae, should apply only to new funding. As an alternative, hold-harmless funds must be provided to those CSBs that would stand to lose state funding under any new funding structure.

VACo supports the ability of the Department of Behavioral Health and Developmental Services to waive local matching requirements for CSB funding for localities experiencing financial hardships.

Realignment of the behavioral health funding structure to incentivize community-based treatment rather than use of state hospitals will require additional state dollars and must not rely on local funding to backfill unanticipated costs for hospitalization.

VACo supports the creation of additional Medicaid waiver slots to serve individuals with intellectual and developmental disabilities in the community, approximately 13,000 of whom were on a wait-list as of August 2019.

Children's Services Act

VACo supports equitable cost-sharing between the state and localities for the costs involved in the placements of children in residential treatment facilities for non-educational reasons. VACo opposes proposals to limit state participation in funding services for children and youth who are mandated to be provided with special education and foster care services.

VACo supports enhancing the ability of local school divisions to serve children with disabilities, to include flexibility in use of state pool funds to serve children with high-level needs in local or regional programs tailored to meet those needs, and additional support for special education wraparound services to help support children in their communities.

VACo supports state assistance to localities with contracting for CSA services to improve localities' ability to negotiate with providers of these services, such as private day placements.

Early Intervention

VACo supports sustainable funding for Part C Early Intervention, which is an entitlement program that provides services for Virginia's infants and toddlers. VACo requests that the General Assembly continue to increase state general funding to address growth in caseloads. Underfunding this entitlement program puts pressure on local revenues to fill funding gaps for this mandated service.

Emergency Medical Transportation

VACo supports policies to protect consumers who require air ambulance services. VACo opposes proposals that would add additional legal and administrative burdens on local first responders regarding decisions about methods of transportation in emergency situations.

Foster Care

VACo supports efforts to ensure that the state is prepared to meet the requirements of the recently-enacted federal legislation governing federal funding for children placed in foster care, to include preparing providers to meet new standards required in the law. This legislation will allow federal participation in prevention services that previously have been funded by state and local dollars, but services must meet certain standards in order to qualify for federal funding. VACo supports state assistance in recruiting appropriate foster families to care for children who must be removed from their homes

VACo supports state assistance in recruiting and retaining child welfare workers to address high rates of turnover in local departments of social services.

Group Homes
VACo supports resources necessary for the state to enforce appropriate regulation of group homes, such as staff qualifications and the condition of the homes, to ensure the protection of residents' health and safety.

Healthcare
VACo supports continued state funding for dental care, school nurses and preventive services and maternal and child health programs offered through local health departments and local school systems. VACo encourages the state to prepare for emergency health services access to care and to develop and fund incentives that would alleviate the nursing shortages felt in many communities.

Human Trafficking
VACo supports treating survivors of human trafficking as victims, not criminals, and supports their access to services available to other trauma victims, such as job placement services, housing assistance, access to education, legal services, and mental health services.

Local EMS Involvement
VACo supports increased local involvement in state EMS planning to ensure statewide needs are met and to avoid imposing unnecessary barriers to volunteerism.

Prevention Services
VACo supports increased state general funding for community-based service programs. VACo recognizes programs such as Healthy Families, Comprehensive Health Investment Project (CHIP) of Virginia, Smart Beginnings, and Resource Mothers as important models and requests that the General Assembly provide additional funding for these home- and community-based activities. Investments in programs that ensure a strong start for children can help reduce the need for costlier interventions later in life.

Substance Abuse
Efforts to address substance dependency must be comprehensive and coordinated with localities. The state should develop and support evidence-based prevention initiatives and should continue to improve access to treatment.

Telehealth
VACo supports the use of electronic information and telecommunications technologies to support long-distance clinical health care, patient and professional health-related education, public health and health administration. Flexibility in the delivery of these services is essential in meeting the needs of residents.

TRANSPORTATION

Priorities

Transportation Funding

VACo supports expedited action to address the causes for declining growth in transportation revenues and to develop recommendations to grow revenue over time to meet increasing demands for new construction and maintenance for existing transportation infrastructure. Such action must address the secondary road needs of counties throughout the Commonwealth, as such funding has been vastly reduced over the past 10 years.

VACo supports changes to simplify the Smart Scale process for allocating transportation funds to reduce time and costs to prepare and review applications.

VACo supports adequate funding levels to maintain existing transit capital state match rates which are projected to decline starting in 2021 due to the depletion of transportation bonds.

In 2018 the legislature enacted a dedicated funding solution for Metro that came largely through reallocation of existing revenues, at the expense of other significant transportation projects throughout Northern Virginia. To address this issue, VACo supports continuing efforts to replace the regional funding that was redirected from the Northern Virginia Transportation Authority.

Positions

Local-State Cooperation

VACo is committed to the protection of local government authority to regulate land use. This authority must be recognized by Virginia Department of Transportation (VDOT) and the Commonwealth Transportation Board (CTB) when evaluations are conducted to determine the consistency between local transportation plans and the Commonwealth's transportation priorities. VACo also opposes the reduction of local control that is associated with the CTB's process of designating Corridors of Statewide Significance and the implementation of Arterial Preservation. Additionally, VACo supports additional flexibility within the VDOT project approval process and standards to be responsive to localities' individual needs. VACo supports the expansion of authority and discretion of Resident Administrators of VDOT to approve modifications to design standards where appropriate with local needs.

Devolution of Secondary Roads

VACo opposes legislative or administrative initiatives that would transfer to counties the responsibility for the construction, maintenance or operation of new and existing roads.

Highway Tolls

VACo opposes the installation of toll facilities on Virginia's interstate highways until the Commonwealth Transportation Board has thoroughly reviewed and

assessed the components of a long-term capital improvement program, has identified and compared all available funding alternatives and has adopted a proposal that matches capital improvements with realistically available funding sources.

Maintenance Priorities
VACo supports a requirement imposed upon VDOT to implement a notification plan with the local governing body to establish maintenance priorities.

Orphaned Drainage Outfalls
VACo supports that VDOT and Department of Environmental Quality (DEQ) provide a report to the General Assembly on the scope of drainage outfalls with no assigned maintaining entity across the Commonwealth and recommend solutions that carry out existing statute.

Parking
VACo supports general authority for counties to adopt ordinances regulating, including prohibiting, the parking of boats, RVs, utility trailers, campers, etc. on subdivision streets. In addition, VACo supports additional authority that would allow localities with parking ordinances the ability to enforce such ordinances using law enforcement, uniformed local employees, or uniformed personnel under contract with the locality.

Peer-to-Peer Vehicle Rentals
All Vehicles, regardless of ownership, that are rented through online platforms should be subject to the current rental car taxes allocated to state and local funds.

Rail Enhancement Fund
VACo supports authority for counties to approve Rail Enhancement Fund projects funded by the state and constructed within their jurisdictions.

Railway Crossings
VACo supports efforts to safely improve mobility issues on roads that cross railway lines.

Truck Size and Weight
VACo opposes any legislation that seeks to increase truck size or weight beyond the current federal standards, thereby stressing the capacity of the Commonwealth's road systems and putting highways, roads and bridges at risk of increased damage or deterioration.

THE FOLLOWING TERMS ARE UP FOR APPOINTMENT/RE-APPOINTMENT

COMMITTEE	NAME	ADDRESS	DISTRICT	YEAR	TERM EXPIRES
DAN RIVER ASAP	Brandt Gawor		CITIZEN APT.	3-Year	6/30/2016
INDUSTRIAL DEVELOPMENT AUTHORITY	Morris Ledbetter	515 Lanahan Lane	BLUE RIDGE	4- YEAR	11/18/2020
	Allen Jones	777 McNeil Mill Road	SNOW CREEK	4-Year	11/18/2020
LIBRARY BOARD		VACANCY	UNION HALL	4-Year	
PIEDMONT COMMUNITY SERVICE	Debbie Powell	RESIGNED EFFECTIVE 4/13/2019		3-Year	
	Betty Buckingham	125 Patterson Avenue		3-Year	6/30/2020
Roanoke Valley-Alleghany Regional Commission		VACANCY			
SOCIAL SERVICES	John Lipscomb	346 Quail Valley Lane	BOONE	4- Year	6/30/2020
Western Virginia Regional Industrial Development Authority		VACANCY		4-Year	

Franklin County

A Natural Setting for Opportunity

EXECUTIVE SUMMARY

AGENDA TITLE: FY 20-21 BUDGET AMENDMENTS - ADDITIONAL APPROPRIATIONS PUBLIC HEARING	***AGENDA DATE:*** **October 20, 2020**
	BOARD ACTION: ***Yes*** ***INFORMATION:*** ***No*** ***ATTACHMENTS:*** ***Yes***
SUBJECT/PROPOSAL/REQUEST Request of the Board of Supervisors to amend the FY 2020-21 budget and approve additional appropriations after conducting a public hearing	***CONSENT AGENDA:*** ***No*** ***ATTACHMENTS:*** ***No***
STRATEGIC PLAN FOCUS AREA: ☑ ☑ *Financial Stability* ☑ *Infrastructure* ☐ *Lifelong Learning* ☑ *Managed Growth* ☑ *Public Safety* ☑ *Operational Effectiveness*	***STAFF CONTACT(S):*** **Brian Carter, Director of Finance & Human Services** ***REVIEWED BY:*** **Christopher Whitlow, County Administrator**

BACKGROUND:
The Code of Virginia (section 15.2-2507) requires the County to hold a public hearing to amend the budget when additional appropriations (i.e. grants, carry overs, financings) exceed one percent of the current adopted budget.

DISCUSSION:
The County received the second distribution of funds from the CARES Act in the amount of $4,889,448 from the State in August 2020. These funds exceed the one percent budget amendment requirement per the Code of Virginia. A public hearing must be held to amend the FY 2020-21 budget and appropriate those funds.

The FY 2020-21 budget would be amended as follows:

		$
CARES Act Funds		4,889,448
FY 2021 Amended Net Budget on July 1, 2020		145,828,788
New Net Adjusted Budget	$	150,718,236

RECOMMENDATION:
After completion of the public hearing, staff requests that the Board of Supervisors amend the FY 2020-2021 budget and appropriate the additional funds as indicated above. The new net adjusted budget will be $150,718,236.

POSSIBLE BOARD ACTIONS:

MOTION to APPROVE:

I make a motion that the Board of Supervisors amend the FY 2020-2021 budget and appropriate the additional funds as indicated above. (The new net adjusted budget will be $150,718,236).

MOTION to TABLE:

I make a motion to table the amendment of the FY 2020-2021 budget until further information is provided.

MOTION to DENY:

I make a motion to deny the amendment of the FY 2020-2021 budget.

PUBLIC NOTICE
FRANKLIN COUNTY, VIRGINIA
A HEARING ON AMENDMENTS TO THE ADOPTED 2020-2021 BUDGET

In Accordance with Sections 15.2-2507 of the Code of Virginia, as amended, on ***Tuesday, October 20, 2020, at approximately 6:00 P.M.*** or soon thereafter, the Franklin County Board of Supervisors will conduct a public hearing on amending the adopted FY 2020-2021 County budget in the Board of Supervisors Meeting Room, located in the Franklin County Government Center, 1255 Franklin Street, Suite 104, Rocky Mount, Virginia.

The original FY 2020-2021 budget was adopted in the amount of $145,828,788. The FY 2020-2021 budget needs to be amended by a total of $4,889,448 to appropriate proceeds from the Commonwealth of Virginia through the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The new adjusted budget total is $150,718,236. A summary of the proposed budget amendment is on file in the Finance Department at the Franklin County Government Center.

Madeline L. Sefcik, CMC
Clerk
Franklin County Board of Supervisors

PUBLISH: Franklin News-Post Friday, October 9 & 16, 2020 editions

Department of Planning & Community Development

Franklin County
A Natural Setting for Opportunity

Transmittal of Planning Commission Action

Date: October 8, 2020

Item: Application of Russell Seneff, requesting a Special Use Permit to allow for the short term tourist rental of a dwelling on an approximate 14.13 acre property currently zoned A-1, Agricultural.

Prepared by: Steven M. Sandy, Director of Planning & Community Development

Date of Commission Action: Public Hearing, September 8, 2020

SUMMARY OF REQUEST

The applicant requests a special use permit to allow for the short term tourist rental of up to four (4) prospective one-bedroom cottages. The applicant recently purchased the property which is located on Bethel Lane and in the Union Hall District. The applicant also owns The Pavilion at Black Water Junction wedding venue that is located nearby. The proposed cottages are proposed to provide a place for the wedding parties and their families to stay during their wedding events.

Each individual cottage will be approximately 576 square feet and will consist of one (1) bedroom, one (1) bath, kitchen, and living area (See attached images). The cottages are proposed to all be connected to a four (4) bedroom septic system and private well.

The applicant has identified several locations on the 14 acre parcel to place the cottages. It is their intention to have a soil scientist determine the most ideal location for them. All of the proposed locations are isolated on the property and would be set back from the road and the existing residences.

There were no public comments received during the advertised public hearing.

Commission's Recommendation: The Planning Commission finds that such use will not be of substantial detriment to adjacent property, that the character of the zoning district will not be changed thereby, and that such use will be in harmony with the purpose and intent of the County Code with the uses permitted by right in the zoning district, and with the public health, safety and general welfare to the

community. Therefore, I move to recommend approval of the applicant's request for a Special Use Permit to allow for the short-term tourist rental of a dwelling in accordance with Sec. 25-179 of the Zoning Ordinance, with the following four (4) conditions:

1. This special use permit authorizing the short-term rental dwelling on tax parcel # 0720017905CC shall only apply to up to four (4) one-bedroom cottages on the property. No future dwelling on the property shall be used for short term rental unless this special use permit shall be revised by the Board of Supervisors after review and recommendation of the Planning Commission.

2. The owner shall always comply with the supplementary regulations for short term rentals found in Section 5.5-72 and Section 25-138 of the Franklin County Code

3. The County Building Official and Fire Marshall shall inspect the proposed short term rental cottages once constructed. No short-term rentals shall be authorized until these inspections take place, and the structures are found to be compliant with the applicable county building and fire codes. Franklin County shall assign a E911 address and owner shall display clearly on each structure.

4. Prior to using the cottages for short term rentals, the property owner shall provide documentation from the Virginia Department of Health and Franklin County Building Official that the septic system is approved to serve up to four (4) one-bedroom cottages.

Roll Call Vote: **Motion to Approve with Conditions: Crawford**
Seconded: Pendleton

AYES:	Doss, Clements, Pendleton, Crawford, Mitchell
NAYES:	None
ABSENT:	Colby, McGhee
ABSTAIN:	None

The following suggested motions are sample motions that may be used. They include language found in Section 15.2-2283, Purpose of zoning ordinances of the Code of Virginia of 1950, as amended.

1. **(APPROVE)** I find that such use will not be of substantial detriment to adjacent property, that the character of the zoning district will not be changed thereby, and that such use will be in harmony with the purpose and intent of the County Code with the uses permitted by right in the zoning district, and with the public health, safety and general welfare to the community. Therefore, I move to recommend approval of the applicant's request for a Special Use Permit to allow for the short-term tourist rental of a dwelling in accordance with Sec. 25-179 of the Zoning Ordinance, with the conditions as recommended by the Planning Commission.

OR

2. **(DENY)** I find that such use will be of substantial detriment to adjacent property, that the character of the zoning district will be changed thereby, and that such use will not be in harmony with the purpose and intent of the County Code with the uses permitted by right in the zoning district, and with the public health, safety and general welfare to the community. Therefore, I move to recommend to deny the request for the Special Use Permit.

OR

3. **(DELAY ACTION)** I find that the required information for the submitted petition is incomplete. Therefore, I move to delay action until all necessary materials can be submitted and reviewed by the County.

RESOLUTION # _____

APPLICATION OF RUSSELL SENEFF, APPLICANT AND OWNER, REQUESTING A SPECIAL USE PERMIT, WITH POSSIBLE CONDITIONS, TO ALLOW FOR THE SHORT TERM TOURIST RENTAL OF A DWELLING. THE PROPERTY IS APPROXIMATELY 14.13 ACRES WITH 1.00 ACRE REQUESTED TO BE USED FOR THE SHORT TERM RENTAL OF FOUR (4) COTTAGES. THE PROPERTY IS LOCATED ON BETHEL LANE IN THE UNION HALL DISTRICT OF FRANKLIN COUNTY AND FURTHER IDENTIFIED BY FRANKLIN COUNTY REAL ESTATE RECORDS AS TAX MAP/PARCEL # 0530010000. THE SHORT TERM TOURIST RENTAL OF A DWELLING IS A PERMITTED USE IN A-1, AGRICULTURAL ZONING DISTRICTS BY ISSUANCE OF A SPECIAL USE PERMIT BY THE FRANKLIN COUNTY BOARD OF SUPERVISORS AND SUBJECT TO THE SUPPLEMENTAL REGULATIONS FOUND IN SECTION 25-138 OF THE FRANKLIN COUNTY CODE. THE PROPERTY HAS A FUTURE LAND USE DESIGNATION OF LOW DENSITY RESIDENTIAL.

WHEREAS, Russell Seneff did file an application requesting a Special Use Permit to allow for the short term tourist rental of a dwelling on an approximate 14.13 acre parcel located in the Union Hall District, and

WHEREAS, the 14.13 acre Seneff property is zoned A-1, Agricultural, and the short term tourist rental of a dwelling is a permitted use by issuance of a Special Use Permit in A-1 districts, and

WHEREAS, after due legal notice as required by Section 15.2-2204/2205 of the Code of Virginia of 1950, as amended, the Planning Commission and Board of Supervisors did hold public hearings on September 8, 2020 and October 20, 2020, respectively, at which time all parties in interest were given an opportunity to be heard, and

WHEREAS, after full consideration, the Franklin County Planning Commission recommended APPROVAL of the Special Use Permit with the following four (4) conditions:

1. This special use permit authorizing the short-term rental dwelling on tax parcel # 0720017905CC shall only apply to up to four (4) one-bedroom cottages on the property. No future dwelling on the property shall be used for short term rental unless this special use permit shall be revised by the Board of Supervisors after review and recommendation of the Planning Commission.

2. The owner shall always comply with the supplementary regulations for short term rentals found in Section 5.5-72 and Section 25-138 of the Franklin County Code

3. The County Building Official and Fire Marshall shall inspect the proposed short term rental cottages once constructed. No short-term rentals shall be authorized until these inspections take place, and the structures are found to be compliant with the applicable county building and fire codes. Franklin County shall assign a E911 address and owner shall display clearly on each structure.

4. Prior to using the cottages for short term rentals, the property owner shall provide documentation from the Virginia Department of Health and Franklin County Building Official that the septic system is approved to serve up to four (4) one-bedroom cottages.

WHEREAS, after full consideration, the Franklin County Board of Supervisors determined that such use will not be of substantial detriment to adjacent property, that the character of the zoning district will not be changed thereby, and that such use will be in harmony with the purpose and intent of the County Code with the uses permitted by right in the zoning district, and with the public health, safety and general welfare to the community and APPROVED the request with the four (4) conditions recommended by the Planning Commission as contained in this Resolution.

THEREFORE, BE IT RESOLVED, that a copy of this Resolution be transmitted to the Clerk of the Planning Commission, the Franklin County Commissioner of Revenue, and the Franklin County Zoning Administrator and that the Clerk be directed to reflect this action to APPROVE the Special Use Permit in the records of Franklin County.

On the motion by _____ to approve the requested Special Use Permit, and seconded by _____, said motion was APPROVED by the following recorded vote:

AYES:
NAYES:
ABSENT:
ABSTAIN:

_____
Madeline Sefcik, Clerk
Franklin County Board of Supervisors

_____
Date

MEMORANDUM
Case # SPEC-07-20-16655

Franklin County
A Natural Setting for Opportunity

To:	Franklin County Planning Commission
From:	Steven M. Sandy, Planning Director
Date:	August 21, 2020
Tax #s:	0530010000
District:	Union Hall District
Applicant:	Russell Seneff
Owners:	Black Water Junction Farms, LLC

REQUEST:

APPLICATION for SPECIAL USE PERMIT – Application of Russell Seneff, Applicant and Owner, requesting a special use permit, with possible conditions, to allow for the short term tourist rental of a dwelling. The property is approximately 14.13 acres with 1.00 acre requested to be used for the short term rental of four (4) cottages. The property is located on Bethel Lane in the Union Hall District of Franklin County and further identified by Franklin County Real Estate Records as Tax Map/Parcel # 0530010000. The short term tourist rental of a dwelling is a permitted use in A-1, Agricultural zoning districts by issuance of a special use permit by the Franklin County Board of Supervisors and subject to the supplemental regulations found in Section 25-138 of the Franklin County Code. The property has a future land use designation of Low Density Residential.

RECOMMENDATION:

Staff recommends that the Planning Commission approve the request for a Special Use Permit to allow for the short-term tourist rental of up to four (4) one-bedroom cottages with the following four (4) conditions:

1. *This special use permit authorizing the short-term rental dwelling on tax parcel # 0720017905CC shall only apply to up to four (4) one-bedroom cottages on the property. No future dwelling on the property shall be used for short term rental unless this special use permit shall be revised by the Board of Supervisors after review and recommendation of the Planning Commission.*

2. *The owner shall always comply with the supplementary regulations for short term rentals found in Section 5.5-72 Section 25-138 of the Franklin County Code*

3. *The County Building Official and Fire Marshall shall inspect the proposed short term rental cottages once constructed. No short-term rentals shall be authorized until these inspections take place, and the structures are found to be compliant with the applicable county building and fire codes. Franklin County shall assign a E911 address and owner shall display clearly on each structure.*

4. *Prior to using the cottages for short term rentals, the property owner shall provide documentation from the Virginia Department of Health and Franklin County Building Official that the septic system is approved to serve up to four (4) one-bedroom cottages.*

BACKGROUND:

The applicant requests a special use permit to allow for the short term tourist rental of up to four (4) prospective one-bedroom cottages. The applicant recently purchased the property which is located on Bethel Lane and in the Union Hall District. The applicant also owns The Pavilion at Black Water Junction wedding venue that is located nearby. The proposed cottages are proposed to provide a place for the wedding parties and their families to stay during their wedding events.

Each individual cottage will be approximately 576 square feet and will consist of one (1) bedroom, one (1) bath, kitchen, and living area (See attached images). The cottages are proposed to all be connected to a four (4) bedroom septic system and private well.

The applicant has identified several locations on the 14 acre parcel to place the cottages. It is their intention to have a soil scientist determine the most ideal location for them. All of the proposed locations are isolated on the property and would be set back from the road and the existing residences.

Short term tourist rentals are allowed in A-1, Agricultural Districts, by issuance of a special use permit by the Franklin County Board of Supervisors.

The application was advertised, site posted, and notifications sent to all adjacent property owners. As of the date of this report, staff has received one (1) inquiry as to the nature of the request. Additional comments and concerns may be raised as a result of the public hearings.

SITE STATISTICS:

Location:	Bethel Lane, Union Hall District
Size:	14.13 acres
Existing Land Use:	Vacant
Adjoining Zoning:	A-1, Agricultural District
Adjoining Land Uses:	Residential, Agricultural
Adj. Future Land Uses:	Low Density Residential

COMPREHENSIVE PLAN:

The Future Land Use designates this vacant piece of property located on Bethel Lane as Low Density Residential according to the 2007 Franklin County Comprehensive Plan adopted by the Board of Supervisors in May of 2007. The applicant is requesting a special use permit for short-term rentals to be located on a portion of 14.13 acres on the

private road known as Bethel Lane. The applicant is proposing to construct up to four (4) one bedroom, one bath cottages to be used for short-term rentals. This property adjoins the parcel which has "The Pavilion at Black Water Junction" that is used for wedding venues and special occasions. Also, located on the same parcel is the Black Water Junction Wake Park. The location of the proposed cottages to be used as short-term renters will serve a need for the two (2) businesses and the growing need for short-term renters vacationing in and around Smith Mountain Lake. The locations proposed for the cottages appears to be a good distance from adjoining homes. The property is vacant and with some tree cover at the back of the property. The three (3) locations shown on the concept plan none of the locations would adversely impact surrounding properties because the structures will be distances away from other dwelling units and the proposed cottages will not been seen from the private road. The County's need for additional short-term rentals and with these short-term rentals being in proximity to two (2) businesses that will support this project. The comprehensive plan states as an objective to promote and expand the tourism industry within Franklin County with a strategy to encourage development of infrastructure that supports tourism like lodging, restaurants, etc. The comprehensive plan would support the special use permit to allow up to four (4) cottages being constructed on this property to be used as a short term rental dwelling unit with conditions staff is requesting.

Please find below the description of Low Density Residential and the policies for this future land use category:

LOW DENSITY RESIDENTIAL

Low Density Residential Areas are intended to allow gross densities of one to two dwelling units per acre and minimum lot sizes of 20,000 - 30,000 square feet in general proximity to residential support services such as schools, playgrounds, and churches. These areas should either be located in or near existing Towns, Villages, or Rural Neighborhood Centers. It is envisioned that public water and/or sewer will someday serve these areas, meeting all local and state standards and requirements. They should be served by new public roads built by the developer to State standards and dedicated to the State. Recreational facilities and other amenities should be provided. While low density residential areas are typically comprised of traditional neighborhood developments they may also include manufactured housing, free standing townhomes, patio homes and other similar building types.

POLICIES FOR LOW DENSITY RESIDENTIAL

1. All roads should be built to state standards and offered by the developer for inclusion in the state system for maintenance.
2. Lots in new subdivisions abutting County arterial or major collector roads should be provided access onto service or interior roads so as to prevent the stacking of driveways.

3. On site centralized treatment plants to provide public sewer for each subdivision should be encouraged.
4. The density of all new subdivisions to be served by wells and/or septic systems should be determined by the long-term carrying capacity of the land. All new lots should have adequate reserve areas in the event of septic system failures.
5. Centralized water systems should be required to provide water to all new subdivisions.
6. All new subdivisions located in prime farmland areas should include adequate buffers to separate residential uses from agricultural operations.
7. Encourage interconnection of residential and commercial developments in order to lessen the traffic loads on arterial roads and provide pedestrian and bicycle linkages.
8. Streets within subdivisions shall be designed to provide interconnections to adjacent vacant land for future subdivision access and circulation.

COUNTY CODE REGULATIONS:

Special Uses for the A-1 District are set forth in Sec. 25-179. The requested use is referenced as "Short Term Tourist Rental of a Dwelling".

Sec. 25-638 of the County Code sets forth the County's authority to issue special use permits for certain uses. The ordinance states that, in order to issue a special use permit, the Board of Supervisors must find that *"such use will not be of substantial detriment to adjacent property, that the character of the zoning district will not be changed thereby, and that such use will be in harmony with the purpose and intent of this chapter, with the uses permitted by-right in the zoning district, with additional regulations provided in sections 25-111 through 25-137, supplemental regulations, and amendments, of this chapter, and with the public health, safety, and general welfare."*

Sec. 25-640 of the County Code sets forth the County's authority to impose conditions for the issuance of special use permits. The ordinance states that the Board of Supervisors *"may impose upon any such permit such conditions relating to the use for which such permit is granted as it may deem necessary in the public interest..."* Conditions associated with a special use permit must be related to the particular land use which required the permit, and must be related to some impact generated by or associated with such land use.

Sec. 25-641 of the County Code states that a special use permit shall expire eighteen (18) months from the date of issuance if *"no commencement of use, structure or activity has taken place."* The ordinance states that "commencement" shall consist of "extensive obligations or substantial expenditures in relation to the project," including engineering, architectural design, land clearing, and/or construction.

Sec. 25-188 of the County Code states that the A-1 zoning district currently allows one dwelling per parcel however a second dwelling can be built on a parcel greater than one acre if occupied by a family member or someone working on the farm.

Sec. 5.5-72 of the County Code outlines requirements for operation of short term rentals in Franklin County as follows:

Sec. 5.5-72. Short Term Rentals
The following general regulations apply to all short-term tourist rental of residential dwellings:
(a) The use of the dwelling unit for short-term rentals shall be primarily for residential purposes related to tourism or vacationing.
(b) There shall be no change in the outside appearance of the dwelling or premises, or other visible evidence of the conduct of such short-term rentals.
(c) There shall be no more than two (2) adults per bedroom occupying the dwelling at any one time. An adult, for the purpose of this regulation, is any person over the age of three (3). The number of bedrooms in dwellings relying upon septic tanks and drainfields for sewage disposal shall be determined by reference to health department permits specifying the number of bedrooms for which the supporting system was designed. A notice shall be clearly posted in the dwelling indicating approved occupancy of the dwelling.
(d) All vehicles of tenants shall be parked in driveways or parking areas designed and built to be parking areas. In the case of multifamily dwellings, all vehicles must be parked in spaces specifically reserved for the dwelling unit being rented.
(e) All boats of tenants shall be parked on the lot on which the dwelling is located. In the case of multifamily dwellings boats must be parked in areas specifically reserved for the dwelling unit being rented.
(f) Noise generated off the lot or off the premises shall be in no greater volume or pitch than normally expected in a residential neighborhood.
(g) A type 2A-10BC fire extinguisher shall be mounted on the wall in common area or kitchen on each floor in the dwelling. Smoke detectors must be installed and functioning properly in every living area and bedroom within the dwelling. Each bedroom shall comply with building code requirements for egress. An evacuation plan shall be provided in the home and clearly visible to renters.
(h) The owner of a dwelling used for short term rental shall give the county written consent to inspect any dwelling used for short-term rental to ascertain compliance with all the above performance standards. An annual inspection shall be performed by the County.

ANALYSIS:

In accordance with Section 25-638 of the Zoning Ordinance, the proposed special use permit is being evaluated to determine if these uses will be substantial detriment to adjacent properties, whether the character of the zoning district will be changed thereby, and that such uses will be in harmony with the purpose and intent of this chapter, with the uses permitted by-right in the zoning district, with additional regulations provided in sections 25-111 through 25-137, supplemental regulations, and amendments, of this chapter, and with the public health, safety, and general welfare. Approval of the proposed

short term rental dwellings would create a density of one dwelling unit per 3.5 acres. Review of the proposed use does identify potential impacts in the following areas to be addressed:

TRANSPORTATION:

VDOT has reviewed this request and stated that the entrance will need to be reviewed to ensure that it meets their commercial entrance standards. Also, a site plan will be required with a traffic narrative (See email from Lisa Lewis, VDOT).

WATER AND SEWER:

Western Virginia Water Authority reviewed this request and had no comments (See attached email from Aaron Shearer, WVWA). Water is provided to the property by a private well and sewage will be managed by a septic system. The applicant must provide the County with a report that certifies that an existing septic system is functioning properly and can meet the demands of a four (4) bedroom structure or demonstrate approval of new septic systems to serve the proposed cottages.

EROSION AND SEDIMENT CONTROL AND STORM WATER MANAGEMENT

The proposed use of the property will not require review and approval under the erosion and sediment control and storm water management regulations. Any additional disturbance of soil over 10,000 square feet will require erosion and sediment control plans and/or permitting (See attached email from Ronald Wilson, Development Review Coordinator).

PUBLIC SAFETY

Franklin County Public Safety, Fire Marshal, and Building Official have reviewed this request and have no concerns provided upon approval of the requested SUP, the Building Official's office and the Fire Marshal will inspect the structures proposed for short term rental use to ensure that the structures comply with building and fire code requirements for short term rental use. (See attached email from Jay Mason, Fire Marshal)

Each of these units should also be addressed with a 911 address assigned by Franklin County that is clearly posted on the structure and at the driveway entrance.

NOISE

Staff anticipates minimal noise impacts related to this site due to the nature of the request and proximity to other residences.

OTHER

Appalachian Power reviewed this request and had no comments (See attached email from Neil Holthouser, AEP).

RECOMMENDATION

Staff recommends that the Planning Commission approve the request for a Special Use Permit to allow for the short-term tourist rental of up to four (4) one-bedroom cottages with the following four (4) conditions:

1. This special use permit authorizing the short-term rental dwelling on tax parcel # 0720017905CC shall only apply to up to four (4) one-bedroom cottages on the property. No future dwelling on the property shall be used for short term rental unless this special use permit shall be revised by the Board of Supervisors after review and recommendation of the Planning Commission.

2. The owner shall always comply with the supplementary regulations for short term rentals found in Section 5.5-72 and Section 25-138 of the Franklin County Code

3. The County Building Official and Fire Marshall shall inspect the proposed short term rental cottages once constructed. No short-term rentals shall be authorized until these inspections take place, and the structures are found to be compliant with the applicable county building and fire codes. Franklin County shall assign a E911 address and owner shall display clearly on each structure.

4. Prior to using the cottages for short term rentals, the property owner shall provide documentation from the Virginia Department of Health and Franklin County Building Official that the septic system is approved to serve up to four (4) one-bedroom cottages.

SUGGESTED MOTIONS:

The following suggested motions are sample motions that may be used. They include language found in Section 15.2-2283, Purpose of zoning ordinances of the Code of Virginia of 1950, as amended.

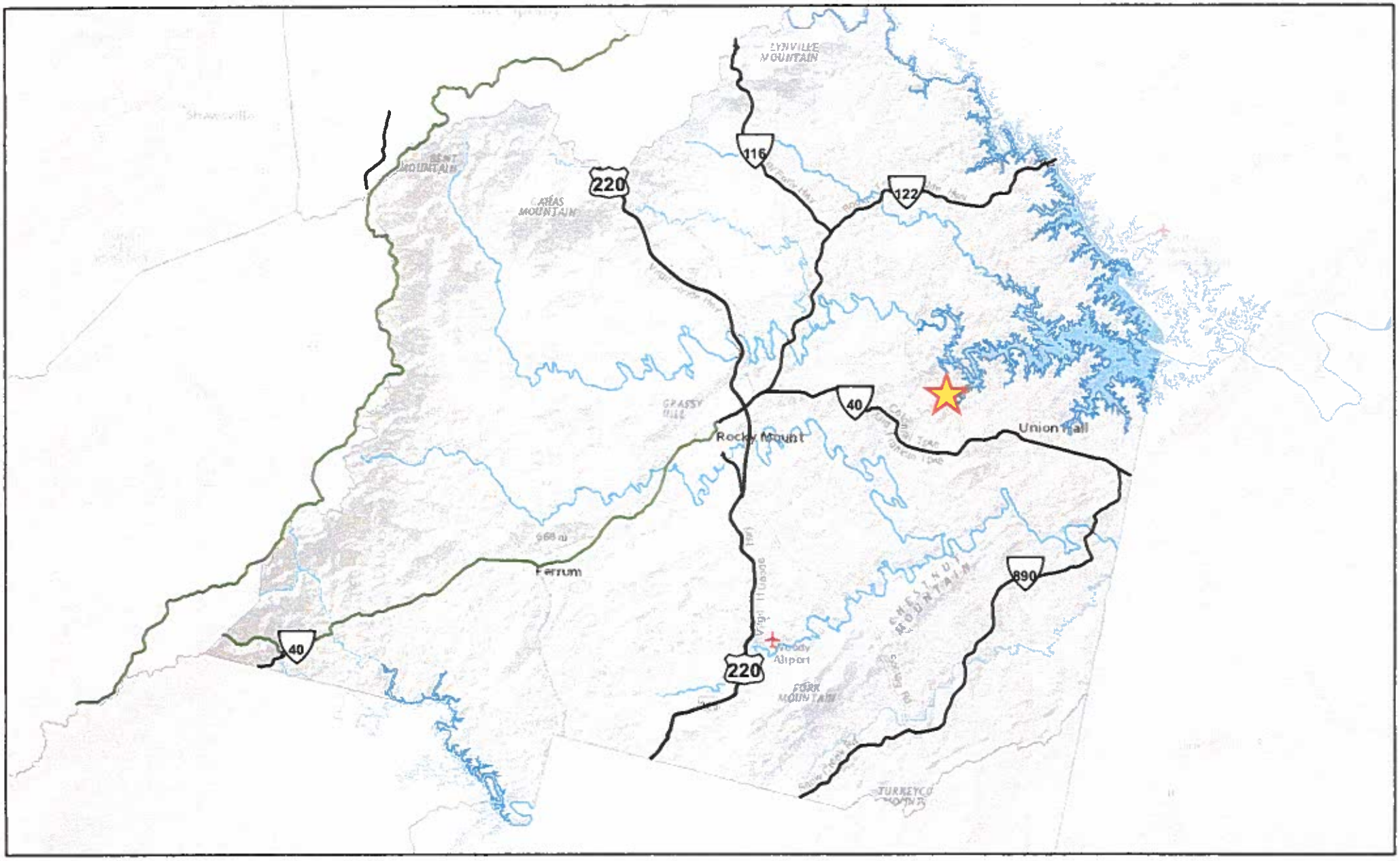
1. (APPROVE) I find that such use will not be of substantial detriment to adjacent property, that the character of the zoning district will not be changed thereby, and that such use will be in harmony with the purpose and intent of the County Code with the uses permitted by right in the zoning district, and with the public health, safety and general welfare to the community. Therefore, I move to recommend approval of the applicant's request for a Special Use Permit to allow for the short-term tourist rental of a dwelling in accordance with Sec. 25-179 of the Zoning Ordinance, with the conditions as recommended in the staff memorandum.

OR

2. (DENY) I find that such use will be of substantial detriment to adjacent property, that the character of the zoning district will be changed thereby, and that such use will not be in harmony with the purpose and intent of the County Code with the uses permitted by right in the zoning district, and with the public health, safety and general welfare to the community. Therefore, I move to recommend to deny the request for the Special Use Permit.

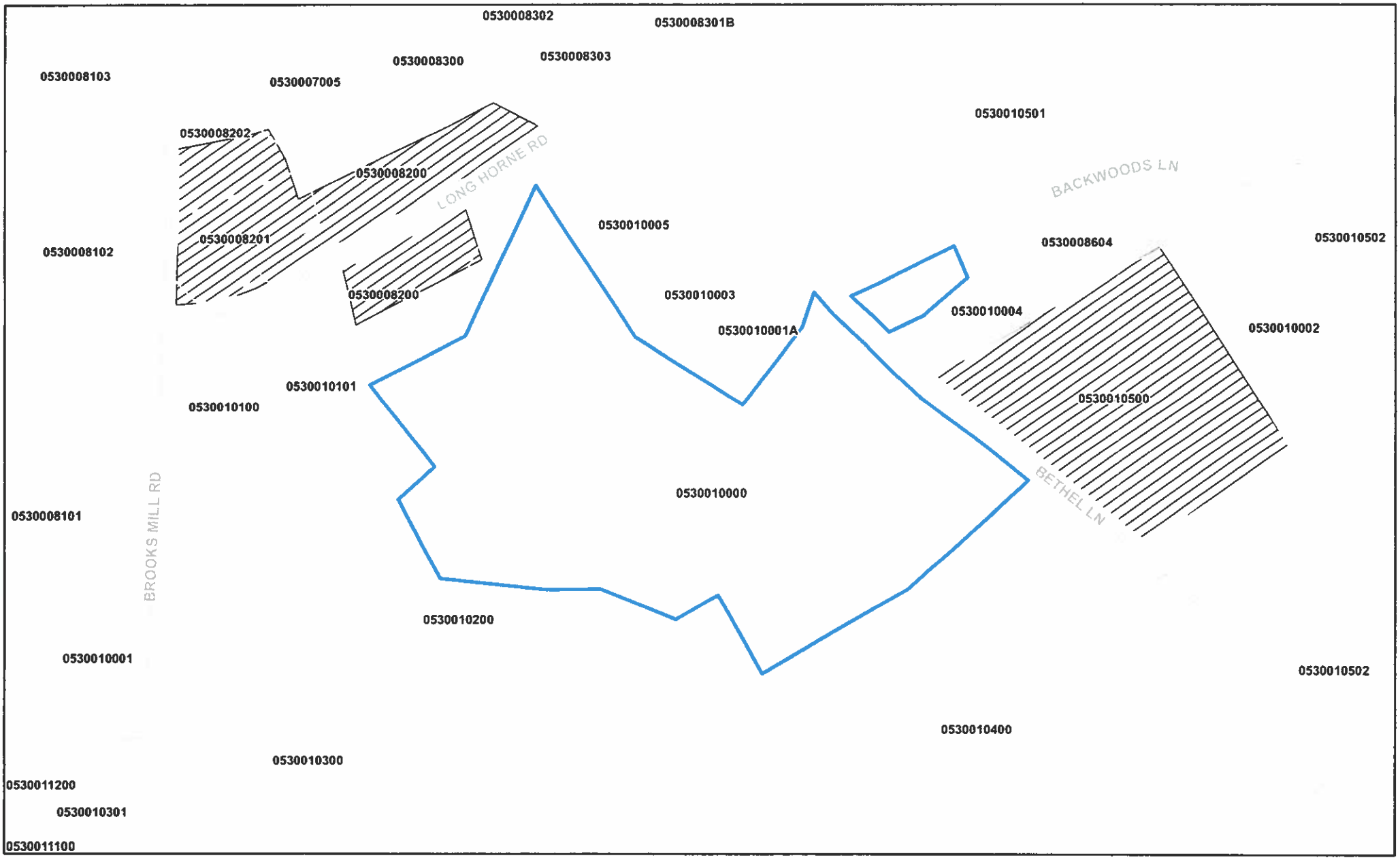
OR

3. (DELAY ACTION) I find that the required information for the submitted petition is incomplete. Therefore, I move to delay action until all necessary materials are submitted to the Planning Commission.



Tax Map # 0530010000
SPEC-07-20-16655
Black Water Junction Farms

Subject Property Location



Legend

Subject Parcel

Parcels

Special Use Permit

Zoning Classifications

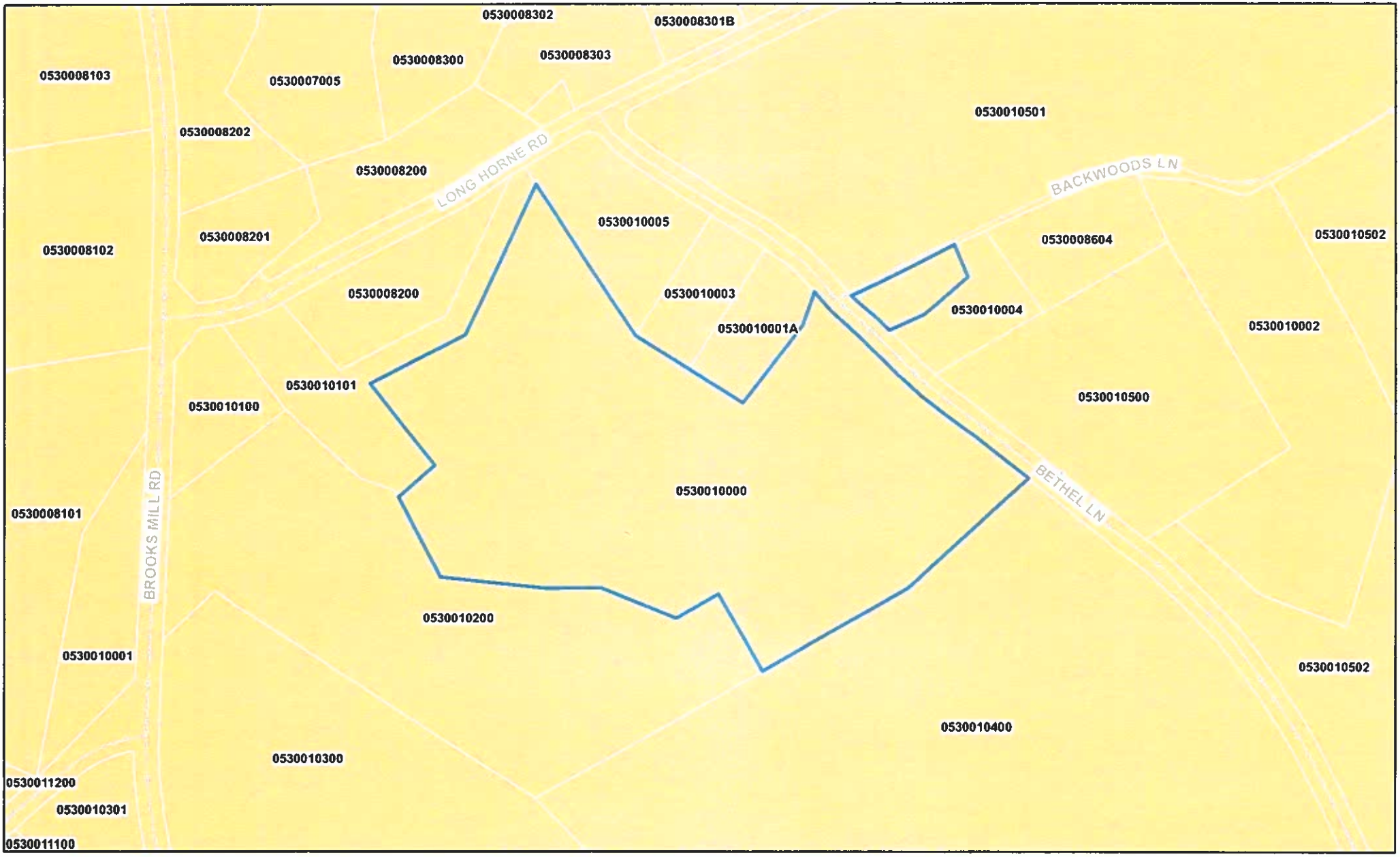
A1 - Agricultural

Tax Map # 0530010000
SPEC-07-20-16655
Black Water Junction Farms

0 125 250 500

Date: 8/24/2020

Franklin Co GIS



Legend

Subject Property

Tax Parcels

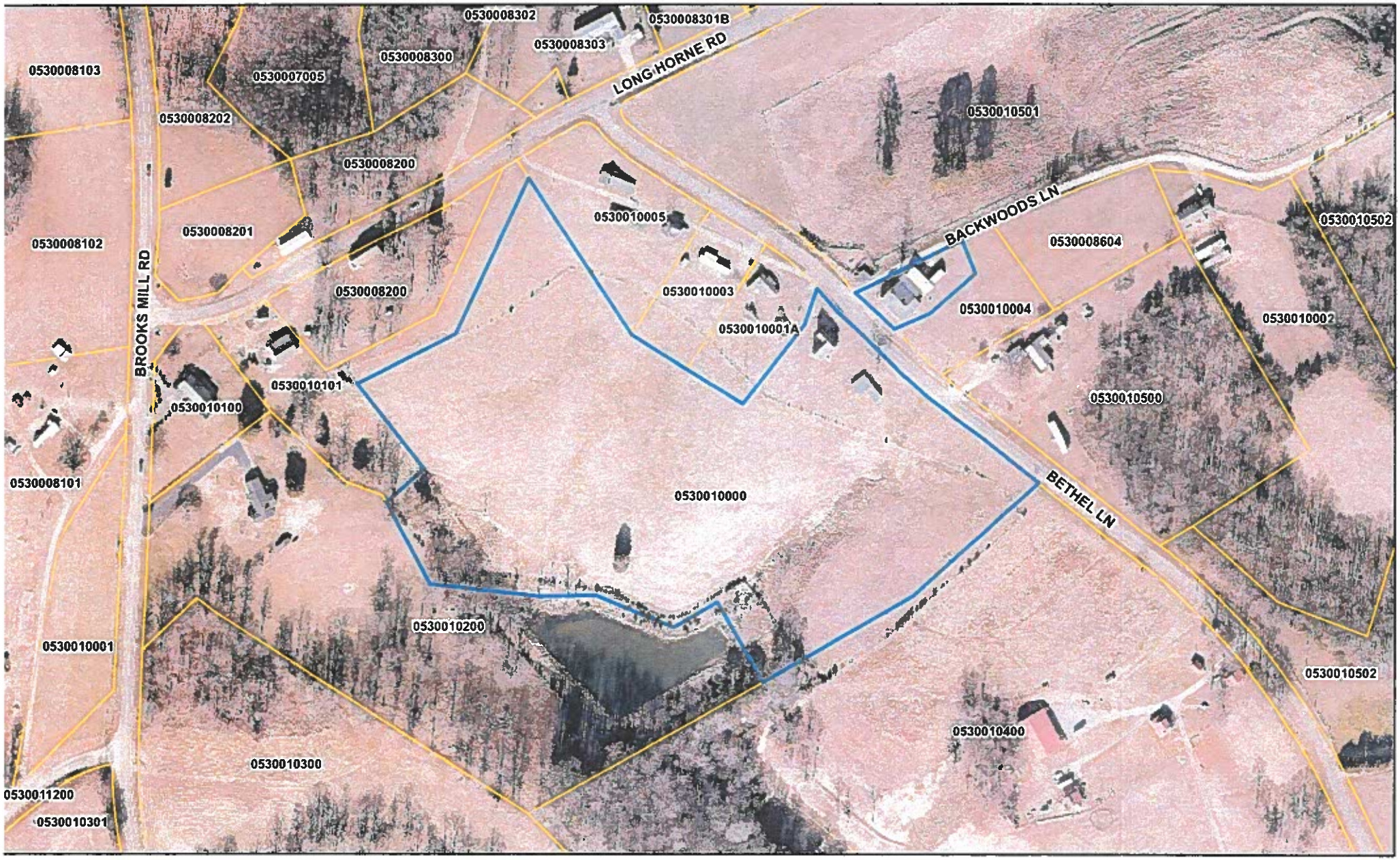
Suburban Residential 2 Units per Acre

Tax Map # 0530010000
SPEC-07-20-16655
Black Water Junction Farms

0 255 510

Date: 8/24/2020

Franklin Co GIS



Legend

Subject Parcel

Tax Parcels

2017 Pictometry Imagery

0 250 500

Tax Map # 0530010000
SPEC-07-20-16655
Black Water Junction Farms

Franklin Co GIS

Powell, Hannah

From: Lewis, Lisa <lisa.lewis@vdot.virginia.gov>
Sent: Thursday, August 13, 2020 4:32 PM
To: Powell, Hannah
Subject: Re: FW: DRT Meeting

==== CAUTION: This email is from outside Franklin County Government. Total security is not guaranteed. Remember to use safe practices when using email and other technologies. ====

Hannah - We offer the following comment(s):

Lorsen - Due to the nature of the application, we offer no comments.
Blackwater Junction Farms (Duplex) - Entrance will need to be reviewed to meet our commercial entrance standards. A site plan will be required along with a traffic narrative.
Blackwater Junction Farms (Cottages) - Entrance will need to be reviewed to meet our commercial entrance standards. A site plan will be required along with a traffic narrative.

Let me know if you have any questions.

Thanks

Lisa

On Thu, Aug 13, 2020 at 3:02 PM Powell, Hannah <Hannah.Powell@franklincountyva.gov> wrote:

Just checking in to see if anyone else had comments on these applications? Thanks...

From: Powell, Hannah
Sent: Tuesday, August 4, 2020 10:35 AM
To: Aaron Shearer <aaron.shearer@westernvawater.org>; Burnette, Michael <Michael.Burnette@franklincountyva.gov>; Catlett, Charles <Charles.Catlett@franklincountyva.gov>; Cooper, Lisa <Lisa.Cooper@franklincountyva.gov>; darrin.doss@vdh.virginia.gov; Ferguson, William <William.Ferguson@franklincountyva.gov>; Harrington, Terry <Terry.Harrington@franklincountyva.gov>; Jay Mason <jay.mason@franklincountyva.gov>; John Broughton <john.broughton@franklincountyva.gov>; Lewis, Lisa D (VDOT <Lisa.Lewis@VDOT.Virginia.gov>; nholthouser@aep.com; Pat Regan <pat.regan@franklincountyva.gov>; Phillips, Jessica <jessica.phillips@vdh.virginia.gov>; Sandy, Steve <Steve.Sandy@franklincountyva.gov>; Schmidt, Eric <Eric.Schmidt@franklincountyva.gov>; simon.leray@vdh.virginia.gov; Smith, Don <don.smith@franklincountyva.gov>; Whitlow, Christopher <Christopher.Whitlow@franklincountyva.gov>; Williams, Brent <brent.williams@vdh.virginia.gov>; Wilson, Ronald <Ronald.Wilson@franklincountyva.gov>
Subject: DRT Meeting

The DRT meeting for August will not be held again this month. Please review the attached three (3) applications and send me your comments by Friday June 14th. Thanks!!

Powell, Hannah

From: Aaron Shearer <Aaron.Shearer@WesternVaWater.org>
Sent: Tuesday, August 4, 2020 12:02 PM
To: Powell, Hannah
Subject: RE: DRT Meeting

==== CAUTION: This email is from outside Franklin County Government. Total security is not guaranteed. Remember to use safe practices when using email and other technologies. ====

No WVWA comments
There is no water or sewer to serve these properties.
thanks

From: Powell, Hannah [mailto:Hannah.Powell@franklincountyva.gov]
Sent: Tuesday, August 4, 2020 10:35 AM
To: Aaron Shearer <Aaron.Shearer@WesternVaWater.org>; Burnette, Michael <Michael.Burnette@franklincountyva.gov>; Catlett, Charles <Charles.Catlett@franklincountyva.gov>; Cooper, Lisa <Lisa.Cooper@franklincountyva.gov>; darrin.doss@vdh.virginia.gov; Ferguson, William <William.Ferguson@franklincountyva.gov>; Harrington, Terry <Terry.Harrington@franklincountyva.gov>; Mason, Jay <Jay.Mason@franklincountyva.gov>; Broughton, John <John.Broughton@franklincountyva.gov>; lisa.lewis@vdot.virginia.gov; nholthouser@aep.com; Pat Regan <pat.regan@franklincountyva.gov>; Phillips, Jessica <jessica.phillips@vdh.virginia.gov>; Sandy, Steve <Steve.Sandy@franklincountyva.gov>; Schmidt, Eric <Eric.Schmidt@franklincountyva.gov>; simon.leray@vdh.virginia.gov; Smith, Don <don.smith@franklincountyva.gov>; Whitlow, Christopher <Christopher.Whitlow@franklincountyva.gov>; brent.williams@vdh.virginia.gov; Wilson, Ronald <Ronald.Wilson@franklincountyva.gov>
Subject: DRT Meeting

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Hannah L. Powell
Administrative Assistant II
Franklin County Planning & Community Development
1255 Franklin Street, Suite 103
Rocky Mount, VA, 24151
540 483 3027 Ext: 2304
hannah.powell@franklincountyva.gov

Powell, Hannah

From: Wilson, Ronald
Sent: Thursday, August 13, 2020 4:33 PM
To: Powell, Hannah; aaron.shearer@westernvawater.org; Burnette, Michael; Catlett, Charles; Cooper, Lisa; darrin.doss@vdh.virginia.gov; Ferguson, William; Harrington, Terry; Mason, Jay; Broughton, John; lisa.lewis@vdot.virginia.gov; nholthouser@aep.com; Pat Regan; Phillips, Jessica; Sandy, Steve; Schmidt, Eric; simon.leray@vdh.virginia.gov; Smith, Don; Whitlow, Christopher; brent.williams@vdh.virginia.gov
Subject: RE: DRT Meeting

I do not have any comments.

Ronnie

From: Powell, Hannah <Hannah.Powell@franklincountyva.gov>
Sent: Thursday, August 13, 2020 3:02 PM
To: aaron.shearer@westernvawater.org; Burnette, Michael <Michael.Burnette@franklincountyva.gov>; Catlett, Charles <Charles.Catlett@franklincountyva.gov>; Cooper, Lisa <Lisa.Cooper@franklincountyva.gov>; darrin.doss@vdh.virginia.gov; Ferguson, William <William.Ferguson@franklincountyva.gov>; Harrington, Terry <Terry.Harrington@franklincountyva.gov>; Mason, Jay <Jay.Mason@franklincountyva.gov>; Broughton, John <John.Broughton@franklincountyva.gov>; lisa.lewis@vdot.virginia.gov; nholthouser@aep.com; Pat Regan <pat.regan@franklincountyva.gov>; Phillips, Jessica <jessica.phillips@vdh.virginia.gov>; Sandy, Steve <Steve.Sandy@franklincountyva.gov>; Schmidt, Eric <Eric.Schmidt@franklincountyva.gov>; simon.leray@vdh.virginia.gov; Smith, Don <don.smith@franklincountyva.gov>; Whitlow, Christopher <Christopher.Whitlow@franklincountyva.gov>; brent.williams@vdh.virginia.gov; Wilson, Ronald <Ronald.Wilson@franklincountyva.gov>
Subject: FW: DRT Meeting

Just checking in to see if anyone else had comments on these applications? Thanks...

From: Powell, Hannah
Sent: Tuesday, August 4, 2020 10:35 AM
To: Aaron Shearer <aaron.shearer@westernvawater.org>; Burnette, Michael <Michael.Burnette@franklincountyva.gov>; Catlett, Charles <Charles.Catlett@franklincountyva.gov>; Cooper, Lisa <Lisa.Cooper@franklincountyva.gov>; darrin.doss@vdh.virginia.gov; Ferguson, William <William.Ferguson@franklincountyva.gov>; Harrington, Terry <Terry.Harrington@franklincountyva.gov>; Jay Mason <jay.mason@franklincountyva.gov>; John Broughton <john.broughton@franklincountyva.gov>; Lewis, Lisa D (VDOT <Lisa.Lewis@VDOT.Virginia.gov>; nholthouser@aep.com; Pat Regan <pat.regan@franklincountyva.gov>; Phillips, Jessica <jessica.phillips@vdh.virginia.gov>; Sandy, Steve <Steve.Sandy@franklincountyva.gov>; Schmidt, Eric <Eric.Schmidt@franklincountyva.gov>; simon.leray@vdh.virginia.gov; Smith, Don <don.smith@franklincountyva.gov>; Whitlow, Christopher <Christopher.Whitlow@franklincountyva.gov>; Williams, Brent <brent.williams@vdh.virginia.gov>; Wilson, Ronald <Ronald.Wilson@franklincountyva.gov>
Subject: DRT Meeting

The DRT meeting for August will not be held again this month. Please review the attached three (3) applications and send me your comments by Friday June 14th. Thanks!!

Powell, Hannah

From: Mason, Jay
Sent: Friday, August 14, 2020 12:00 PM
To: Powell, Hannah; aaron.shearer@westernvawater.org; Burnette, Michael; Catlett, Charles; Cooper, Lisa; darrin.doss@vdh.virginia.gov; Ferguson, William; Harrington, Terry; Broughton, John; lisa.lewis@vdot.virginia.gov; nholthouser@aep.com; Pat Regan; Phillips, Jessica; Sandy, Steve; Schmidt, Eric; simon.leray@vdh.virginia.gov; Smith, Don; Whitlow, Christopher; brent.williams@vdh.virginia.gov; Wilson, Ronald
Subject: RE: DRT Meeting

I have no additional comments, only that the Short Term Rentals comply with safety standards that have previously been established by the Board.

Thanks,

J. E. Mason
Deputy Chief - Fire Marshal

Franklin County Public Safety
1488 Franklin Street
Rocky Mount, VA 24151
Ofc: 540-483-3091
Email: Jay.Mason@franklincountyva.gov
Agency Website: www.fcpublicsafety.com

MEMBER
INTERNATIONAL ASSOCIATION OF FIRE CHIEFS
www.iafc.org

From: Powell, Hannah <Hannah.Powell@franklincountyva.gov>
Sent: Thursday, August 13, 2020 3:02 PM
To: aaron.shearer@westernvawater.org; Burnette, Michael <Michael.Burnette@franklincountyva.gov>; Catlett, Charles <Charles.Catlett@franklincountyva.gov>; Cooper, Lisa <Lisa.Cooper@franklincountyva.gov>; darrin.doss@vdh.virginia.gov; Ferguson, William <William.Ferguson@franklincountyva.gov>; Harrington, Terry <Terry.Harrington@franklincountyva.gov>; Mason, Jay <Jay.Mason@franklincountyva.gov>; Broughton, John <John.Broughton@franklincountyva.gov>; lisa.lewis@vdot.virginia.gov; nholthouser@aep.com; Pat Regan <pat.regan@franklincountyva.gov>; Phillips, Jessica <jessica.phillips@vdh.virginia.gov>; Sandy, Steve <Steve.Sandy@franklincountyva.gov>; Schmidt, Eric <Eric.Schmidt@franklincountyva.gov>; simon.leray@vdh.virginia.gov; Smith, Don <don.smith@franklincountyva.gov>; Whitlow, Christopher <Christopher.Whitlow@franklincountyva.gov>; brent.williams@vdh.virginia.gov; Wilson, Ronald <Ronald.Wilson@franklincountyva.gov>
Subject: FW: DRT Meeting

Just checking in to see if anyone else had comments on these applications? Thanks...

Powell, Hannah

From: Neil Holthouser <nholthouser@aep.com>
Sent: Tuesday, August 4, 2020 10:42 AM
To: Powell, Hannah
Subject: RE: DRT Meeting
Attachments: 16662_Lorson_Application.pdf; 16656_Black Water Junction_Application.pdf; 16655 _Black Water Junction_ Application.pdf

==== CAUTION: This email is from outside Franklin County Government. Total security is not guaranteed. Remember to use safe practices when using email and other technologies. ====

Appalachian Power Company does not have any comments on these three applications. Thank you!

APPALACHIAN POWER
NEIL HOLTHOUSER | PLANT ENVIRONMENTAL COORD SR
NHOLTHOUSER@AEP.COM | D:540 985 2544
40 FRANKLIN ROAD SW, ROANOKE VA 24011

From: Powell, Hannah <Hannah.Powell@franklincountyva.gov>
Sent: Tuesday, August 4, 2020 10:35 AM
To: aaron.shearer@westernvawater.org; Burnette, Michael <Michael.Burnette@franklincountyva.gov>; Catlett, Charles <Charles.Catlett@franklincountyva.gov>; Cooper, Lisa <Lisa.Cooper@franklincountyva.gov>; darrin.doss@vdh.virginia.gov; william.ferguson@franklincountyva.gov; Harrington, Terry <Terry.Harrington@franklincountyva.gov>; jay.mason@franklincountyva.gov; Broughton, John <John.Broughton@franklincountyva.gov>; lisa.lewis@vdot.virginia.gov; Neil Holthouser <nholthouser@aep.com>; Pat Regan <pat.regan@franklincountyva.gov>; Phillips, Jessica <jessica.phillips@vdh.virginia.gov>; Sandy, Steve <Steve.Sandy@franklincountyva.gov>; Schmidt, Eric <Eric.Schmidt@franklincountyva.gov>; simon.leray@vdh.virginia.gov; Smith, Don <don.smith@franklincountyva.gov>; Whitlow, Christopher <Christopher.Whitlow@franklincountyva.gov>; brent.williams@vdh.virginia.gov; Wilson, Ronald <Ronald.Wilson@franklincountyva.gov>
Subject: [EXTERNAL] DRT Meeting

This is an **EXTERNAL** email. **STOP**. **THINK** before you CLICK links or OPEN attachments. If suspicious please click the **'Report to Incidents'** button in Outlook or forward to incidents@aep.com from a mobile device.

The DRT meeting for August will not be held again this month. Please review the attached three (3) applications and send me your comments by Friday June 14th. Thanks!!

Hannah L. Powell
Administrative Assistant II
Franklin County Planning & Community Development
1255 Franklin Street, Suite 103
Rocky Mount, VA, 24151
540 483 3027 Ext: 2304
hannah.powell@franklincountyva.gov

Black Water Junction Farms, LLC

395 Blue Lake Road

Union Hall, Virginia 24176

July 26, 2020

Franklin County Planning & Community

1255 Old Franklin Turnpike

Rocky Mount, Virginia 24151

Special Use Permit for short term rental

Dear Mr. Sandy

Black Water Junction Farms, LLC is requesting a Special Use Permit on our recently purchased 14.13 acre parcel of land to allow for four, one bedroom, short term rental cottages.

Please see included an aerial photograph with the survey overlaid in yellow showing the property. In addition, please find a colored version of the county tax map showing Black Water Junction Farms, LLC property. I have also included an example of the type cabin we are considering, along with a copy of the recent deed of transfer.

We own The Pavilion at Black Water Junction wedding venue. We are requesting this special use permit so we will have a place brides, grooms, family members and friends can stay during their wedding. As you know, we have always been in favor of short term rentals in the county and with the purchase of this 14 acres, it allows us room to offer places for our visitors.

The cottages would be serviced with well water and a 4 bedroom septic system all four will be connected to. We understand that VDOT will need to approve the access to the cottages. We have identified several location on the survey of the 14 acres for possible location of the cottages. Once the special use permit is approved we will have a soil scientist determine the best location from the ones identified on the map. As you can see on the map the location is not on the road frontage but further inside the property.

Respectfully,

Russell Seneff, Managing Member for Black Water Junction Farms, LLC

FRANKLIN COUNTY
SPECIAL USE PERMIT APPLICATION

(Type or Print)

I/We, Black Water Junction Farms LLC, as Owner(s), Contract Purchasers, or Owner's Authorized Agent of the property described below, hereby apply to the Franklin County Board of Supervisors for a special use permit on the property as described below:

Petitioner's Name: Russell Senetf for Black Water Junction Farms LLC

Petitioner's Address: 395 Blue Lake Road Union Hall VA 24176

Petitioner's Phone Number: 540-765-7733

Petitioner's E-mail: russell@wolt2.com

Property Owner's Name: SAME

Property Owner's Address: SAME

Property Owner's Phone Number: SAME

Property Owner's E-mail: SAME

Directions to Property from Rocky Mount: 40 East, Turn Left Timber Ridge, Turn Left Brooks Mill, Turn Right Long Horne, Turn Right Bethel

Tax Map and Parcel Number: 0530010000

Magisterial District: _____

Property Information:

A. Size of Property: 14.13 Acres

B. Existing Zoning: A-1

C. Existing Land Use: Farm

D. Is property located within any of the following overlay zoning districts:

___ Corridor District ___ Westlake Overlay District ___ Smith Mountain Lake Surface District

E. Is any land submerged under water or part of a lake? Yes (No) If yes, explain.

Proposed Special Use Permit Information:

A. Proposed Land Use:

Short term rental

B. Size of Proposed Use: 1 ACRE

C. Other Details of Proposed Use: We would like to build 4 small cottages, 1 Bedroom 1 Bath to be used for short term rentals

Checklist for completed items:

_____ Application Form

_____ Letter of Application

_____ Concept Plan

_____ Application Fee

****I certify that this application for a special use permit and the information submitted herein is correct and accurate.**

Petitioner's Name (Print): Russell Seneff

Signature of Petitioner: R Sf

Date: 7/26/20

Mailing Address: 395 Blue Lake Road
Union Hall VA 24176

Telephone: 546-765-7733

Email Address: russell@wolt2.com

Owner's consent, if petitioner is not property owner:

Owner's Name (Print): _____

Signature of Owner: _____

Date: _____

Date Received by Planning Staff _____

Clerk's Initials: _____

CHECK #: _____
RECPT. #: _____
AMOUNT: _____

2020 JUL 17 PM 12:06

200004839

RETURN TO: Acquisition Title & Settlement Agency, Inc.
3140 Chaparral Dr SW Suite 107
Roanoke, VA 24018

103,400.00

THIS DEED HAS BEEN PREPARED WITHOUT BENEFIT OF TITLE EXAMINATION BY ITS PREPARER

THIS DEED, made and entered into on July 9, 2020, by and between DAWN DELLINGER LINDHURST (A/K/A DAWN R. LINDHURST), DEVISEE OF THE ESTATE OF ROLAND BURGESS LINDHURST (a/k/a ROLAND LINDHURST) DECEASED, (hereinafter "Grantor"), and BLACK WATER JUNCTION FARMS, LLC, A VIRGINIA LIMITED LIABILITY COMPANY, (hereinafter "Grantee").

Grantee's Address: 100 Bethel Lane, Union Hall, VA 24176.

- W I T N E S S E T H -

WHEREAS, by deed dated March 26, 2016, of record in the Clerk's Office of the Circuit Court for the County of Franklin, Virginia, in Deed Book 1106, page 928, the hereinafter described property was conveyed unto Roland Lindhurst; and

OPN LAW PLC
ROANOKE VA

WHEREAS, Roland Burgess Lindhurst died testate on December 25, 2019, and under the terms of his Last Will and Testament dated March 5, 2014, duly probated in the aforesaid Clerk's Office on May 19, 2020, in Will Book 127, page 1526, devised the hereinafter described property unto the Grantor herein; and

WHEREAS, the Grantor desires to convey the hereinafter described property unto the Grantee.

NOW, THEREFORE, FOR AND IN CONSIDERATION of the sum of Ten Dollars cash in hand paid by the Grantee to the Grantor, and other good and valuable consideration, the receipt of which is hereby acknowledged, the Grantor does hereby grant, bargain, sell and convey, with General Warranty and English Covenants of Title, unto the Grantee, all of the following lot or parcel of land situated in the County of Franklin, State of Virginia, and described as follows:

> All that certain lot or parcel of land shown and designated as Parcel A, containing 14.134 acres, more or less, as shown on that certain plat of survey "Plat of Subdivision for The Farm at Cedar Ridge, LLC, showing Property Situated Off The South Side of Long Horne Road and on the North and South Sides of Bethel Lane, Union Hall District, Franklin County, Virginia", dated March 8, 2017 and prepared by Bryan E. Jones, L.S, said plat of survey being attached and recorded with Deed in Deed Book 1106 at page 731.
>
> **TOGETHER WITH** an exclusive perpetual drainfield easement over and across Lot A1 benefitting Parcel A,

OPN LAW, PLC
ROANOKE, VA

together with all appurtenant fixtures, lines, pipes, electrical lines and connections, and other related equipment, as further shown on the aforementioned plat. **TOGETHER WITH** the right of access and easement for the purpose of inspecting, constructing, installing, repairing, replacing, improving, and maintaining said drainfield and the lines, pipes and related equipment which run to and from said drainfield lines.

This Deed is made subject to all easements, restrictions, and conditions of record affecting the hereinabove-described property.

[THE REMAINDER OF THE PAGE INTENTIONALLY LEFT BLANK]

WITNESS the following signature and seal:

Dawn Dellinger Lindhurst SEAL
DAWN DELLINGER LINDHURST
(A/K/A DAWN R. LINDHURST)

STATE OF VIRGINIA,

CITY/COUNTY OF Franklin, TO-WIT:

The foregoing instrument was acknowledged before me on July 15th, 2020, by DAWN DELLINGER LINDHURST (A/K/A DAWN R. LINDHURST).

CYNTHIA A. MOOR
Notary Public
Commonwealth of Virginia
Registration No. 7106510
My Commission Expires Dec. 31, 2021

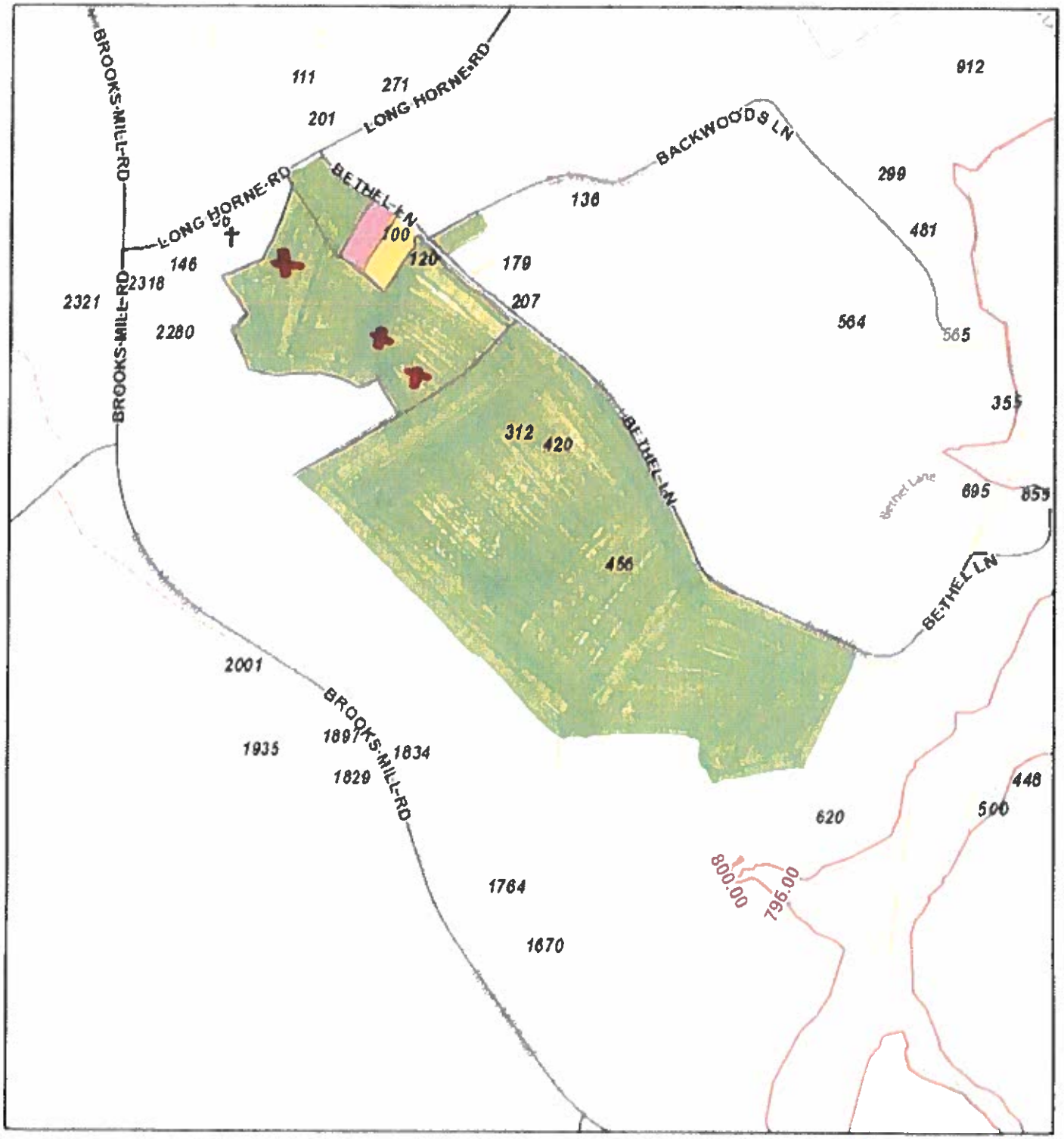
Notary Public

My commission expires: 12-31-21
Notary Registration Number: 7106510

OPN LAW PLC
ROANOKE VA

10025925 -1 1

Franklin County, VA



7/16/2020, 1:00:23 PM

1:9,028

0 0.05 0.1 0.2 mi

0 0.07 0.15 0.3 km

Lake Level Contours

795

800

Railroads

Local Roads

Blue Ridge Parkway

Highways

Federal

Federal Business Route

State

Roads Name Labels

Parcels

911 Addresses

County Boundary

© OpenStreetMap (and) contributors, CC BY SA, Franklin County GIS 2020
Franklin County VA, 2020

Franklin County User
Franklin County GIS 2019

Lindhurst
Bethel Ln
Long Home Rd
Backwoods Ln
14.1± Ac.
WOLTZ
& ASSOCIATES
Google Earth

The platting of Lot A1 and the Easement for the Drainfield for Dwelling No. 120 as shown hereon is with the free consent and in accordance with the desire of the undersigned owner.

Lori Dupler, For The Farm at Cedar Ridge, LLC

Commonwealth Of Virginia, At Large

I, _____, a Notary Public in the Commonwealth of Virginia, hereby certify that the foregoing instruments were acknowledged before me

by _____

this ____ day of _____, 20__,

in the city/county of _____, Virginia.

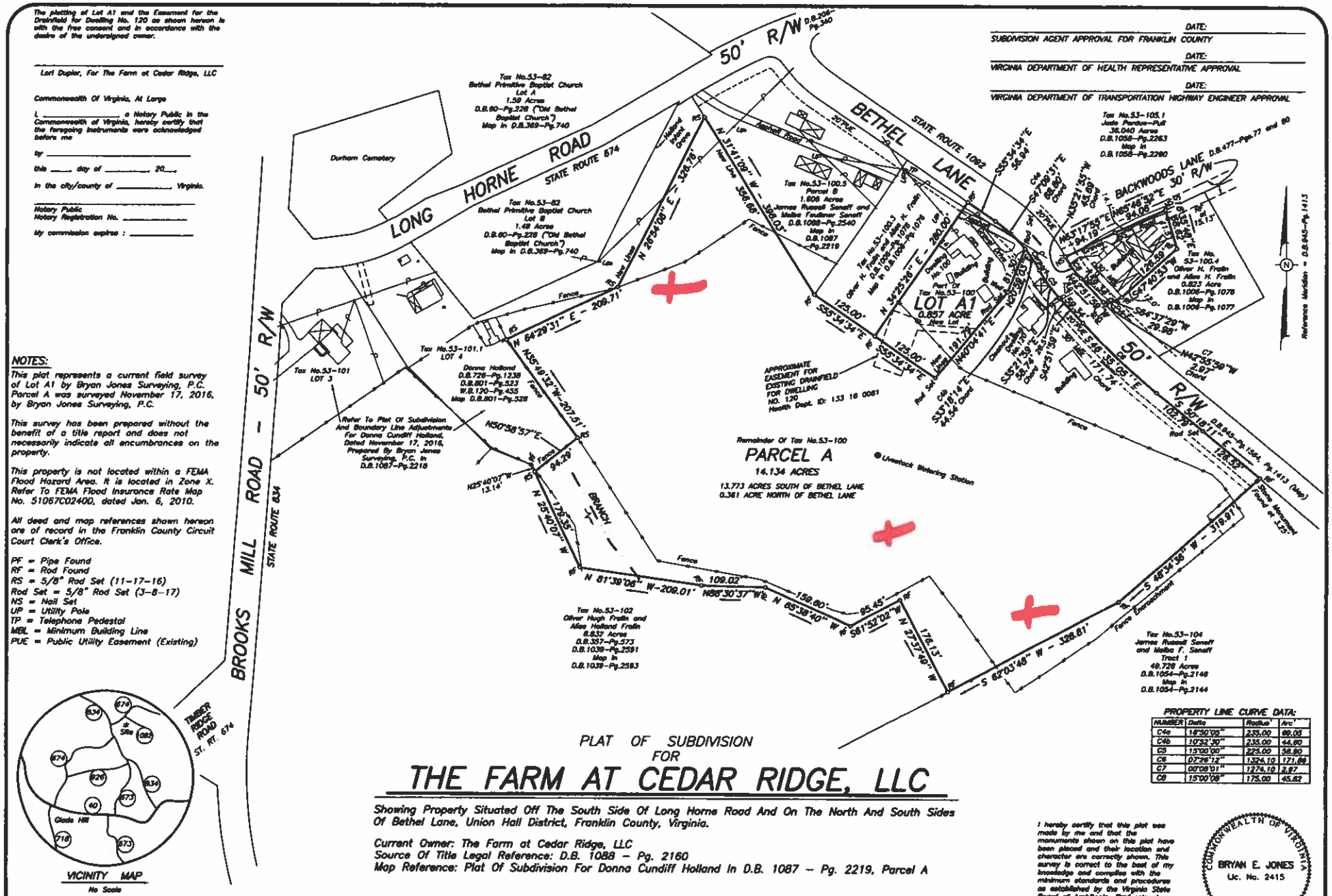
Notary Public
Notary Registration No. _____

My commission expires : _____

DATE:
SUBDIVISION AGENT APPROVAL FOR FRANKLIN COUNTY

DATE:
VIRGINIA DEPARTMENT OF HEALTH REPRESENTATIVE APPROVAL

DATE:
VIRGINIA DEPARTMENT OF TRANSPORTATION HIGHWAY ENGINEER APPROVAL



NOTES:

This plat represents a current field survey of Lot A1 by Bryan Jones Surveying, P.C. Parcel A was surveyed November 17, 2016, by Bryan Jones Surveying, P.C.

This survey has been prepared without the benefit of a title report and does not necessarily indicate all encumbrances on the property.

This property is not located within a FEMA Flood Hazard Area. It is located in Zone X. Refer To FEMA Flood Insurance Rate Map No. 51067C0240D, dated Jan. 6, 2010.

All deed and map references shown hereon are of record in the Franklin County Circuit Court Clerk's Office.

PF = Pipe Found
RF = Rod Found
RS = 5/8" Rod Set (11-17-16)
Rod Set = 5/8" Rod Set (3-8-17)
NS = Nail Set
UP = Utility Pole
TP = Telephone Pedestal
MBL = Minimum Building Line
PUE = Public Utility Easement (Existing)

VICINITY MAP
No Scale

PROPERTY LINE CURVE DATA:

NUMBER	Delta	Radius'	Arc'
C4a	16°30'05"	235.00	66.05
C4b	10°52'30"	235.00	44.60
C5	13°00'00"	225.00	56.80
C6	07°26'12"	1326.10	171.88
C7	00°08'01"	1276.10	2.97
C8	15°00'08"	175.00	45.82

PLAT OF SUBDIVISION
FOR

THE FARM AT CEDAR RIDGE, LLC

Showing Property Situated Off The South Side Of Long Horne Road And On The North And South Sides Of Bethel Lane, Union Hall District, Franklin County, Virginia.

Current Owner: The Farm at Cedar Ridge, LLC
Source Of Title Legal Reference: D.B. 1088 - Pg. 2160
Map Reference: Plat Of Subdivision For Donna Cundiff Holland In D.B. 1087 - Pg. 2219, Parcel A

0' 100' 200' 300'
Scale : 1" = 100'

March 8, 2017

I hereby certify that this plat was made by me and that the monuments shown on this plat have been placed and their location and character are correctly shown. This survey is correct to the best of my knowledge and complies with the minimum standards and procedures as established by the Virginia State Board of Architects, Professional Engineers, Land Surveyors, Certified Interior Designers, And Landscape Architects.

Bryan E. Jones, LS 2415

COMMONWEALTH OF VIRGINIA
BRYAN E. JONES
Lic. No. 2415
LAND SURVEYOR

JOB NO.: 17-010

BRYAN JONES SURVEYING, P.C.
3416 VIRGINIA AVE., SUITE 5, COLLINSVILLE, VIRGINIA 24078
276-647-4448

Clear

Zoom to

Parcel: 0530016000

Primary Details	
Parcel ID	[illegible]
Map Number	[illegible]
Parcel Number	[illegible]
Owner	[illegible]
Owner Address	[illegible]
City	[illegible]
State	[illegible]
Zip Code	[illegible]
Physical Address	[illegible]
Legal Description 1	[illegible]
Legal Description 2	[illegible]
Zoning	[illegible]
District	[illegible]
Acreage	[illegible]
Land Value	[illegible]
Building Value	[illegible]
Assessed Total	[illegible]
Land Use Value	[illegible]
Grantor	[illegible]
Consideration	[illegible]
Consideration Date	[illegible]
Instrument Yr	[illegible]
Instrument No	[illegible]
Subdivision	
Deed Book	
Deed Page	[illegible]
Plat Book	[illegible]
Plat Page	[illegible]
Property Card	View Card

Department of Planning & Community Development

Franklin County
A Natural Setting for Opportunity

Transmittal of Planning Commission Action

Date: October 8, 2020

Item: Application of Megan Lorson, requesting a Special Use Permit to allow for the short term tourist rental of a dwelling on an approximate 1.46 acre property currently zoned A-1, Agricultural.

Prepared by: Steven M. Sandy, Director of Planning & Community Development

Date of Commission Action: Public Hearing, September 8, 2020

SUMMARY OF REQUEST

The applicant requests a Special Use Permit to allow for the "Short Term Tourist Rental of a Dwelling" on an approximate 1.46-acre property located at 160 Blue Ridge Lane in the Rocky Mount District, currently zoned A-1, Agricultural District. The property is currently used for residential purposes and has an apartment space available.

The entire residence is made up of four (4) bedrooms with three and a half (3.5) bathrooms. The apartment is located in the basement of the home and will include a full kitchen, living room, one (1) bedroom, one (1) full bathroom, an office, and closet space.

The apartment has an independent entrance with a lock box for self-check in, as well as separate parking available in the rear of the home. The applicant plans to provide amenities such as sheets, towels, stocked kitchen and a smart T.V. The apartment will also offer outdoor entertainment with outdoor seating, firepit, and corn hole area.
The property is in a semi-private location near the end of Blue Ridge Lane and with only two (2) other homes nearby; the closest one approximately 239 feet away. The area around the home is primarily wooded.

There were no public comments received during the advertised public hearing.

Commission's Recommendation: The Planning Commission finds that such use will not be of substantial detriment to adjacent property, that the character of the zoning district will not be changed thereby, and that such use will be in harmony with the purpose and intent of the County Code with the uses permitted by right in the zoning district, and with the public health, safety and general welfare to the community. Therefore, I move to recommend approval of the applicant's request for a Special Use Permit to allow for the short-term tourist rental of a dwelling in accordance with Sec. 25-179 of the Zoning Ordinance, with the following four (4) conditions:

1. This special use permit authorizing the short-term rental dwelling on tax parcel # 0720017905CC shall only apply to the existing dwelling on the property. No future dwelling on the property shall be used for short term rental unless this special use permit shall be revised by the Board of Supervisors after review and recommendation of the Planning Commission.

2. The owner shall always comply with the supplementary regulations for short term rentals found in Section 5.5-72 and Section 25-138 of the Franklin County Code.

3. The County Building Official and Fire Marshall shall inspect the proposed short-term rental use within 30 days of the approval of the special use permit for the short term rental. No short-term rental of the property shall be authorized until these inspections take place, and the property is found to be compliant with the applicable county building and fire codes.

4. Prior to using the property as a short-term rental use, the property owner shall provide documentation from the Virginia Department of Health and Franklin County Building Official that the home and septic system is approved for the dwelling and associated apartment in basement.

Roll Call Vote: **Motion to Approve with Conditions: Clements**
Seconded: Doss

AYES:	Doss, Clements, Pendleton, Crawford, Mitchell
NAYES:	None
ABSENT:	Colby, McGhee
ABSTAIN:	None

SUGGESTED MOTIONS:

The following suggested motions are sample motions that may be used. They include language found in Section 15.2-2283, Purpose of zoning ordinances of the Code of Virginia of 1950, as amended.

1) **(APPROVE)** I find that such use will not be of substantial detriment to adjacent property, that the character of the zoning district will not be changed thereby, and that such use will be in harmony with the purpose and intent of the County Code with the uses permitted by right in the zoning district, and with the public health, safety and general welfare to the community. Therefore, I move to recommend approval of the applicant's request for a Special Use Permit to allow for the short-term tourist rental of a dwelling in accordance with Sec. 25-179 of the Zoning Ordinance, with the conditions as recommended by the Planning Commission.

OR

2) **(DENY)** I find that such use will be of substantial detriment to adjacent property, that the character of the zoning district will be changed thereby, and that such use will not be in harmony with the purpose and intent of the County Code with the uses permitted by right in the zoning district, and with the public health, safety and general welfare to the community. Therefore, I move to recommend to deny the request for the Special Use Permit.

OR

3. **(DELAY ACTION)** I find that the required information for the submitted petition is incomplete. Therefore, I move to delay action until all necessary materials can be submitted and reviewed by the County.

RESOLUTION # _____

APPLICATION OF MEGAN LORSON, APPLICANT, AND KEVIN D. LORSON AND MEGAN R. LORSON, OWNERS, REQUESTING A SPECIAL USE PERMIT WITH POSSIBLE CONDITIONS, TO ALLOW FOR THE SHORT-TERM TOURIST RENTAL OF A DWELLING, LOCATED ON AN APPROXIMATE 1.46 ACRE PROPERTY. THE PROPERTY, CURRENTLY ZONED A-1, AGRICULTURAL, IS LOCATED AT 160 BLUE RIDGE LANE IN THE ROCKY MOUNT DISTRICT OF FRANKLIN COUNTY AND IS FURTHER IDENTIFIED BY FRANKLIN COUNTY REAL ESTATE RECORDS AS TAX MAP/PARCEL # 0720017905CC. SHORT TERM TOURIST RENTAL OF A DWELLING IS A PERMITTED USE BY ISSUANCE OF A SPECIAL USE PERMIT BY THE FRANKLIN COUNTY BOARD OF SUPERVISORS IN A-1, AGRICULTURAL ZONING DISTRICTS AND SUBJECT TO THE SUPPLEMENTAL REGULATIONS FOUND IN SECTION 25-138 OF THE FRANKLIN COUNTY CODE. THE PROPERTY HAS A FUTURE LAND USE DESIGNATION OF LOW DENSITY RESIDENTIAL.

WHEREAS, Megan Lorson did file an application requesting a Special Use Permit to allow for the short term tourist rental of a dwelling on an approximate 1.46 acre parcel, located in the Rocky Mount District, and

WHEREAS, the 1.46 acre property is currently zoned A-1, Agricultural and the short term tourist rental of a dwelling is a permitted use by issuance of a Special Use Permit in A-1 districts, and

WHEREAS, after due legal notice as required by Section 15.2-2204/2205 of the Code of Virginia of 1950, as amended, the Planning Commission and Board of Supervisors did hold public hearings on September 8, 2020 and October 20, 2020, respectively, at which time all parties in interest were given an opportunity to be heard, and

WHEREAS, after full consideration the Franklin County Planning Commission recommended APPROVAL of the Special Use Permit with the following four (4) conditions:

1. This special use permit authorizing the short-term rental dwelling on tax parcel # 0720017905CC shall only apply to the existing dwelling on the property. No future dwelling on the property shall be used for short term rental unless this special use permit shall be revised by the Board of Supervisors after review and recommendation of the Planning Commission.

2. The owner shall always comply with the supplementary regulations for short term rentals found in Section 5.5-72 and Section 25-138 of the Franklin County Code.

3. The County Building Official and Fire Marshall shall inspect the proposed short-term rental use within 30 days of the approval of the special use permit for the short term rental. No short-term rental of the property shall be authorized until these inspections take place, and the property is found to be compliant with the applicable county building and fire codes.

4. Prior to using the property as a short-term rental use, the property owner shall provide documentation from the Virginia Department of Health and Franklin County Building Official that the home and septic system is approved for the dwelling and associated apartment in basement.

WHEREAS, after full consideration the Franklin County Board of Supervisors determined that such use will not be of substantial detriment to adjacent property, that the character of the zoning district will not be changed thereby, and that such use will be in harmony with the purpose and intent of the County Code with the uses permitted by right in the zoning district, and with the public health, safety and general welfare to the community, and APPROVED the request with the four (4) conditions recommended by the Planning Commission as contained in this Resolution.

THEREFORE, BE IT RESOLVED, that a copy of this resolution be transmitted to the Clerk of the Planning Commission, the Franklin County Commissioner of Revenue and the Franklin County Zoning Administrator and that the Clerk be directed to reflect this action to APPROVE the Special Use Permit in the records of Franklin County.

On the motion by _____ to approve the requested Special Use Permit, and seconded by _____, said motion was APPROVED by the following recorded vote:

AYES:
NAYES:
ABSENT:
ABSTAIN:

_____
Madeline Sefcik, Clerk
Franklin County Board of Supervisors

_____
Date

MEMORANDUM
Case # SPEC-07-20-16662

Franklin County

To:	Franklin County Planning Commission
From:	Steven M. Sandy, Planning Director
Date:	August 21, 2020
Tax #s:	0720017905CC
District:	Rocky Mount District
Applicant:	Megan R. Lorson
Owners:	Kevin D. Lorson and Megan R. Lorson

REQUEST:

APPLICATION for SPECIAL USE PERMIT – Application of Megan Lorson, Applicant, and Kevin D. Lorson and Megan R. Lorson, Owners, requesting a Special Use Permit with possible conditions, to allow for the short-term tourist rental of a dwelling, located on an approximate 1.46 acre property. The property, currently zoned A-1, Agricultural, is located at 160 Blue Ridge Lane in the Rocky Mount District of Franklin County and is further identified by Franklin County Real Estate Records as Tax Map/Parcel # 0720017905CC. Short term tourist rental of a dwelling is a permitted use by issuance of a Special Use Permit by the Franklin County Board of Supervisors in A-1, Agricultural zoning districts and subject to the supplemental regulations found in Section 25-138 of the Franklin County Code. The property has a future land use designation of Low Density Residential.

RECOMMENDATION:

Staff recommends that the Planning Commission approve the request for a Special Use Permit to allow for the short-term tourist rental of a dwelling with the following four (4) conditions:

1. *This special use permit authorizing the short-term rental dwelling on tax parcel # 0720017905CC shall only apply to the existing dwelling on the property. No future dwelling on the property shall be used for short term rental unless this special use permit shall be revised by the Board of Supervisors after review and recommendation of the Planning Commission.*

2. *The owner shall always comply with the supplementary regulations for short term rentals found in Section 5.5-72 and Section 25-138 of the Franklin County Code*

3. *The County Building Official and Fire Marshall shall inspect the proposed short term rental use within 30 days of the approval of the special use permit for the short term rental. No short-term rental of the property shall be authorized until these inspections take place, and the property is found to be compliant with the applicable county building and fire codes.*

4. *Prior to using the property as a short-term rental use, the property owner shall provide documentation from the Virginia Department of Health and Franklin County Building Official that the home and septic system is approved for the dwelling and associated apartment in basement.*

BACKGROUND:

The applicant requests a Special Use Permit to allow for the "Short Term Tourist Rental of a Dwelling" on an approximate 1.46-acre property located at 160 Blue Ridge Lane in the Rocky Mount District, currently zoned A-1, Agricultural District. The property is currently used for residential purposes and has an apartment space available.

The entire residence is made up of four (4) bedrooms with three and a half (3.5) bathrooms. The apartment is located in the basement of the home and will include a full kitchen, living room, one (1) bedroom, one (1) full bathroom, an office, and closet space.

The apartment has an independent entrance with a lock box for self-check in, as well as separate parking available in the rear of the home. The applicant plans to provide amenities such as sheets, towels, stocked kitchen and a smart T.V. The apartment will also offer outdoor entertainment with outdoor seating, firepit, and corn hole area.

The property is in a semi-private location near the end of Blue Ridge Lane and with only two (2) other homes nearby; the closest one approximately 239 feet away. The area around the home is primarily wooded.

In order to allow for the "Short Term Tourist Rental of a Dwelling" a Special Use Permit is required to be issued by the Board of Supervisors under Section 25-179 of the County Code.

The application was advertised, site posted, and notifications sent to all adjacent property owners. As of the date of this report, staff has received two (2) inquiries regarding the nature of the request. Additional comments and concerns may be raised as a result of the public hearings.

SITE STATISTICS:

Location:	160 Blue Ridge Lane, Rocky Mount District
Size:	1.46 acres
Existing Land Use:	Residential
Adjoining Zoning:	A-1, Agricultural District
	RMF, Residential Multi-Family District
Adjoining Land Uses:	Residential
Adj. Future Land Uses:	Low Density Residential

COMPREHENSIVE PLAN:

The Future Land Use designates the property located at 160 Blue Ridge Lane as Low Density Residential according to the 2007 Franklin County Comprehensive Plan adopted by the Board of Supervisors in May of 2007. The property requesting the special use permit for short-term rentals is located on 1.461 acres of land located near the end of a private road and is heavily wooded at the back of the property and one side protecting

from adjoining neighbors. The house is located close to the property line of the house on 180 Blue Ridge Lane, but the distance between the homes is approximately 239 feet. The location of the drive and the front of the home is not completely screened from the home located at 180 Blue Ridge Lane; however, the amenities offered to the short term renters are located behind the house in the heavy wooded area to screen from neighbors on surrounding properties and the wooded area helps protect against the noise of outdoor activities. The other residences of the area are located a distance from this property and there are three vacant properties bordering this home. Due to the lot being mostly heavily wooded and secluded from adjoining properties this short-term rental would not adversely impact surrounding properties. The comprehensive plan states as an objective to promote and expand the tourism industry within Franklin County with a strategy to encourage development of infrastructure that supports tourism like lodging, restaurants, etc. The comprehensive plan would support the special use permit for this property to be used as a short term rental dwelling unit with conditions staff is requesting.

Please find below the description of Low Density Residential and the policies for this future land use category:

LOW DENSITY RESIDENTIAL

Low Density Residential Areas are intended to allow gross densities of one to two dwelling units per acre and minimum lot sizes of 20,000 - 30,000 square feet in general proximity to residential support services such as schools, playgrounds, and churches. These areas should either be located in or near existing Towns, Villages, or Rural Neighborhood Centers. It is envisioned that public water and/or sewer will someday serve these areas, meeting all local and state standards and requirements. They should be served by new public roads built by the developer to State standards and dedicated to the State. Recreational facilities and other amenities should be provided. While low density residential areas are typically comprised of traditional neighborhood developments they may also include manufactured housing, free standing townhomes, patio homes and other similar building types.

POLICIES FOR LOW DENSITY RESIDENTIAL

1. All roads should be built to state standards and offered by the developer for inclusion in the state system for maintenance.
2. Lots in new subdivisions abutting County arterial or major collector roads should be provided access onto service or interior roads so as to prevent the stacking of driveways.
3. On site centralized treatment plants to provide public sewer for each subdivision should be encouraged.
4. The density of all new subdivisions to be served by wells and/or septic systems should be determined by the long-term carrying capacity of the land. All new lots should have adequate reserve areas in the event of septic system failures.
5. Centralized water systems should be required to provide water to all new subdivisions.

6. All new subdivisions located in prime farmland areas should include adequate buffers to separate residential uses from agricultural operations.
7. Encourage interconnection of residential and commercial developments in order to lessen the traffic loads on arterial roads and provide pedestrian and bicycle linkages.
8. Streets within subdivisions shall be designed to provide interconnections to adjacent vacant land for future subdivision access and circulation.

COUNTY CODE:

Special Uses for the A-1 District are set forth in Sec. 25-179. The requested use is referenced as "Short Term Tourist Rental of a Dwelling".

Sec. 25-638 of the County Code sets forth the County's authority to issue special use permits for certain uses. The ordinance states that, in order to issue a special use permit, the Board of Supervisors must find that *"such use will not be of substantial detriment to adjacent property, that the character of the zoning district will not be changed thereby, and that such use will be in harmony with the purpose and intent of this chapter, with the uses permitted by-right in the zoning district, with additional regulations provided in sections 25-111 through 25-137, supplemental regulations, and amendments, of this chapter, and with the public health, safety, and general welfare."*

Sec. 25-640 of the County Code sets forth the County's authority to impose conditions for the issuance of special use permits. The ordinance states that the Board of Supervisors *"may impose upon any such permit such conditions relating to the use for which such permit is granted as it may deem necessary in the public interest..."* Conditions associated with a special use permit must be related to the particular land use which required the permit, and must be related to some impact generated by or associated with such land use.

Sec. 25-641 of the County Code states that a special use permit shall expire eighteen (18) months from the date of issuance if *"no commencement of use, structure or activity has taken place."* The ordinance states that "commencement" shall consist of "extensive obligations or substantial expenditures in relation to the project," including engineering, architectural design, land clearing, and/or construction.

Sec. 25-188 of the County Code states that the A-1 zoning district currently allows one dwelling per parcel however a second dwelling can be build on a parcel greater than one acre if occupied by a family member or someone working on the farm.

Section 5.5-72 of the County Code outlines requirements for operation of short term rentals in Franklin County as follows:

Sec. 5.5-72. Short Term Rentals

The following general regulations apply to all short-term tourist rental of residential dwellings:
(a) The use of the dwelling unit for short-term rentals shall be primarily for residential purposes related to tourism or vacationing.
(b) There shall be no change in the outside appearance of the dwelling or premises, or other visible evidence of the conduct of such short-term rentals.

(c) There shall be no more than two (2) adults per bedroom occupying the dwelling at any one time. An adult, for the purpose of this regulation, is any person over the age of three (3). The number of bedrooms in dwellings relying upon septic tanks and drainfields for sewage disposal shall be determined by reference to health department permits specifying the number of bedrooms for which the supporting system was designed. A notice shall be clearly posted in the dwelling indicating approved occupancy of the dwelling.
(d) All vehicles of tenants shall be parked in driveways or parking areas designed and built to be parking areas. In the case of multifamily dwellings, all vehicles must be parked in spaces specifically reserved for the dwelling unit being rented.
(e) All boats of tenants shall be parked on the lot on which the dwelling is located. In the case of multifamily dwellings boats must be parked in areas specifically reserved for the dwelling unit being rented.
(f) Noise generated off the lot or off the premises shall be in no greater volume or pitch than normally expected in a residential neighborhood.
(g) A type 2A-10BC fire extinguisher shall be mounted on the wall in common area or kitchen on each floor in the dwelling. Smoke detectors must be installed and functioning properly in every living area and bedroom within the dwelling. Each bedroom shall comply with building code requirements for egress. An evacuation plan shall be provided in the home and clearly visible to renters.
(h) The owner of a dwelling used for short term rental shall give the county written consent to inspect any dwelling used for short-term rental to ascertain compliance with all the above performance standards. An annual inspection shall be performed by the County.

ANALYSIS:

In accordance with Section 25-638 of the Zoning Ordinance, the proposed special use permit is being evaluated to determine if these uses will be substantial detriment to adjacent properties, whether the character of the zoning district will be changed thereby, and that such uses will be in harmony with the purpose and intent of this chapter, with the uses permitted by-right in the zoning district, with additional regulations provided in sections 25-111 through 25-137, supplemental regulations, and amendments, of this chapter, and with the public health, safety, and general welfare. The requested special use permit would generate a density of 2 dwelling units on 1.46 acres. Review of the proposed use does identify potential impacts in the following areas to be addressed:

TRANSPORTATION:

The existing entrance to the property is located on Blue Ridge Lane which is a private road that is not maintained by VDOT. VDOT has reviewed this request and had no comments given the nature of the application. (See attached email from Lisa Lewis, VDOT). Traffic is expected to be light from this proposed use.

WATER AND SEWER:

Western Virginia Water Authority reviewed this request and had no comments (See attached email from Aaron Shearer, WVWA). Water is provided to the property by a private well and sewage is managed by a septic system. Prior to using the house as a short-term rental use, the

applicant must provide the County with a report that certifies that the septic system is functioning properly and can meet the demands of the four (4) bedroom dwelling and associated apartment in basement.

EROSION AND SEDIMENT CONTROL AND STORM WATER MANAGEMENT

The proposed use of the property will not require review and approval under the erosion and sediment control and storm water management regulations. However, and disturbance over 10,000 square feet of soil may require erosion and sediment control plans and/or permitting (See attached email from Ronald Wilson, Development Review Coordinator).

PUBLIC SAFETY

Franklin County Public Safety, Fire Marshal, and Building Official have reviewed this request and have no concerns provided upon approval of the requested SUP, the Building Official's office and the Fire Marshal will inspect the structure proposed for short term rental use to ensure that the structure complies with building and fire code requirements for short term rental use. The apartment bedroom will require an emergency escape route and rescue egress in the case of a fire (See attached emails from Jay Mason, Fire Marshal and John Broughton, Building Official).

The Building Official must inspect and approve the 2nd dwelling unit (apartment) in the basement before it can be used as a rental unit to ensure compliance with all building codes.

NOISE

Staff anticipates minimal noise impacts related to this site due to the location of the home and proximity to other residences.

OTHER

Appalachian Power reviewed this request and had no comments (See attached email from Neil Holthouser, AEP).

RECOMMENDATION

Staff recommends that the Planning Commission consider and approve the Special Use Permit to allow for the short-term tourist rental of a dwelling with the following four (4) conditions:

1. This special use permit authorizing the short-term rental dwelling on tax parcel # 0720017905CC shall only apply to the existing dwelling on the property. No future dwelling on the property shall be used for short term rental unless this special use permit shall be revised by the Board of Supervisors after review and recommendation of the Planning Commission.

2. The owner shall always comply with the supplementary regulations for short term rentals found in Section 5.5-72 and Section 25-138 of the Franklin County Code.

3. The County Building Official and Fire Marshall shall inspect the proposed short-term rental use within 30 days of the approval of the special use permit for the short term rental. No short-term rental of the property shall be authorized until these inspections take place, and the property is found to be compliant with the applicable county building and fire codes.

4. Prior to using the property as a short-term rental use, the property owner shall provide documentation from the Virginia Department of Health and Franklin County Building Official that the home and septic system is approved for the dwelling and associated apartment in basement.

SUGGESTED MOTIONS:

The following suggested motions are sample motions that may be used. They include language found in Section 15.2-2283, Purpose of zoning ordinances of the Code of Virginia of 1950, as amended.

1) (APPROVE) I find that such use will not be of substantial detriment to adjacent property, that the character of the zoning district will not be changed thereby, and that such use will be in harmony with the purpose and intent of the County Code with the uses permitted by right in the zoning district, and with the public health, safety and general welfare to the community. Therefore, I move to recommend approval of the applicant's request for a Special Use Permit to allow for the short-term tourist rental of a dwelling in accordance with Sec. 25-179 of the Zoning Ordinance, with the conditions as recommended in the staff memorandum.

OR

2) (DENY) I find that such use will be of substantial detriment to adjacent property, that the character of the zoning district will be changed thereby, and that such use will not be in harmony with the purpose and intent of the County Code with the uses permitted by right in the zoning district, and with the public health, safety and general welfare to the community. Therefore, I move to recommend to deny the request for the Special Use Permit.

OR

3) (DELAY ACTION) I find that the required information for the submitted petition is incomplete. Therefore, I move to delay action until all necessary materials are submitted to the Planning Commission.

Sandy, Steve

From: Sandy, Steve
Sent: Monday, August 24, 2020 9:58 AM
To: hairfitglam@gmail.com
Cc: Powell, Hannah
Subject: Special Use Permit Application - short term rental use - 160 Blue Ridge Lane

Mr. and Mrs. Lorson,

I have reviewed your SUP application and have several questions before I can continue processing the special use permit application.

- It appears that you have been listing this apartment on AirBnb for a couple months already. Have all necessary taxes been paid for these rentals?
- Do you continue to list this apartment on AirBnB at this time?
- When was the downstairs apartment/basement finished? The building plans we have on file show the basement as unfinished.
- A-1 zoning only allows a second dwelling on the property if it is being used by family members or farm workers. See section 25-188 requirements from the Franklin County Zoning Ordinance below.

  Sec. 25-188. - Special requirements.

  (a)Except as provided below, only one (1) dwelling may be erected or placed on a single building lot as a permitted use.

  (b)A second dwelling may be erected or placed on a single building lot as a permitted use, under the following circumstances:

  (1)The building lot is at least one (1) acre in area; and

  (2)The second dwelling is occupied by:

  a. Members of the immediate family of the occupants of the principal dwelling on the lot, including parents, grandparents, children, and grandchildren; or

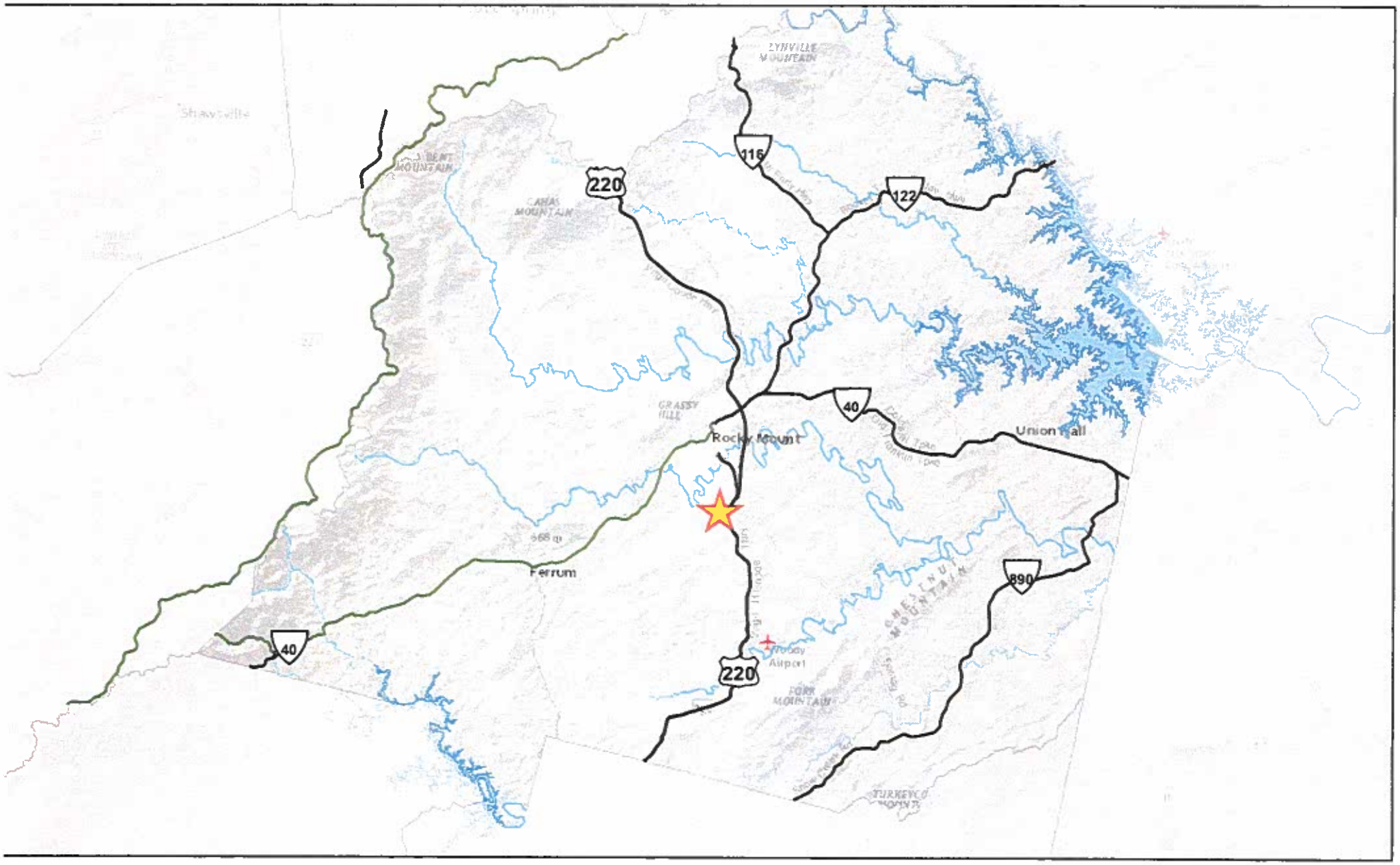
  b. Persons who derive their principal means of livelihood from work on the farm on which the dwelling is situated.

  (3)Regardless of occupancy, a second dwelling shall be permitted on a single building lot if the subject parcel is one hundred (100) acres or more in area.

  (c)No more than two (2) dwellings shall be erected or placed on a single building lot.

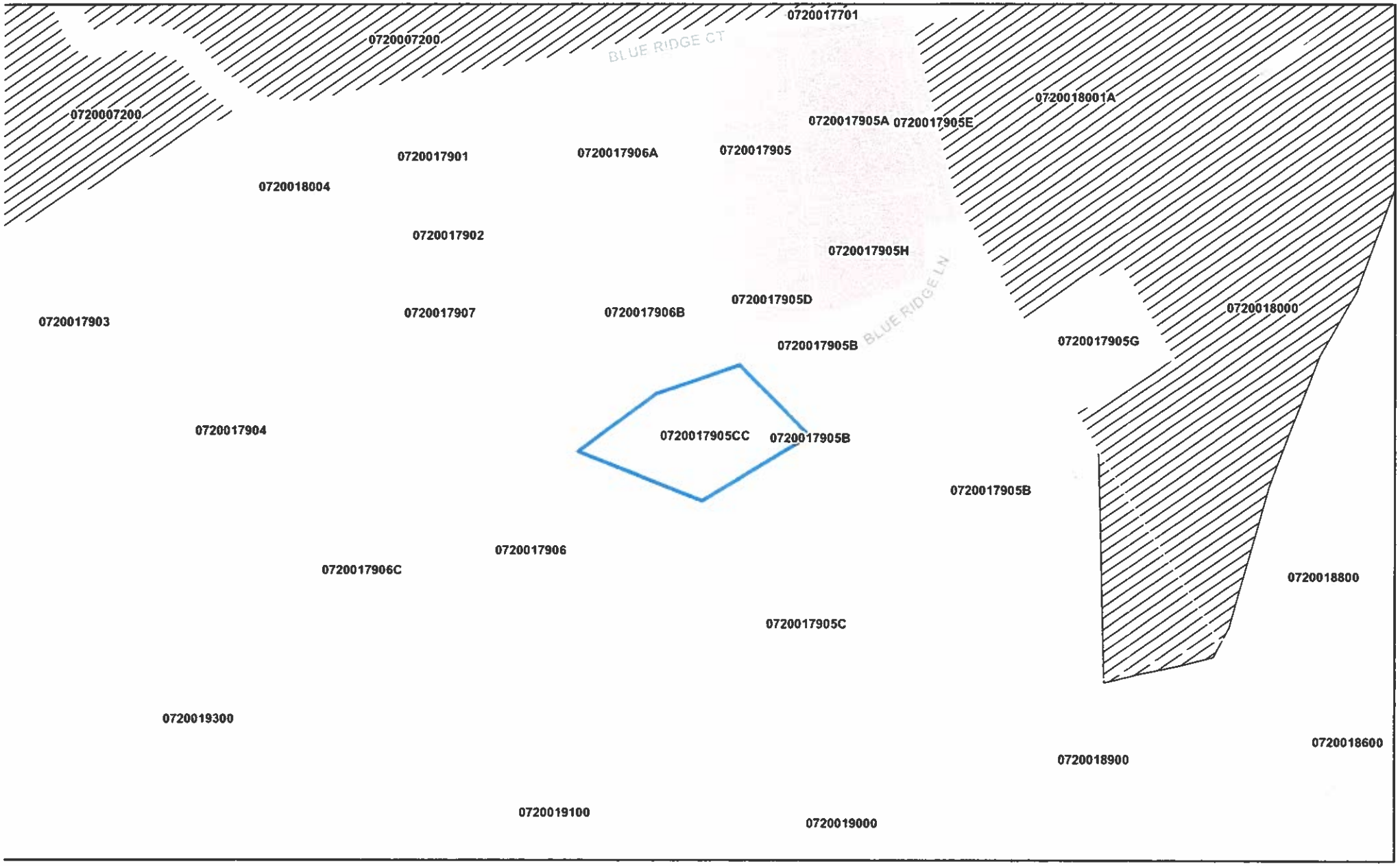
Based on the information I have received and seen in your application, you have created a second dwelling in the basement which does not comply with the requirements of the zoning ordinance. A dwelling unit is defined in the zoning ordinance as follows: *Dwelling unit.* One (1) or more rooms in a dwelling designed for living or sleeping purposes and having at least one (1) kitchen. This unit does not appear to have been approved by the Building Official's office and can not be rented as an AirBnB (short term rental). Please contact me to discuss this issue so we can determine the proper next steps to answer these questions. Thanks.

Steven M. Sandy, AICP, CZA, CTM
Director of Planning & Community Development
Franklin County, VA
1255 Franklin Street, Suite 103
Rocky Mount, VA 24151
(540) 483-3027
Steve.sandy@franklincountyva.gov



Tax Map # 0720017905CC
SPEC-07-20-16662
Megan Lorson

Subject Property Location



Legend

Subject Parcel

Parcels

Special Use Permit

Zoning Classifications

A1 - Agricultural

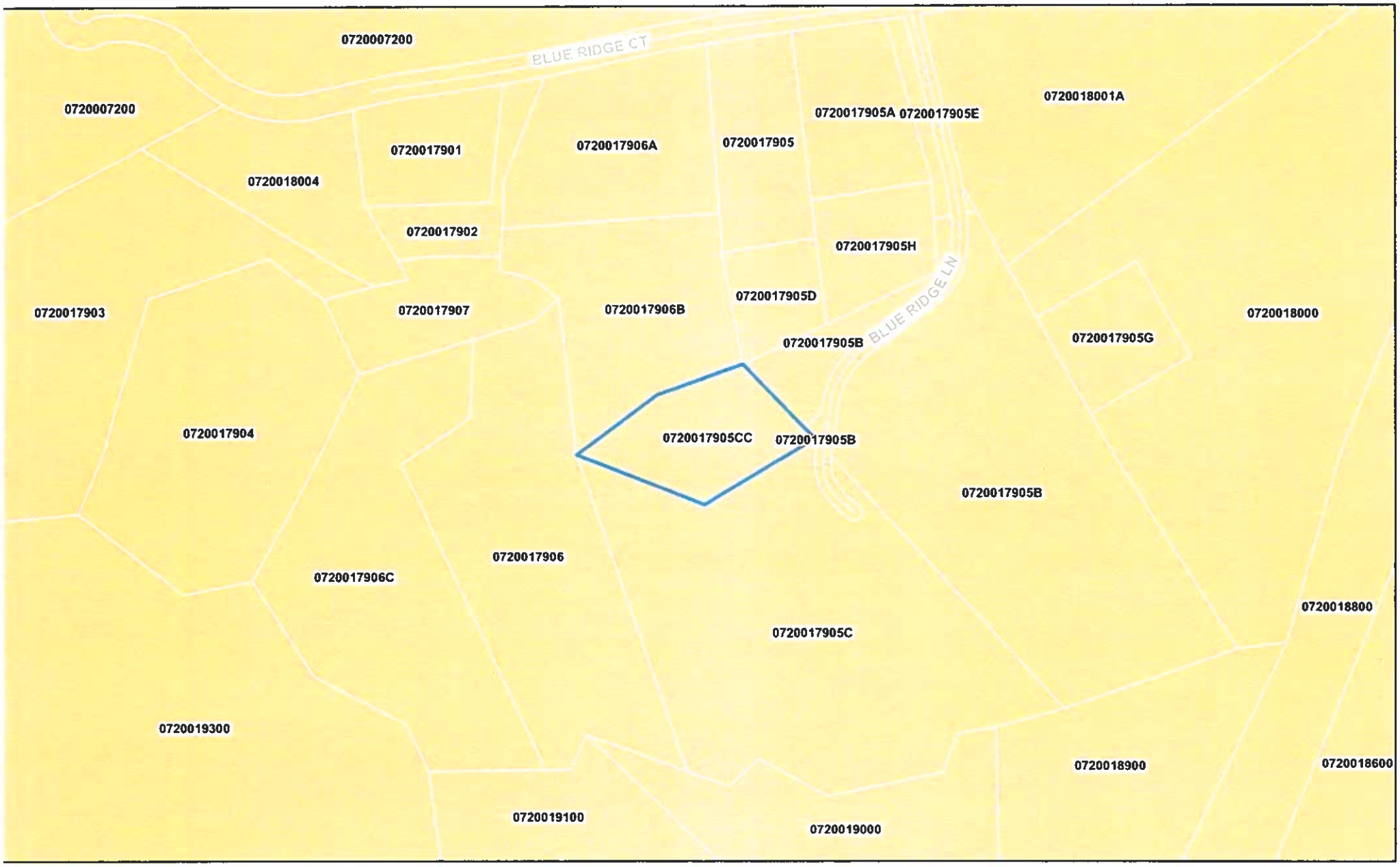
RMF - Residential Muli-Family

Tax Map # 0720017905CC
SPEC-07-20-16662
Megan Lorson

0 125 250 500

Date: 8/24/2020

Franklin Co GIS



Legend

Subject Property

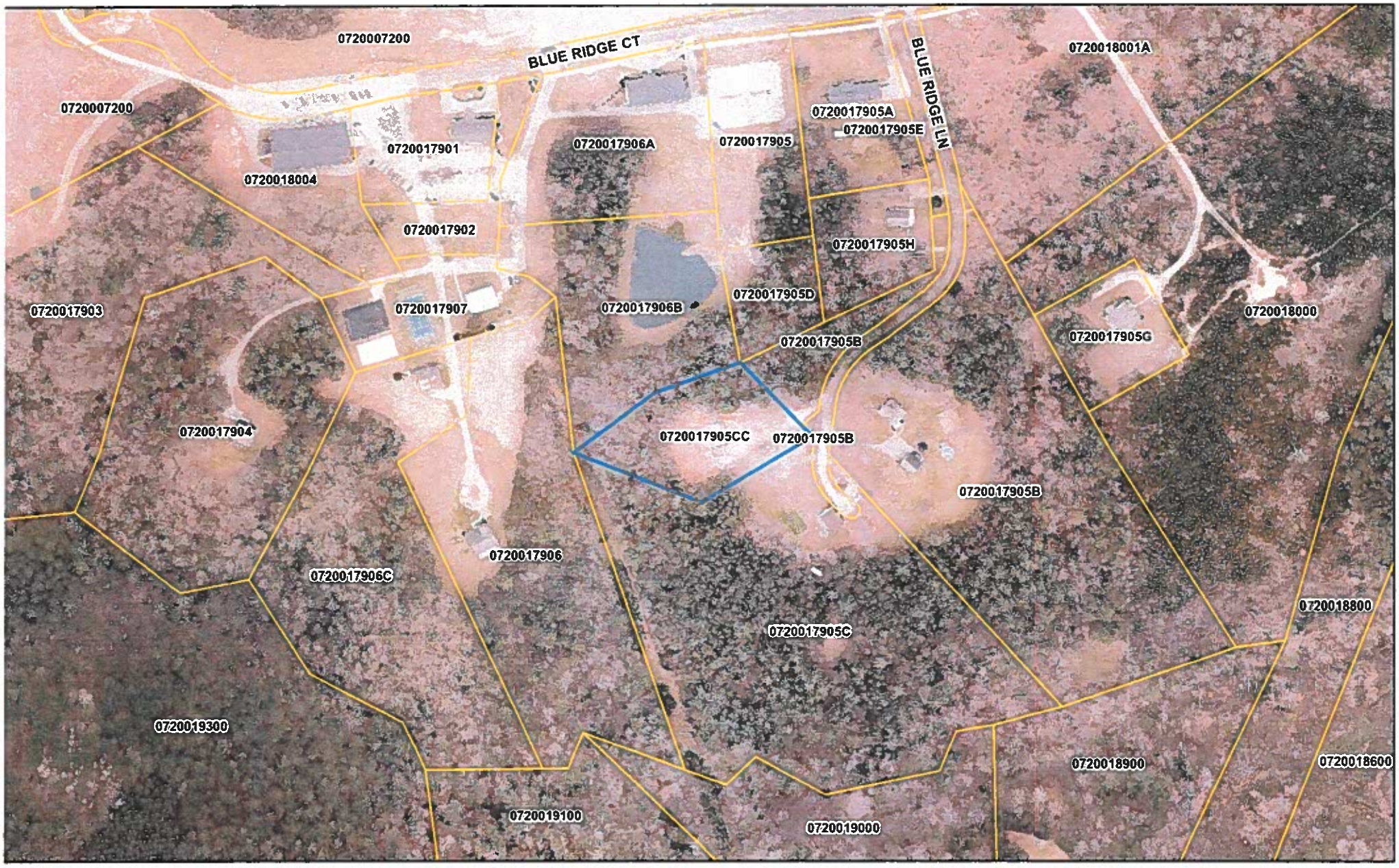
Tax Parcels

Tax Map # 0720017905CC
SPEC-07-20-16662
Megan Lorson

0 250 500

Date: 8/24/2020

Franklin Co GIS



Tax Map # 0720017905CC
SPEC-07-20-16662
Megan Lorson

Legend

Subject Parcel

Tax Parcels

2017 Pictometry Imagery

Franklin Co GIS

Powell, Hannah

From: Lewis, Lisa <lisa.lewis@vdot.virginia.gov>
Sent: Thursday, August 13, 2020 4:32 PM
To: Powell, Hannah
Subject: Re: FW: DRT Meeting

==== CAUTION: This email is from outside Franklin County Government. Total security is not guaranteed. Remember to use safe practices when using email and other technologies. ====

Hannah - We offer the following comment(s):

Lorsen - Due to the nature of the application, we offer no comments.
Blackwater Junction Farms (Duplex) - Entrance will need to be reviewed to meet our commercial entrance standards. A site plan will be required along with a traffic narrative.
Blackwater Junction Farms (Cottages) - Entrance will need to be reviewed to meet our commercial entrance standards. A site plan will be required along with a traffic narrative.

Let me know if you have any questions.

Thanks

Lisa

On Thu, Aug 13, 2020 at 3:02 PM Powell, Hannah <Hannah.Powell@franklincountyva.gov> wrote:

Just checking in to see if anyone else had comments on these applications? Thanks...

From: Powell, Hannah
Sent: Tuesday, August 4, 2020 10:35 AM
To: Aaron Shearer <aaron.shearer@westernvawater.org>; Burnette, Michael <Michael.Burnette@franklincountyva.gov>; Catlett, Charles <Charles.Catlett@franklincountyva.gov>; Cooper, Lisa <Lisa.Cooper@franklincountyva.gov>; darrin.doss@vdh.virginia.gov; Ferguson, William <William.Ferguson@franklincountyva.gov>; Harrington, Terry <Terry.Harrington@franklincountyva.gov>; Jay Mason <jay.mason@franklincountyva.gov>; John Broughton <john.broughton@franklincountyva.gov>; Lewis, Lisa D (VDOT <Lisa.Lewis@VDOT.Virginia.gov>; nholthouser@aep.com; Pat Regan <pat.regan@franklincountyva.gov>; Phillips, Jessica <jessica.phillips@vdh.virginia.gov>; Sandy, Steve <Steve.Sandy@franklincountyva.gov>; Schmidt, Eric <Eric.Schmidt@franklincountyva.gov>; simon.leray@vdh.virginia.gov; Smith, Don <don.smith@franklincountyva.gov>; Whitlow, Christopher <Christopher.Whitlow@franklincountyva.gov>; Williams, Brent <brent.williams@vdh.virginia.gov>; Wilson, Ronald <Ronald.Wilson@franklincountyva.gov>
Subject: DRT Meeting

The DRT meeting for August will not be held again this month. Please review the attached three (3) applications and send me your comments by Friday June 14th. Thanks!!

Powell, Hannah

From: Aaron Shearer <Aaron.Shearer@WesternVaWater.org>
Sent: Tuesday, August 4, 2020 12:02 PM
To: Powell, Hannah
Subject: RE: DRT Meeting

==== CAUTION: This email is from outside Franklin County Government. Total security is not guaranteed. Remember to use safe practices when using email and other technologies. ====

No WVWA comments
There is no water or sewer to serve these properties.
thanks

From: Powell, Hannah [mailto:Hannah.Powell@franklincountyva.gov]
Sent: Tuesday, August 4, 2020 10:35 AM
To: Aaron Shearer <Aaron.Shearer@WesternVaWater.org>; Burnette, Michael <Michael.Burnette@franklincountyva.gov>; Catlett, Charles <Charles.Catlett@franklincountyva.gov>; Cooper, Lisa <Lisa.Cooper@franklincountyva.gov>; darrin.doss@vdh.virginia.gov; Ferguson, William <William.Ferguson@franklincountyva.gov>; Harrington, Terry <Terry.Harrington@franklincountyva.gov>; Mason, Jay <Jay.Mason@franklincountyva.gov>; Broughton, John <John.Broughton@franklincountyva.gov>; lisa.lewis@vdot.virginia.gov; nholthouser@aep.com; Pat Regan <pat.regan@franklincountyva.gov>; Phillips, Jessica <jessica.phillips@vdh.virginia.gov>; Sandy, Steve <Steve.Sandy@franklincountyva.gov>; Schmidt, Eric <Eric.Schmidt@franklincountyva.gov>; simon.leray@vdh.virginia.gov; Smith, Don <don.smith@franklincountyva.gov>; Whitlow, Christopher <Christopher.Whitlow@franklincountyva.gov>; brent.williams@vdh.virginia.gov; Wilson, Ronald <Ronald.Wilson@franklincountyva.gov>
Subject: DRT Meeting

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Hannah L. Powell
Administrative Assistant II
Franklin County Planning & Community Development
1255 Franklin Street, Suite 103
Rocky Mount, VA, 24151
540 483 3027 Ext: 2304
hannah.powell@franklincountyva.gov

Powell, Hannah

From: Wilson, Ronald
Sent: Thursday, August 13, 2020 4:33 PM
To: Powell, Hannah; aaron.shearer@westernvawater.org; Burnette, Michael; Catlett, Charles; Cooper, Lisa; darrin.doss@vdh.virginia.gov; Ferguson, William; Harrington, Terry; Mason, Jay; Broughton, John; lisa.lewis@vdot.virginia.gov; nholthouser@aep.com; Pat Regan; Phillips, Jessica; Sandy, Steve; Schmidt, Eric; simon.leray@vdh.virginia.gov; Smith, Don; Whitlow, Christopher; brent.williams@vdh.virginia.gov
Subject: RE: DRT Meeting

I do not have any comments.

Ronnie

From: Powell, Hannah <Hannah.Powell@franklincountyva.gov>
Sent: Thursday, August 13, 2020 3:02 PM
To: aaron.shearer@westernvawater.org; Burnette, Michael <Michael.Burnette@franklincountyva.gov>; Catlett, Charles <Charles.Catlett@franklincountyva.gov>; Cooper, Lisa <Lisa.Cooper@franklincountyva.gov>; darrin.doss@vdh.virginia.gov; Ferguson, William <William.Ferguson@franklincountyva.gov>; Harrington, Terry <Terry.Harrington@franklincountyva.gov>; Mason, Jay <Jay.Mason@franklincountyva.gov>; Broughton, John <John.Broughton@franklincountyva.gov>; lisa.lewis@vdot.virginia.gov; nholthouser@aep.com; Pat Regan <pat.regan@franklincountyva.gov>; Phillips, Jessica <jessica.phillips@vdh.virginia.gov>; Sandy, Steve <Steve.Sandy@franklincountyva.gov>; Schmidt, Eric <Eric.Schmidt@franklincountyva.gov>; simon.leray@vdh.virginia.gov; Smith, Don <don.smith@franklincountyva.gov>; Whitlow, Christopher <Christopher.Whitlow@franklincountyva.gov>; brent.williams@vdh.virginia.gov; Wilson, Ronald <Ronald.Wilson@franklincountyva.gov>
Subject: FW: DRT Meeting

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Subject: DRT Meeting

The DRT meeting for August will not be held again this month. Please review the attached three (3) applications and send me your comments by Friday June 14th. Thanks!!

Powell, Hannah

From: Mason, Jay
Sent: Friday, August 14, 2020 12:00 PM
To: Powell, Hannah; aaron.shearer@westernvawater.org; Burnette, Michael; Catlett, Charles; Cooper, Lisa; darrin.doss@vdh.virginia.gov; Ferguson, William; Harrington, Terry; Broughton, John; lisa.lewis@vdot.virginia.gov; nholthouser@aep.com; Pat Regan; Phillips, Jessica; Sandy, Steve; Schmidt, Eric; simon.leray@vdh.virginia.gov; Smith, Don; Whitlow, Christopher; brent.williams@vdh.virginia.gov; Wilson, Ronald
Subject: RE: DRT Meeting

I have no additional comments, only that the Short Term Rentals comply with safety standards that have previously been established by the Board.

Thanks,

J. E. Mason
Deputy Chief - Fire Marshal

Franklin County Public Safety
1488 Franklin Street
Rocky Mount, VA 24151
Ofc: 540-483-3091
Email: Jay.Mason@franklincountyva.gov
Agency Website: www.fcpublicsafety.com

MEMBER
INTERNATIONAL ASSOCIATION OF FIRE CHIEFS
www.iafc.org

From: Powell, Hannah <Hannah.Powell@franklincountyva.gov>
Sent: Thursday, August 13, 2020 3:02 PM
To: aaron.shearer@westernvawater.org; Burnette, Michael <Michael.Burnette@franklincountyva.gov>; Catlett, Charles <Charles.Catlett@franklincountyva.gov>; Cooper, Lisa <Lisa.Cooper@franklincountyva.gov>; darrin.doss@vdh.virginia.gov; Ferguson, William <William.Ferguson@franklincountyva.gov>; Harrington, Terry <Terry.Harrington@franklincountyva.gov>; Mason, Jay <Jay.Mason@franklincountyva.gov>; Broughton, John <John.Broughton@franklincountyva.gov>; lisa.lewis@vdot.virginia.gov; nholthouser@aep.com; Pat Regan <pat.regan@franklincountyva.gov>; Phillips, Jessica <jessica.phillips@vdh.virginia.gov>; Sandy, Steve <Steve.Sandy@franklincountyva.gov>; Schmidt, Eric <Eric.Schmidt@franklincountyva.gov>; simon.leray@vdh.virginia.gov; Smith, Don <don.smith@franklincountyva.gov>; Whitlow, Christopher <Christopher.Whitlow@franklincountyva.gov>; brent.williams@vdh.virginia.gov; Wilson, Ronald <Ronald.Wilson@franklincountyva.gov>
Subject: FW: DRT Meeting

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Powell, Hannah

From: Broughton, John
Sent: Thursday, August 13, 2020 3:26 PM
To: Powell, Hannah; aaron.shearer@westernvawater.org; Burnette, Michael; Catlett, Charles; Cooper, Lisa; darrin.doss@vdh.virginia.gov; Ferguson, William; Harrington, Terry; Mason, Jay; lisa.lewis@vdot.virginia.gov; nholthouser@aep.com; Pat Regan; Phillips, Jessica; Sandy, Steve; Schmidt, Eric; simon.leray@vdh.virginia.gov; Smith, Don; Whitlow, Christopher; brent.williams@vdh.virginia.gov; Wilson, Ronald
Subject: RE: DRT Meeting

Just on the first one... they need to verify that there is an emergency escape and rescue opening(egress for fire) in what they are calling the bedroom. If not, then one would have to be installed per code or if so, shall be verified for code compliance along with the other STR requirements.

JOHN W BROUGHTON
Franklin County Building Official
VBCOA/Sergeant at Arms

Franklin County

1255 Franklin St. Ste. 103
Rocky Mount, VA 24151
(540) 483-3047 Ext. 2248
John.Broughton@franklincountyva.gov

From: Powell, Hannah <Hannah.Powell@franklincountyva.gov>
Sent: Thursday, August 13, 2020 3:02 PM
To: aaron.shearer@westernvawater.org; Burnette, Michael <Michael.Burnette@franklincountyva.gov>; Catlett, Charles <Charles.Catlett@franklincountyva.gov>; Cooper, Lisa <Lisa.Cooper@franklincountyva.gov>; darrin.doss@vdh.virginia.gov; Ferguson, William <William.Ferguson@franklincountyva.gov>; Harrington, Terry <Terry.Harrington@franklincountyva.gov>; Mason, Jay <Jay.Mason@franklincountyva.gov>; Broughton, John <John.Broughton@franklincountyva.gov>; lisa.lewis@vdot.virginia.gov; nholthouser@aep.com; Pat Regan <pat.regan@franklincountyva.gov>; Phillips, Jessica <jessica.phillips@vdh.virginia.gov>; Sandy, Steve <Steve.Sandy@franklincountyva.gov>; Schmidt, Eric <Eric.Schmidt@franklincountyva.gov>; simon.leray@vdh.virginia.gov; Smith, Don <don.smith@franklincountyva.gov>; Whitlow, Christopher <Christopher.Whitlow@franklincountyva.gov>; brent.williams@vdh.virginia.gov; Wilson, Ronald <Ronald.Wilson@franklincountyva.gov>
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Powell, Hannah

From: Neil Holthouser <nholthouser@aep.com>
Sent: Tuesday, August 4, 2020 10:42 AM
To: Powell, Hannah
Subject: RE: DRT Meeting
Attachments: 16662_Lorson_Application.pdf; 16656_Black Water Junction_Application.pdf; 16655 _Black Water Junction_ Application.pdf

==== CAUTION: This email is from outside Franklin County Government. Total security is not guaranteed. Remember to use safe practices when using email and other technologies. ====

Appalachian Power Company does not have any comments on these three applications. Thank you!

APPALACHIAN POWER
NEIL HOLTHOUSER | PLANT ENVIRONMENTAL COORD SR
NHOLTHOUSER@AEP.COM | D:540 985.2544
40 FRANKLIN ROAD SW, ROANOKE, VA 24011

From: Powell, Hannah <Hannah.Powell@franklincountyva.gov>
Sent: Tuesday, August 4, 2020 10:35 AM
To: aaron.shearer@westernvawater.org; Burnette, Michael <Michael.Burnette@franklincountyva.gov>; Catlett, Charles <Charles.Catlett@franklincountyva.gov>; Cooper, Lisa <Lisa.Cooper@franklincountyva.gov>; darrin.doss@vdh.virginia.gov; william.ferguson@franklincountyva.gov; Harrington, Terry <Terry.Harrington@franklincountyva.gov>; jay.mason@franklincountyva.gov; Broughton, John <John.Broughton@franklincountyva.gov>; lisa.lewis@vdot.virginia.gov; Neil Holthouser <nholthouser@aep.com>; Pat Regan <pat.regan@franklincountyva.gov>; Phillips, Jessica <jessica.phillips@vdh.virginia.gov>; Sandy, Steve <Steve.Sandy@franklincountyva.gov>; Schmidt, Eric <Eric.Schmidt@franklincountyva.gov>; simon.leray@vdh.virginia.gov; Smith, Don <don.smith@franklincountyva.gov>; Whitlow, Christopher <Christopher.Whitlow@franklincountyva.gov>; brent.williams@vdh.virginia.gov; Wilson, Ronald <Ronald.Wilson@franklincountyva.gov>
Subject: [EXTERNAL] DRT Meeting

This is an **EXTERNAL** email. **STOP**. **THINK** before you CLICK links or OPEN attachments. If suspicious please click the **'Report to Incidents'** button in Outlook or forward to incidents@aep.com from a mobile device.

The DRT meeting for August will not be held again this month. Please review the attached three (3) applications and send me your comments by Friday June 14th. Thanks!!

Hannah L. Powell
Administrative Assistant II
Franklin County Planning & Community Development
1255 Franklin Street, Suite 103
Rocky Mount, VA, 24151
540 483 3027 Ext: 2304
hannah.powell@franklincountyva.gov

We would like to use our downstairs apartment as a short term rental listed on Airbnb for additional income and to meet new people that come through the area. It has a separate entrance in the back of the house with separate parking in the back and a lockbox for self check-in. It offers outdoor seating, a swing, backyard, bonfire pit area, and cornhole for people that stay. The apartment itself has a full kitchen and living room which are open to each other, 1 bedroom, 1 full bathroom, 1 office room and a couple of storage rooms and closets. Some of the amenities include sheets, towels, fully stocked kitchen, dining table, smart tv and the outdoor amenities listed above. We provide each new guest with water bottles and snacks at check in. It is a great relaxing, clean and modern space for people needing a place to stay whether its for working, vacationing, or just visiting the area.

Megan Lorson

8-3-20

FRANKLIN COUNTY
SPECIAL USE PERMIT APPLICATION

(Type or Print)

I/We, Megan & Kevin Lorson, as Owner(s), Contract Purchasers, or Owner's Authorized Agent of the property described below, hereby apply to the Franklin County Board of Supervisors for a special use permit on the property as described below:

Petitioner's Name: Megan Lorson

Petitioner's Address: 168 Blue Ridge Ln., Rocky Mount, VA 24151

Petitioner's Phone Number: 540-420-0723

Petitioner's E-mail: hairfitglam@gmail.com

Property Owner's Name: Megan & Kevin Lorson

Property Owner's Address: 168 Blue Ridge Ln., Rocky Mount, VA 24151

Property Owner's Phone Number: 540-420-0723

Property Owner's E-mail: hairfitglam@gmail.com

Directions to Property from Rocky Mount: Head 220 South & take a right on Lasell Dr. Right beside the Yellow Dog Antique Shop

Tax Map and Parcel Number: 72-179.5CC

Magisterial District: Rocky Mount

Property Information:

A. Size of Property: 1.461 acres

B. Existing Zoning: A1

C. Existing Land Use: Single Family Home

D. Is property located within any of the following overlay zoning districts:

___Corridor District ___Westlake Overlay District ___Smith Mountain Lake Surface District

E. Is any land submerged under water or part of a lake? Yes (No) If yes, explain.

Proposed Special Use Permit Information:

A. Proposed Land Use:

I would like to use our downstairs apartment as a short term vacation rental.

B. Size of Proposed Use: 1200 sq. ft.

C. Other Details of Proposed Use: _____

Checklist for completed items:

_____ Application Form

_____ Letter of Application

_____ Concept Plan

_____ Application Fee

****I certify that this application for a special use permit and the information submitted herein is correct and accurate.**

Petitioner's Name (Print): Megan Larson

Signature of Petitioner: Megan Larson

Date: 7-27-20

Mailing Address: 160 Blue Ridge Ln
Rocky Mount, VA 24151

Telephone: 540-470-0723

Email Address: hairfitglam@gmail.com

Owner's consent, if petitioner is not property owner:

Owner's Name (Print): Megan + Kevin Larson

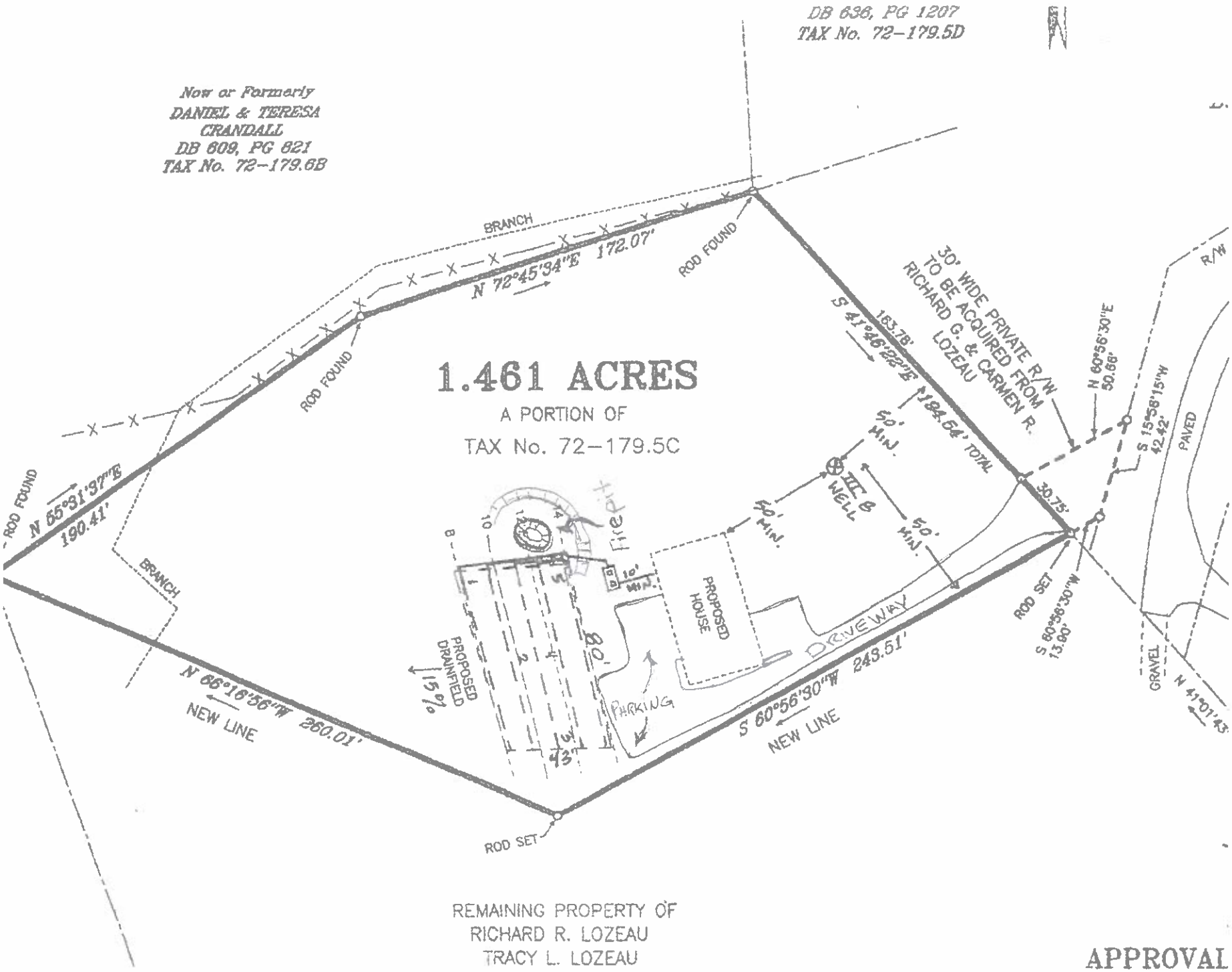
Signature of Owner: Megan Larson Kevin Larson

Date: 7-27-20

Date Received by Planning Staff _____

Clerk's Initials: _____

CHECK #: _____
RECPT. #: _____
AMOUNT: _____



REMAINING PROPERTY OF
RICHARD R. LOZEAU
TRACY L. LOZEAU

APPROVAL

airbnb

Modern Boho Getaway

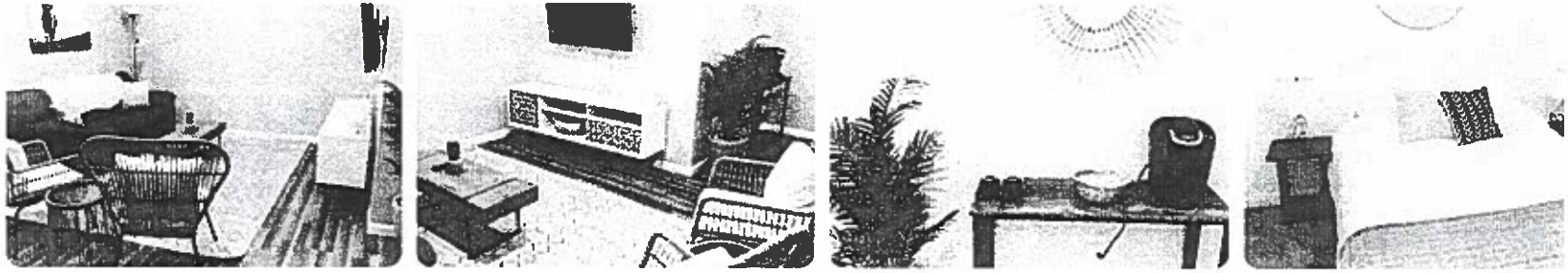
View calendar Preview listing

Change listing

Listing details Booking settings Pricing Availability Local taxes and laws Co-hosts Cleaning

Photos

Edit



14 photos

Rooms and spaces

Edit

Bedrooms: 1
Bed: 1
Bathrooms: 1

Additional areas: 6
All areas are just for guests

Amenities

Edit

Essentials
Kitchen
Air conditioning
Hair dryer
Hangers
Refrigerator
Dishwasher
Dishes and silverware
Cooking basics
Stove

Show more

Accessibility

Edit

Title & description

Add language

Listing title

Edit

Modern Boho Getaway

Description

Edit

Relax in this secluded, clean, modern space with an outdoor lounging area. It's the perfect getaway place with all the amenities. Enjoy cooking meals in our fully stocked kitchen, high speed WiFi, watching your favorite show on tv, or playing cornhole. This Airbnb is centrally located. We are a 5 minute drive from

downtown Rocky Mount. 25 min drive to Smith Mountain Lake, 30 minutes to Roanoke and Martinsville and an hour drive from Danville. Reserve your stay

Show more

The space

Edit

Not specified

Guest access

Edit

This space is located underneath our new house. It is an entire space totally separated. There is parking out back, outdoor area for cornhole, a swing and lounging chairs for hanging out outside.

Guest interaction

Edit

Not specified

Neighborhood overview

Edit

Our neighborhood is very safe and family friendly.

Getting around

Edit

Not specified

Other things to note

Edit

Please note there is not a separate thermostat for this apartment so it tends to be a little chilly but there are extra blankets provided if needed.

Show only the general area to anyone searching for a place to stay.

Directions

Edit

Not specified

Share address after the free cancellation period

Checking this box means guests won't see your address, last name, or phone number while they're able to cancel for free. After the free cancellation window, we'll send guests this information.

Things guests should know

Edit

Safety and other considerations

Guest resources

Only visible to guests with a reservation

Check-in instructions

Edit

Lockbox

Wi-fi details

Edit

Not specified

Custom link

Edit

Not specified

Property and guests

Property type

Edit

Apartment
Entire home/apt

Number of guests

− 4 +

Dedicated for guests

Edit

Yes, it's primarily set up for guests

Location

Address

Edit

160 Blue Ridge Ln, Rocky Mount, VA 24151, USA

Map marker

Edit

House manual

Not specified

Edit

Guidebook

Over 1 million hosts have already created guidebooks.

Edit

Listing status

Edit

- **Listed**

  Guests can find your listing in search results and request or book available dates.

Who can see and book your listing

Everyone on Airbnb.

Opportunities

Franklin County

A Natural Setting for Opportunity

MEMORANDUM

TO: All Members of the Franklin County Board of Supervisors

FROM: Madeline L. Sefcik, Clerk

REF: Monthly Reports

This section of the folder is reserved for the various reports that are submitted on a monthly basis. The reports included are as follows:

1. Sheriff's Department Monthly Report
2. Treasurer's Monthly Report
3. Finance Monthly Report
4. Library Monthly Report
5. Parks and Recreation Monthly Report
6. Social Services Monthly Report
7. Building Inspector's Monthly Report
8. Animal Control Monthly Report

Office of the Sheriff
County of Franklin, Virginia – September/August 2020

ACTIVITY	SEPT.	AUG.
9-1-1 Calls	2,140	2,481
Calls for Service	2,710	2,937
Average Response	6:09	6:04
Administrative Calls	4,387	4,558
Reportable Offenses	209	198
Criminal Arrest	135	119
Felony Warrants	96	72
Misdemeanor Warrants	96	114
DUI/DUID Arrests	0	2
Traffic Summons	19	29
Radar Summons	2	6
Traffic Warnings	0	0
Hours In Court	57:17	64:56
Hrs. School Security Checks	35:11	4:21
Business Checks	195	137
Training Hours	346	422
Extra Duty Hours	983.13	928.75
Funerals	15	26
Concealed Weapon Permits	242	146
Scrap Metal Permits	0	0
Emergency Custody Orders	12	14
Temporary Custody Orders	7	9
Civil Papers Served	2,482	1,876
Transports	34	34
Average Local Inmate Count	58	58
Average WVRJ Inmate Count	184	159
Miles Driven	77,403	97,548

W. Q. "Bill" Overton, Jr., Sheriff

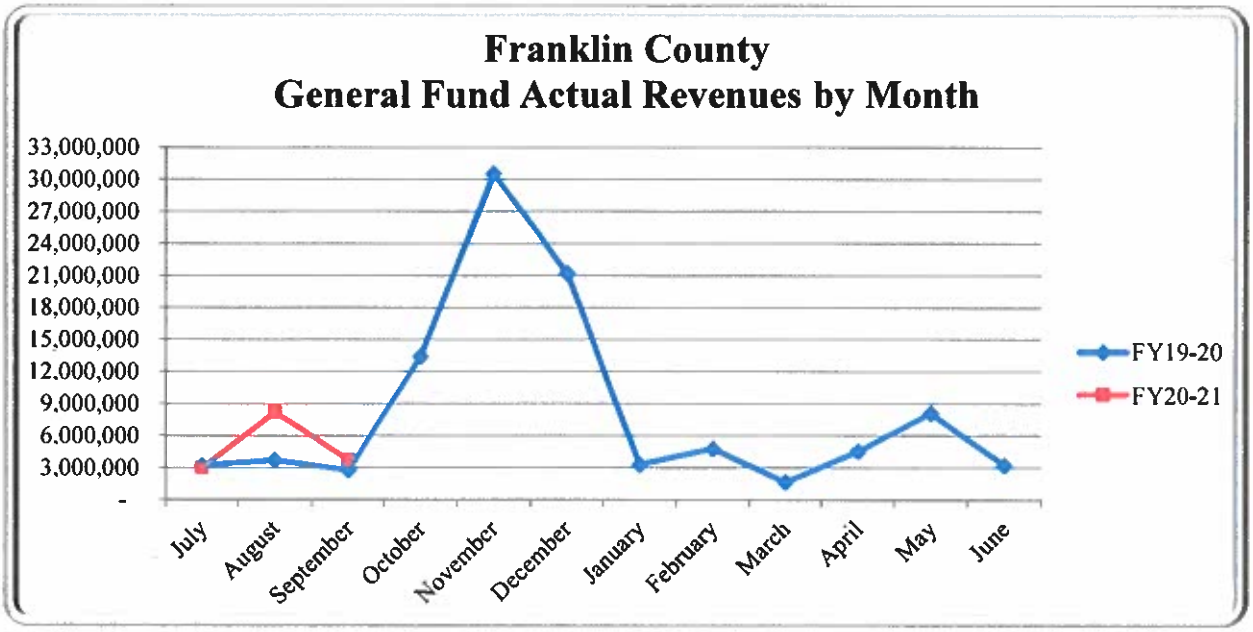
Franklin County
Treasurer's Report
September 30, 2020

Cash in Office	$ 2,260.00	
Borrowing Proceeds Held by Trustee	17,216,051.48	
Primary County Checking Account	8,303,592.92	
Money Market Acct	25,136,303.44	
Other Checking, Savings Accounts	$ 782,522.02	
	51,440,729.86	
General Fund Cash Balance		$ 21,810,771.90
Designated Funds:		
Federal Asset Forfeiture Fund		137,184.33
Courthouse Maintenance Fund		255,819.01
School Fund		0.00
School Construction Fund		(364,477.39)
E911 Fund		649,385.58
Law Library		156,258.55
Capital Fund		9,546,596.85
Capital Fund Borrowing Proceeds		17,216,051.48
County Debt Service Fund		174,236.08
Utility Fund		277,514.30
Special Welfare Fund		65,072.21
Treasurer State Fund		3,444.02
Tourism Initiatives		7,500.00
Payroll Clearing Fund		1,012,991.09
Escrow Accounts:		
Road Funds		0.00
Soil and Erosion Control		488,381.85
Library Endowment Fund		4,000.00
		$ 51,440,729.86

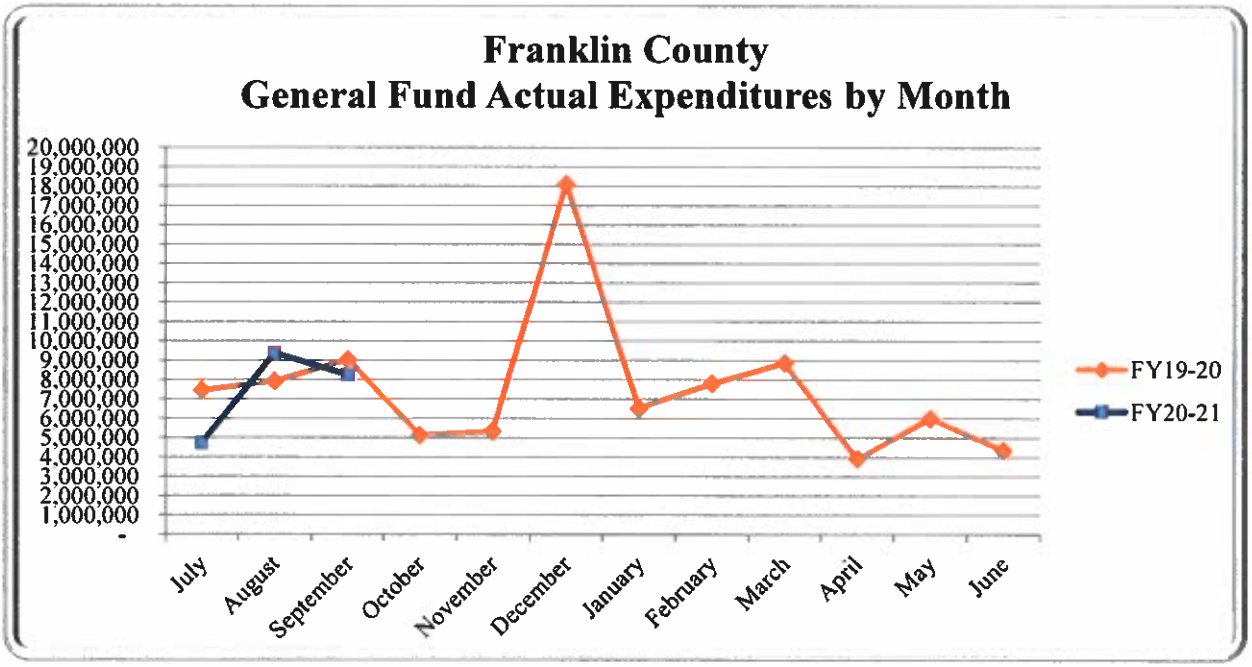
Franklin County
Cash Basis Revenue and Expenditure Summaries (Unaudited)
General Fund and School Fund Only
For the Month Ended September 30, 2020

REVENUES:	Budget and Appropriations Current Year	Actual Year to Date Revenues	Balance To Be Realized	Percent of Budget
General Property Taxes	56,281,247	1,043,671	(55,237,577)	1.9%
Other Local Taxes	11,227,943	3,324,178	(7,903,765)	29.6%
Permits, Fees and Licenses	420,241	131,619	(288,622)	31.3%
Fines and Forfeitures	39,501	7,317	(32,184)	18.5%
Revenue from the use of Money and Property	595,318	114,936	(480,382)	19.3%
Charges for Services	3,009,705	775,031	(2,234,674)	25.8%
Miscellaneous Revenue	597,038	212,903	(384,136)	35.7%
Recovered Costs	1,031,428	96,599	(934,829)	9.4%
Revenue from the Commonwealth	14,966,161	4,076,856	(10,889,305)	27.2%
Federal Government	4,209,189	331,554	(3,877,635)	7.9%
Total	92,377,771	10,114,664	(82,263,107)	10.9%
Fund Balance/Carryover Funds		(1,674)		
Federal Revenues	65,218	4,954,666		
Transfers				
Total General Fund	92,442,989	15,067,656		
Schools				
Cafeteria, Misc, State, Federal	53,320,878	10,720,242	(42,600,636)	20.1%
Local Funding from County	34,417,672	9,488,431	(24,929,241)	27.6%
Total School Fund	87,738,550	20,208,673	(67,529,877)	23.0%

EXPENDITURES:	Budget and Appropriations Current Year	Actual Year to Date Expenditures	Balance Expended	Percent of Budget
General and Financial Administration	5,006,427	1,574,366.87	3,432,060	31.4%
Judicial Administration	2,971,178	662,805.20	2,308,373	22.3%
Public Safety (Sheriff, Corrections, Fire, EMS)	14,979,626	4,720,399.14	10,259,227	31.5%
Public Works	4,282,197	793,204.07	3,488,993	18.5%
Health and Welfare	14,988,268	3,983,944.75	11,004,323	26.6%
Parks, Recreation, Libraries, Community Colleges	2,487,621	474,975.24	2,012,646	19.1%
Community Development	3,073,973	658,611.58	2,415,361	21.4%
Transfers to Schools, Capital, Debt	44,653,699	9,488,431.23	35,165,268	21.2%
Total General Fund	92,442,989	22,356,738	70,086,251	24.2%
School Fund	87,738,550	18,860,053	68,878,497	21.5%



	FY19-20	FY20-21
Total Revenues Year to Date	$9,772,799	$15,067,656



	FY19-20	FY20-21
Total Expenditures Year to Date	$24,410,161	$22,356,738

NO LIBRARY REPORT

Franklin County Parks & Recreation
Recreation Advisory Commission
September 3, 2020
5:30pm
Waid Park

RAC Members Present:	Mike Banks, Al Flora, Jessica Gawor, Josh Gibson, Brenda Perdue and Kay Saleeby
RAC Members Absent:	Reba Dillon and George Martin
Staff Members Present:	Paul Chapman
Staff Absent:	None
Guests:	None

The September meeting was called to order at 5:35PM by Kay Saleeby.

Paul Chapman

- CARES ACT: Presented the approved CARES Act items. Parks and Recreation will be spending $81,600 on mobile presentation equipment and $32,000 on athletic protective equipment.
- Coronavirus Pressures: Presented some of the pressures that Parks and Recreation is feeling from the Coronavirus such as fewer seasonal workers and trustees, increased use of facilities and pressure from public with differing opinions on the threat level.
- Youth Athletics: Franklin County Baseball Inc. decided to cancel fall baseball program. Sandlot Football's regional program also canceled due concerns with Coronavirus. FC Lacrosse will be holding their fall season but without any games (weekly practices only). Parks and Recreation will continue to hold fall soccer (approved by VDH). Over 600 participants are registered for fall soccer season.
- Forest CORE / Blueway Access Progress: Parks and Recreation is working with Friends of the Rivers of Virginia (FORVA) to obtain properties through Forest CORE grant. This grant is fund by Mountain Valley through the Virginia Outdoor Foundation to offset environmental impacts to our community. FORVA is working to obtain and develop river access properties to donate to the County. Three properties are currently under various stages of acquisition.
- Upcoming Projects:
    - Parks and Recreation is working with the SML Chamber to offer a mountain bike race on Saturday October 17th. This event has been warmly received and is being sponsored by Virginia's Blue Ridge, Roanoke Regional Partnership, and the Town of Rocky Mount.

- Parks and Recreation is nearing completion of a new bike skills course at Waid Park. This purpose-built skills loop is being supported by the Middle School Mountain Bike Club, Blue Ridge Off-road Cyclist, Seven Oaks Landscaping and an Eagle Scout. This project has not yet been complete but has already been a big hit with park attendants.
- Parks ad Recreation is working with Economic Development and the Library to develop a "pocket park" at the southern entrance to Summit View. This project is repurposing a stormwater pond and creating a small park with a walking trail around a landscaped park. One of the main features of this park is that it will have a 24hr library similar to a Redbox.
- Parks and Recreation is continuing to work with the YMCA with their operation of the preschool at the Essig Recreation Center. Currently there is no interest in offering other programming other than preschool programming.

General Discussion

- RAC Members toured the new playground and bike skills course

MOTION: Mrs. Kay Saleeby made a motion to adjourn the meeting at 6:50pm. Mrs. Jessica Gawor seconded the motion, all were in favor.

				FY19-20 COUNTY BUDGET ALLOCATION
STATE ALLOCATION	**$2,578,589**	**$184,937**	**$1,656,170**	**$4,532,688**
BUDGET LINE	**855**	**849**	**858**	
	STAFF & OPERATIONS BASE	**STAFF & OPERATIONS NO LOCAL MATCH**	**STAFF & OPERATIONS PASS-THRU**	
LOCAL MATCH	**15.50%**		**70%**	
MONTH				**CTY REM BALANCE**
JUNE	$358,718.36		$15,334.51	$4,158,635.13
JULY	$347,692.91	$30,669.02		$4,184,995.09
AUGUST	$353,216.41	$15,637.76		$3,831,778.68
SEPTEMBER	$381,762.92	$15,637.76		$3,450,015.76
OCTOBER				#VALUE!
NOVEMBER				#VALUE!
DECEMBER				#VALUE!
JANUARY				#VALUE!
FEBRUARY				#VALUE!
MARCH				
APRIL				
MAY				
'TD EXPENDITURE:	$1,441,390.60	$61,944.54	$15,334.51	
REM BALANCE	**$1,137,198.40**	**$122,992.46**	**$1,640,835.49**	**$**
% REM	44.10%		99.07%	
EXPECTED REIMB	1217975.06		12957.66	#VALUE!

STATE ALLOCATION	**$213,060**	**$1,137**	**$3,601**	**$0**
BUDGET LINE	**804 AUXILIARY GRANT**	**861 EDUCATION & TRAIING VOUCHERS**	**862 INDEPENDENT LIVING PROGRAM BASIC GRANT**	**873 FC APPROVED CHILD WELFARE TRAINING**
LOCAL MATCH	**20.00%**	**0%**	**0%**	**59.80**
MONTH				
JUNE	$14,825.00		$102.96	
JULY	$15,112.00	$0.00	$0.00	$0.00
AUGUST	$16,702.00			
SEPTEMBER	$17,238.00	$657.99		
OCTOBER				$0.00
NOVEMBER				
DECEMBER				
JANUARY		$0.00		
FEBRUARY				
MARCH				
APRIL				
MAY				
YTD EXPENDITURES	**$63,877.00**	**$657.99**	**$102.96**	**$0.00**
REM BALANCE	**$149,183.00**	**$479.01**	**$3,498.04**	**$0.00**
% REM	**70.02%**	**42.13%**	**97.14%**	**#DIV/0!**

STATE ALLOCATION	$1,089,659	$223,665	$1,454,821	$47,341	$1,275
BUDGET LINE	811 ADC IV-E FOSTER CARE	817 STATE ADOPTION SUBSIDY AND SPECIAL SERVICE PAYMENTS	812 IV-E ADOPTION SUBSIDY AND NON-RECURRING EXPENSES	814 FOSTERING FUTURES STATE ADOPTION	864 FOSTER PARENT RESPITE CARE
LOCAL MATCH	0.00%	0%	0%	0%	0.00
MONTH					
JUNE	$14,889.41	20475.71	$142,075.53	$1,423.28	
JULY	$85,172.02	$20,475.71	$144,934.73	$3,915.47	
AUGUST	$48,043.87	$20,475.71	$144,698.02	$6,531.48	
SEPTEMBER	$121,837.53	$20,165.71	$144,371.18	$4,682.25	
OCTOBER					
NOVEMBER					
DECEMBER					
JANUARY					
FEBRUARY					
MARCH					
APRIL					
MAY					
'TD EXPENDITURES	$269,942.83	$81,592.84	$576,079.46	$16,552.48	$0.00
REM BALANCE	$819,716.17	$142,072.16	$878,741.54	$30,788.52	$1,275.00
% REM	75.23%	63.52%	60.40%	65.04%	100.00%
EXPECTED REIMB					

STATE ALLOCATION	$177,069	$7,169	$31,281	$6,978	$8,314
BUDGET LINE	872 VIEW PURCHASE SERVICES	895 ADULT PROTECTIVE SERVICES	833 ADULT SERVICES	829 FAMILY PRESERVATION (SSBG)	830 CHILD WELFARE SUBSTANCE ABUSE AND SUPP SERVICES
LOCAL MATCH	15.50%	16%	20%	15.50	15.50
MONTH					
JUNE	$1,234.21	$1,483.58	$1,225.32	$47.92	$1,520.20
JULY	$2,674.00	$40.13	$2,111.42	$0.00	$466.00
AUGUST	$1,455.00	$680.96	$2,055.47	$0.00	$1,231.00
SEPTEMBER	$11,019.84	$191.88	$2,806.82		$474.80
OCTOBER					
NOVEMBER					
DECEMBER					
JANUARY					
FEBRUARY					
MARCH					
APRIL					
MAY					
YTD EXPENDITURES	$16,383.05	$2,396.55	$8,199.03	$47.92	$3,692.00
REM BALANCE	$160,685.95	$4,772.45	$23,081.97	$6,930.08	$4,622.00
% REM	90.75%	66.57%	73.79%	99.31%	55.59%
EXPECTED REIMB	13843.67725	2025.08475	6928.18035	40.4924	3119.74

PROMOTING SAFE AND STABLE FAMILIES

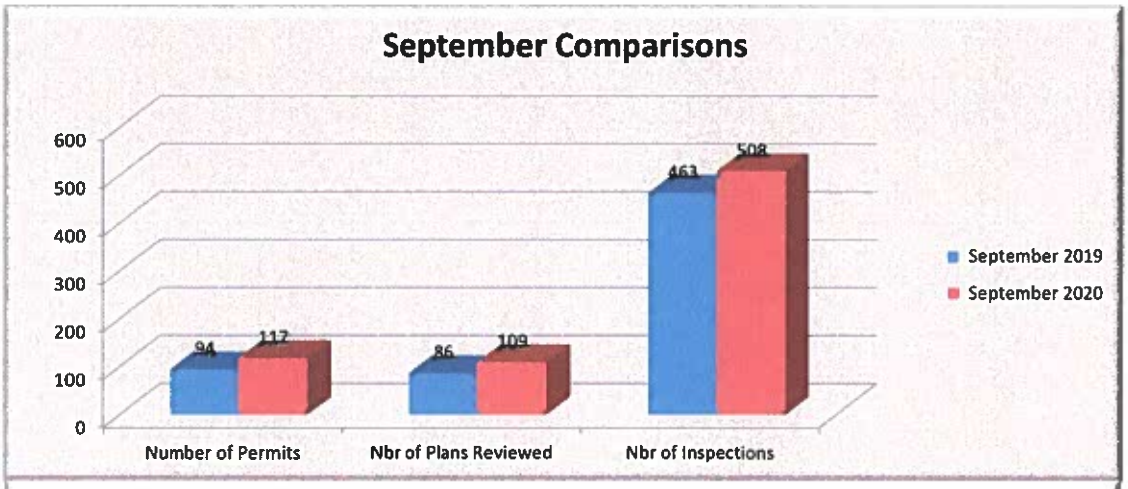
STATE ALLOCATION	**$20,000**	**$27,923**	**$11,981**	**$0**
BUDGET LINE	**86601 FAMILY SUPPORT**	**86602 PRESERVATION**	**86605 REUNIFICATION**	**86608 FC MONTHLY WORKER VISITS**
LOCAL MATCH	**15.50%**	**16%**	**16%**	**15.50%**
MONTH				
JUNE		$483.00		
JULY		$2,825.26		
AUGUST	$3,006.31	$3,652.08		
SEPTEMBER	$2,659.62	$280.00		
OCTOBER				
NOVEMBER				
DECEMBER				
JANUARY				
FEBRUARY				
MARCH				
APRIL				
MAY				
YTD EXPENDITURES	$5,665.93	$7,240.34	$0.00	$0.00
REM BALANCE	$14,334.07	$20,682.66	$11,981.00	$0.00
% REM	71.67%	74.07%	100.00%	#DIV/0!
EXPECTED REIMB	$4,787.71	$6,118.09	$0.00	$0.00

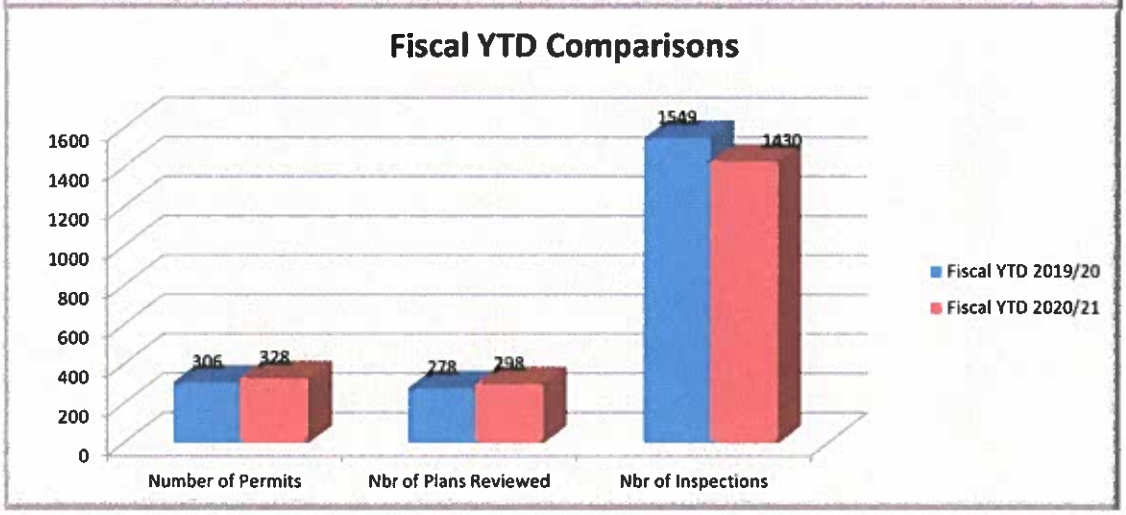
Franklin County

A Natural Setting for Opportunity

Building Inspections Department Monthly Report

	September			Fiscal YTD		
	2019	2020	Variances	2020	2021	Variances
Number of Permits	94	117	24%	306	328	7%
Value of Permits	$ 9,975,874	$ 8,565,813	-14%	$ 30,441,443	$ 21,641,388	-29%
Nbr of Plans Reviewed	86	109	27%	278	298	7%
Nbr of Inspections	463	508	10%	1549	1430	-8%
Miles Driven	3,115	5,403	73%	10,451	17,397	66%
Permit Fees Collected	$ 33,505	$ 24,302	-27%	$ 101,710	$ 97,771	-4%





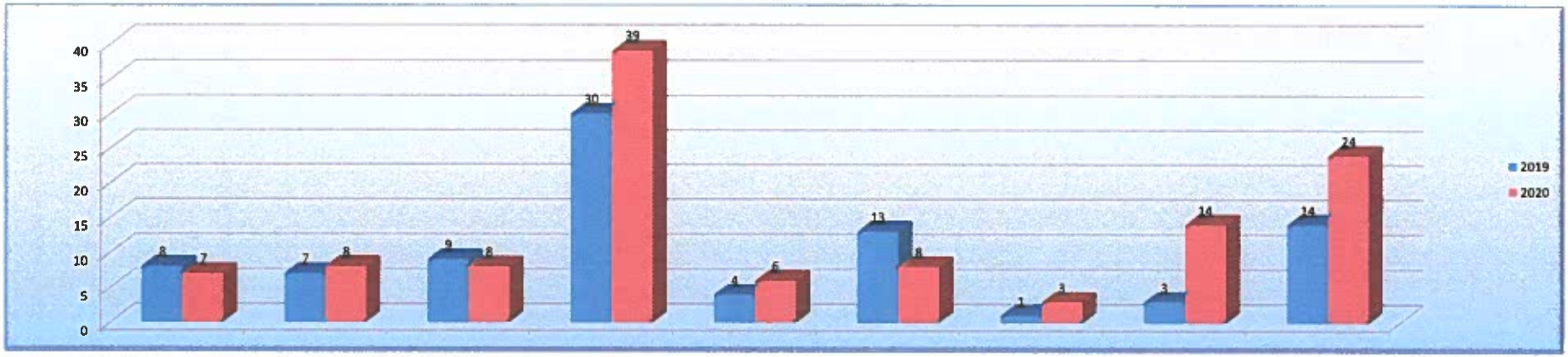
Legend for Details on following pages:

Residential		**Non-residential**	
New	Single Family, Modular, Two Family, Multi-Family	New	Assembly Building, Business, Factory, Hazardous, Industrial Building, Mercantile, New
Mfg Home	Single & Double Wide Manufactured Homes		
Additions/ Alterations	Additions, Alterations, Decks	Additions / Alterations	Additions, Alterations, Decks
Docks	Boat Docks (New, Additions, Alterations)	Docks	Boat Docks (New, Additions, Alterations)
Accessory Bldg	Accessory Building, Garage/Carport, Barn, Shed, Storage Building	Accessory Bldg	Accessory Building, Storage Building, Utility
Retaining Walls	Retaining Wall		

Miscellaneous	
Demolition	Structures & Storage Tanks
Misc.	Non-residential Retaining Walls, Towers & Antennas, Elevators, Signs

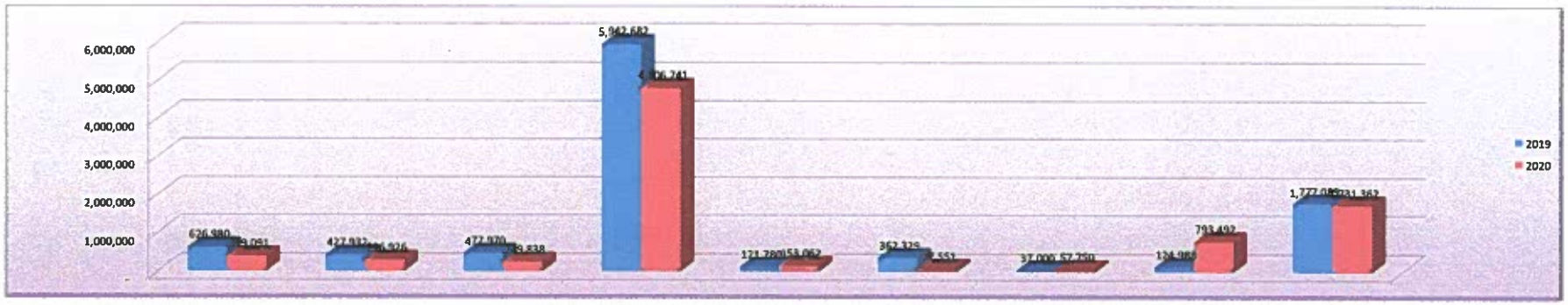
May 2017 - May 2018 – Building Permit Counts

Permit Types	Blackwater		Blue Ridge		Boone		Gills Creek		Rocky Mount		Snow Creek		Town of Boones Mill		Town of Rocky Mount		Union Hall		Total		
	Sep-19	Sep-20	Sep-19	Sep-20	Sep-19	Sep-20	Sep-19	Sep-20	Sep-19	Sep-20	Sep-19	Sep-20	Sep-19	Sep-20	Sep-19	Sep-20	Sep-19	Sep-20	2019	2020	
Residential																					**Residential**
New	0	1	2	1	1	0	6	12	0	0	1	0	0	0	0	4	1	2	11	20	New
Mfg Home	0	0	0	1	1	0	1	1	0	0	3	1	0	0	0	0	1	1	6	4	Mfg Home
Additions/ Alterations	3	2	0	1	2	3	11	7	2	3	1	2	0	0	0	3	6	8	25	29	Additions/ Alterations
Docks	0	0	0	0	0	0	2	3	0	0	0	0	0	0	0	0	1	3	3	6	Docks
Accessory Bldg	1	0	0	3	3	0	1	4	1	0	1	2	1	0	0	1	1	1	9	11	Accessory Bldg
Retaining Wall	0	0	0	0	0	0	1	3	0	0	0	0	0	0	0	0	0	0	1	3	Retaining Wall
Non-Residential																					**Non-Residential**
New	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	New
Additions/ Alterations	1	0	0	0	0	0	1	0	0	1	0	0	0	2	0	2	0	0	2	5	Additions/ Alterations
Docks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	Docks
Accessory Bldg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	Accessory Bldg
Miscellaneous															0						**Miscellaneous**
Demolition	2	0	1	0	1	0	0	0	0	0	1	0	0	1	0	1	0	0	5	2	Demolition
Misc.	0	0	0	1	0	0	1	0	0	0	0	0	0	0	0	2	0	0	1	3	Misc.
Electrical	1	3	3	1	0	5	3	6	1	1	5	3	0	0	2	1	3	5	18	25	Electrical
Mechanical	0	1	1	0	1	0	2	2	0	0	1	0	0	0	0	0	1	0	6	3	Mechanical
Signs	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	Signs
Plumbing	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	Plumbing
Pools	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	3	0	4	Pools
District Totals	8	7	7	8	9	8	30	39	4	6	13	8	1	3	3	14	14	24	89	117	**District Totals**
Dist Variance		-13%		14%		-11%		30%		50%		-38%		200%		367%		71%		31%	**Dist Variance**



May 2017 - May 2018 - Building Permit Values

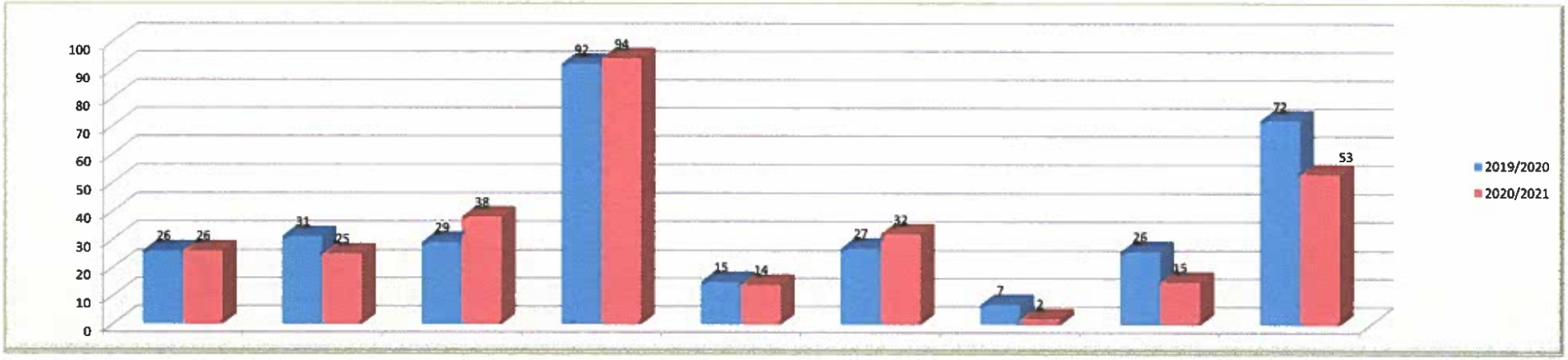
Permit Types	Blackwater		Blue Ridge		Boone		Gills Creek		Rocky Mount		Snow Creek		Town of Boones Mill		Town of Rocky Mount		Union Hall		Total		
	Sep-19	Sep-20	Sep-19	Sep-20	Sep-19	Sep-20	Sep-19	Sep-20	Sep-19	Sep-20	Sep-19	Sep-20	Sep-19	Sep-20	Sep-19	Sep-20	Sep-19	Sep-20	2019	2020	
Residential																					**Residential**
New	-	207,000	406,668	175,000	288,000	-	5,059,821	4,157,402	-	-	299,000	-	-	-	-	539,213	1,200,000	920,037	7,253,489	5,998,652	New
Mfg Home	-	-	-	5,000	2,000	-	69,000	72,000	-	-	17,500	13,001	-	-	-	-	30,000	34,673	118,500	124,674	Mfg Home
Additions/ Alterations	580,980	138,759	-	16,844	25,600	217,863	473,844	190,490	73,000	59,500	12,000	4,500	-	-	-	175,500	131,327	324,940	1,296,751	1,128,396	Additions/ Alterations
Docks	-	-	-	-	-	-	145,000	125,550	-	-	-	-	-	-	-	-	20,000	186,000	165,000	311,550	Docks
Accessory Bldgs	22,500	-	-	63,850	100,885	-	32,392	79,120	46,000	-	15,000	50,000	37,000	-	-	17,000	350,000	15,770	603,777	225,740	Accessory Bldgs
Retaining Walls	-	-	-	-	-	-	15,000	64,000	-	-	-	-	-	-	-	-	-	-	15,000	64,000	Retaining Walls
Non-Residential																					**Non-Residential**
New	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	New
Additions/ Alterations	19,000	-	-	-	-	-	109,000	-	-	6,000	-	-	-	57,500	44,688	25,755	-	-	172,688	89,255	Additions/ Alterations
Docks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Docks
Accessory Bldgs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,000	-	5,000	Accessory Bldgs
Miscellaneous																					**Miscellaneous**
Demolition	3,000	-	2,500	-	8,000	-	-	-	-	-	2,500	-	-	250	-	1,000	-	-	16,000	1,250	Demolition
Misc.	-	-	-	34,990	-	-	10	-	-	-	-	-	-	-	-	34,224	-	-	10	69,214	Misc.
Electrical	1,500	52,532	2,500	1,242	-	31,975	1,600	73,629	2,780	37,562	15,879	10,050	-	-	80,300	800	33,215	86,092	137,774	293,882	Electrical
Mechanical	-	800	16,264	-	53,485	-	34,015	2,000	-	-	450	-	-	-	-	-	12,547	-	116,761	2,800	Mechanical
Signs	-	-	-	-	-	-	-	42,550	-	-	-	-	-	-	-	-	-	-	-	42,550	Signs
Plumbing	-	-	-	-	-	-	3,000	-	-	-	-	-	-	-	-	-	-	-	3,000	-	Plumbing
Pools	-	-	-	-	-	-	-	-	-	50,000	-	-	-	-	-	-	-	158,850	-	208,850	Pools
District Totals	626,980	399,091	427,932	296,926	477,970	249,838	5,942,682	4,806,741	121,780	153,062	362,329	77,551	37,000	57,750	124,988	793,492	1,777,089	1,731,362	9,898,750	8,565,813	**District Totals**
Variances		-36%		-31%		-48%		-19%		26%		-79%		56%		535%		-3%		-13%	**Variances**



Fiscal YTD Comparison (2016/17 to 2017/18) - Building Permit Counts

FISCAL YTD COUNTS

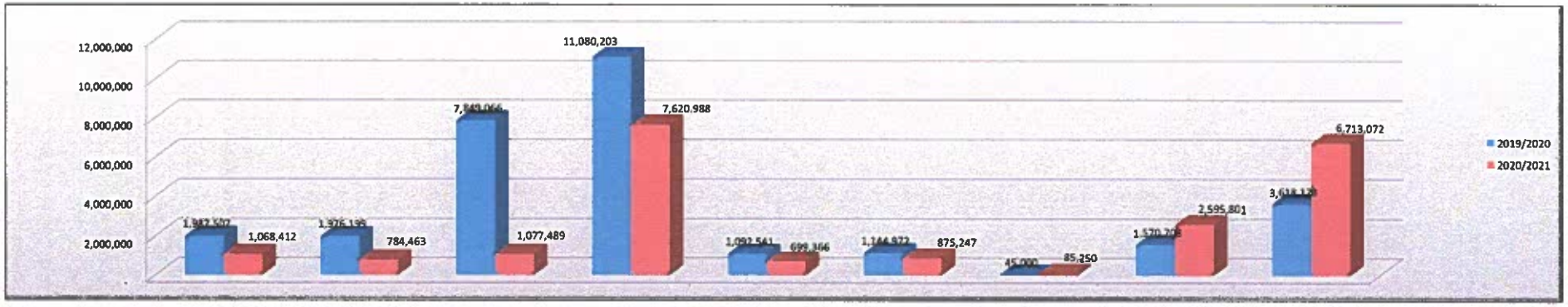
Permit Types	Blackwater		Blue Ridge		Boone		Gills Creek		Rocky Mount		Snow Creek		Town of Boones Mill		Town of Rocky Mount		Union Hall		Fiscal YTD Totals		
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	
Residential																					**Residential**
New	1	3	2	3	3	3	15	16	1	1	2	4	0	0	6	1	12	3	42	34	New
Mfg Home	2	1	3	3	0	2	3	2	2	0	3	3	0	0	0	0	5	2	18	13	Mfg Home
Additions/ Alterations	6	7	3	5	5	9	15	28	5	5	4	4	0	0	6	1	16	18	60	77	Additions/ Alterations
Docks	0	0	0	0	0	0	13	11	0	0	0	0	0	0	0	0	9	4	22	15	Docks
Accessory Buildings	3	2	5	1	3	6	12	8	0	1	4	1	0	1	1	1	5	7	33	28	Accessory Buildings
Retaining Walls	0	0	0	0	0	0	4	2	0	0	0	0	0	0	0	1	0	0	4	3	Retaining Walls
Non-Residential																					**Non-Residential**
New	0	0	0	0	0	1	0	0	0	0	0	1	0	0	1	0	0	0	1	2	New
Additions/ Alterations	0	2	3	1	0	0	0	3	1	0	1	1	4	1	3	7	0	1	12	16	Additions/ Alterations
Docks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Docks
Accessory Bldgs	0	0	0	0	0	0	0	1	0	0	0	3	0	0	1	0	1	0	2	4	Accessory Buildings
Miscellaneous																					**Miscellaneous**
Demolition	0	2	1	1	0	2	1	1	1	1	1	1	1	0	1	1	2	4	8	13	Demolition
Misc.	0	1	1	0	0	1	1	3	0	0	0	0	0	0	2	0	0	0	4	5	Misc.
Electrical	8	7	12	10	11	10	20	12	2	5	9	12	1	0	5	3	14	12	82	71	Electrical
Mechanical	4	0	1	1	3	2	5	3	2	0	1	1	1	0	0	0	2	1	19	8	Mechanical
Signs	1	0	0	0	1	0	2	0	0	1	0	0	0	0	0	0	0	0	4	1	Signs
Plumbing	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	1	1	1	2	Plumbing
Pools	1	1	0	0	3	2	1	3	1	0	2	1	0	0	0	0	5	0	13	7	Pools
District Totals	26	26	31	25	29	38	92	94	15	14	27	32	7	2	26	15	72	53	325	299	**District Totals**
Dist Variance		0%		-19%		31%		2%		-7%		19%		-71%		-42%		-26%		-8%	**Dist Variance**



Fiscal YTD Comparison (2016/17 to 2017/18) - Building Permit Values

Fiscal YTD - Values

Permit Types	Blackwater 2020	Blackwater 2021	Blue Ridge 2020	Blue Ridge 2021	Boone 2020	Boone 2021	Gills Creek 2020	Gills Creek 2021	Rocky Mount 2020	Rocky Mount 2021	Snow Creek 2020	Snow Creek 2021	Town of Boones Mill 2020	Town of Boones Mill 2021	Town of Rocky Mount 2020	Town of Rocky Mount 2021	Union Hall 2020	Union Hall 2021	Total 2020	Total 2021	Permit Types
Residential																					**Residential**
New	788,500	207,000	456,668	415,315	705,457	663,175	7,895,821	5,242,380	835,983	324,000	646,000	392,000	-	-	350,000	809,348	2,304,212	4,650,779	13,982,641	12,703,997	New
Mfg Home	2,900	199,000	42,500	11,500	103,000	-	154,200	265,159	-	128,000	17,500	158,201	-	-	-	-	101,488	305,673	421,588	1,067,533	Mfg Home
Additions/ Alterations	742,662	448,427	102,890	41,344	209,228	242,363	1,579,038	643,176	183,000	93,500	58,585	51,278	-	-	53,000	202,500	441,627	826,190	3,370,030	2,548,778	Additions/ Alterations
Docks	-	-	-	-	-	-	613,150	756,337	-	-	-	-	-	-	-	-	74,597	309,400	687,747	1,065,737	Docks
Accessory Buildings	34,500	82,000	7,750	104,050	167,385	13,400	329,451	305,835	46,000	-	15,000	86,388	37,000	-	7,475	17,000	539,464	274,827	1,184,025	883,500	Accessory Buildings
Retaining Walls	-	-	-	-	-	-	35,000	144,000	-	-	-	-	-	-	7,000	-	-	-	42,000	144,000	Retaining Walls
Non-Residential																					**Non-Residential**
New	-	-	-	-	6,500,000	-	-	-	-	-	180,000	-	-	-	-	540,860	-	-	6,680,000	540,860	New
Additions/ Alterations	54,000	-	1,141,727	133,285	-	-	217,482	-	-	6,000	2,500	104,550	8,000	82,500	1,053,312	135,069	40,000	-	2,517,021	461,404	Additions/ Alterations
Docks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Docks
Accessory Buildings	-	-	-	-	-	-	108,000	-	-	-	175,433	-	-	-	-	850,000	-	5,000	283,433	855,000	Accessory Buildings
Miscellaneous																	-				**Miscellaneous**
Demolition	3,000	-	2,500	8,000	9,000	-	2,500	2,500	7,000	1,100	2,500	2,500	-	250	12,000	1,000	23,200	24,000	61,700	39,350	Demolition
Misc.	292,670	-	-	34,990	3,200	-	6,010	27,398	-	-	-	-	-	-	-	34,224	-	-	301,880	96,612	Misc.
Electrical	29,275	104,435	205,900	34,979	48,815	44,539	85,843	124,784	15,730	81,266	37,904	31,180	-	2,500	87,921	5,800	79,488	139,992	590,876	569,475	Electrical
Mechanical	-	19,950	16,264	1,000	60,871	8,615	35,015	4,300	-	15,500	450	250	-	-	-	-	12,547	1,750	125,147	51,365	Mechanical
Signs	-	2,500	-	-	-	10,000	-	62,550	4,828	-	-	-	-	-	-	-	-	-	4,828	75,050	Signs
Plumbing	-	-	-	-	-	-	3,000	-	-	-	-	-	-	-	-	-	1,500	1,100	4,500	1,100	Plumbing
Pools	40,000	5,100	-	-	42,110	95,397	15,693	42,569	-	50,000	9,100	48,900	-	-	-	-	-	174,361	106,903	416,327	Pools
District Totals	**1,987,507**	**1,068,412**	**1,976,199**	**784,463**	**7,849,066**	**1,077,489**	**11,080,203**	**7,620,988**	**1,092,541**	**699,366**	**1,144,972**	**875,247**	**45,000**	**85,250**	**1,570,708**	**2,595,801**	**3,618,123**	**6,713,072**	**30,364,319**	**21,520,088**	**District Totals**
Variances		**-46%**		**-60%**		**-86%**		**-31%**		**-36%**		**-24%**		**89%**		**65%**		**86%**		**-29%**	**Variances**



NO ANIMAL CONTROL REPORT