

NOTE PURCHASE AND LOAN AGREEMENT

between

TOWN OF PURCELLVILLE, VIRGINIA

and

[_____]

Dated as of [_____, 2020]

Relating to

**Town of Purcellville, Virginia
General Obligation Note, Series 2020C (Federally Taxable)**

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Exhibit A – Form of Note

Exhibit B – Form of Disbursement Request

THIS NOTE PURCHASE AND LOAN AGREEMENT dated as of [_____, 2020] (the “Agreement”), between the **TOWN OF PURCELLVILLE, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the “Town”), as borrower, and [_____, a [_____] as lender (together with its successors and permitted assigns, the “Lender”);

W I T N E S S E T H:

WHEREAS, the Town has determined to establish a source of liquidity (such sources of liquidity to be referred to herein as the “Line of Credit”) to finance various capital improvements and equipment for general government projects and water and wastewater system projects (as herein defined, the “Project”);

WHEREAS, the Town has agreed to establish the Line of Credit through the issuance and sale of its General Obligation Note, Series 2020C (Federally Taxable) (the “Note”);

WHEREAS, the Town and the Lender desire to set forth the terms and conditions with respect to the issuance and sale of the Note and use of the proceeds thereof; and

WHEREAS, all acts, conditions and things required by law to happen, exist and be performed precedent to and in connection with the execution and entering into of this Agreement have happened, exist and have been performed in regular and due time and in form and manner as required by law, and the parties hereto are now duly empowered to execute and enter into this Agreement;

NOW, THEREFORE, the parties hereto agree as follows:

1. Definitions.

In addition to other capitalized terms defined elsewhere in this Agreement, the following capitalized terms shall have the following meanings unless the context otherwise requires:

“Advances” shall have the meaning set forth in Section 10(b).

“Authorizing Resolution” shall mean, collectively, the ordinance and resolution authorizing and providing for the issuance of the Note, each adopted by the Council on September [8], 2020.

“Authorized Town Representative” shall mean the Mayor, the Vice Mayor, the Town Manager and any other officer of the Town identified as such in a certificate executed by an existing Authorized Town Representative and delivered to the Lender.

“Bond Counsel” shall mean Hunton Andrews Kurth LLP, or another firm of attorneys nationally recognized on the subject of municipal bonds, which may be counsel to the Town or the Lender, and reasonably acceptable to the Lender.

“Business Day” means a day on which banking business is transacted, but not including a Saturday, Sunday, legal holiday or any other day on which banking institutions are authorized or required by law to close in the Commonwealth of Virginia.

“Closing Date” shall mean the date of delivery of the Note.

“Council” shall mean the Town Council of the Town.

“Event of Default” or “Default” shall mean any of the events set forth in Section [12].

“Financing Instruments” shall mean, collectively, this Agreement and the Note.

“Line of Credit” shall have the meaning set forth in the Recitals hereto.

“Lender” shall mean [____], a [____], and its successors and permitted assigns.

“Note” shall mean the Town’s General Obligation Note, Series 2020C (Federally Taxable), in the form of Exhibit A attached hereto and dated the date of its issuance.

“Project” shall mean various capital improvements and equipment for general government projects and water and wastewater system projects.

“Record Date” shall mean each [____] and [____].

“Registrar” shall have the meaning set forth in Section [6].

“Town” shall mean the Town of Purcellville, Virginia.

2. Representations and Findings by Town.

The Town makes the following representations and findings as the basis for its undertakings hereunder:

(a) The Town is a political subdivision of the Commonwealth of Virginia and has the power and authority to execute and deliver the Financing Instruments, to perform its obligations thereunder and to issue the Note. By proper corporate action, the Town has duly authorized the execution and delivery of the Financing Instruments, the performance of its obligations thereunder and the issuance of the Note. Simultaneously with the execution and delivery of this Agreement, the Town has issued and sold the Note to the Lender.

(b) The Town has full power and authority to irrevocably pledge its full faith and credit to the payment of the Note and to execute and perform its obligations under the Financing Instruments. The Council has full power and authority to levy and collect an annual ad valorem tax on all locally taxable property in the Town, over and above all other taxes authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of and [premium, if any, and] interest on the Note unless other funds are lawfully available and appropriated for timely payment of the Note.

(c) The Town is not (i) in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and is not in default under any instrument under or subject to which any indebtedness for borrowed money has been incurred (and no event has occurred and is continuing under the provisions of any such instrument that with the lapse of

time or the giving of notice, or both, would constitute an event of default thereunder), (ii) in violation of any existing Virginia law, rule or regulation applicable to it or (iii) in default under 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 Town is a party or by which it is bound or to which any of its assets is subject.

(d) The execution and delivery of the Financing Instruments and the performance by the Town of its obligations thereunder do not and will not conflict with, constitute a breach of or result in a violation of any agreement or other instrument to which the Town is a party or by which it is bound or any constitutional or statutory provision or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Town or any of its property.

(e) No further approval, consent or withholding of objection on the part of any regulatory body, federal, state or local, is required in connection with (i) the issuance and delivery of the Note by the Town, (ii) the execution or delivery of or performance by the Town of its obligations under the Financing Instruments or (iii) the pledge by the Town of its full faith and credit to the payment of the Note.

(f) No litigation, inquiry or investigation of any kind in or by any judicial or administrative court or agency is pending or, to the Town's knowledge, threatened against the Town with respect to (i) the organization or existence of the Town, (ii) its authority to execute or deliver the Financing Instruments, (iii) the validity or enforceability of any of the Financing Instruments or the performance of its obligations thereunder, (iv) the title of any officer of the Town who executed the Financing Instruments, (v) any authority or proceedings related to the execution and delivery of the Financing Instruments on behalf of the Town (including but not limited to the Authorizing Resolution) or (vi) the power to pledge its full faith and credit to the payment of the Note. No such authority or proceedings have been repealed, revoked, rescinded or amended, and all are in full force and effect.

(g) The Town has executed and delivered the Financing Instruments, and each Financing Instrument constitutes a legal, valid and binding obligation of the Town enforceable against the Town in accordance with its terms.

(h) The financial statements and other information that the Town furnished to the Lender in connection with this Agreement fairly and accurately portray the Town's financial condition, as of their dates, and there has been no material adverse change in the financial condition of the Town since the date of the financial statements provided to the Lender in connection with this Agreement. **[ADD COVID EXCEPTION]**

3. Representations of Lender.

The initial Lender makes the following representations as the basis for its undertakings hereunder:

(a) The Lender is a [_____].

(b) The Lender has full power and authority to (i) enter into this Agreement, (ii) make the loan under this Agreement and acquire the Note as evidence of such loan, (iii) perform the transactions contemplated hereby and (iv) carry out its obligations hereunder, and by proper action has duly authorized, executed and delivered this Agreement.

(c) The Lender understands and acknowledges (i) that the scope of engagement of Hunton Andrews Kurth LLP, Richmond, Virginia, as Bond Counsel with respect to this Agreement and the Note, will be limited to matters set forth in their opinion based on their review of such proceedings and documents as they deem necessary to approve the validity of the Note and this Agreement and (ii) that Bond Counsel has not been engaged and will not undertake to prepare or express an opinion as to the accuracy or completeness of any information that may have been furnished to the Lender or relied upon by it in making the decision to enter into this Agreement and acquire the Note.

(d) The Lender acknowledges that (i) the Note (A) has not been registered under the Securities Act of 1933, as amended, (B) has not been registered or otherwise qualified for sale under the securities laws of any state or (C) will not be listed on any securities exchange and (ii) there is no established market for the Note and none is likely to develop. The Lender understands and acknowledges that (x) its acquisition of the Note is not intended to be subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, and (y) in connection with its acquisition of the Note, the Town has not prepared or caused to be prepared any official statement, private placement memorandum or other offering document.

The representations and certifications of the Lender contained in the Certificate of Lender dated [_____, 2020], and delivered in connection with this Agreement are hereby incorporated by reference and supplement the representations set forth above.

4. Loan; Issuance and Sale of Note.

(a) Commitment to Make Loan. The Lender agrees, based on the terms and conditions set forth in this Agreement, to make a loan to the Town in a principal amount equal to the sum of the principal advances made pursuant to Section 10(b), provided that such advances shall not to exceed \$[3,000,000] in aggregate.

(b) Note. The Town agrees to borrow from the Lender a principal amount equal to the sum of the principal advances made pursuant to Section 10(b), provided that such advances shall not exceed \$[3,000,000] in aggregate, and to issue and sell the Note to the Lender as evidence of such loan from the Lender to the Town. The terms of the Note, including payment and prepayment provisions, shall be as set forth herein and in the form of the Note attached hereto as Exhibit A.

5. Pledge and Assignment.

Pursuant to the Authorizing Resolution, the Town has pledged its full faith and credit to the repayment of the Note. Unless other funds are lawfully available and appropriated for timely payment of the Note, the Council shall levy and collect an annual ad valorem tax on all locally taxable property in the Town, over and above all other taxes authorized or limited by law and

without limitation as to rate or amount, sufficient to pay when due the principal of and [premium, if any, and] interest on the Note. Notwithstanding anything herein to the contrary, all of the Town's payment obligations set forth in this Agreement other than payment of principal of and [premium, if any, and] interest on the Note shall be payable only from legally available funds.

6. Registration and Transfer of Note.

(a) The Note shall be issued in registered form without coupons, payable to the registered holder or its registered assigns. The Town Treasurer is hereby appointed paying agent and registrar for the Note (together with its successors, the "Registrar"). The Town Manager may, in his sole discretion, at any time appoint a qualified bank or trust company as successor Registrar. The Registrar shall maintain registration books for the registration and registration of transfers of the Note. Upon presentation and surrender of the Note to the Registrar, or its corporate trust office if the Registrar is a bank or trust company, together with an assignment duly executed by the registered owner or its duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar, the Town shall execute, and the Registrar shall authenticate, if required by the Authorizing Resolution, and deliver in exchange, a new Note or Notes having an equal aggregate principal amount, in authorized denominations, of the same form and maturity, bearing interest at the same rate, and registered in names as requested by the then registered owner or its duly authorized attorney or legal representative. Any such exchange shall be at the expense of the Town, except that the Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

(b) The Registrar shall treat the registered owner of the Note as the person exclusively entitled to payment of principal[, premium, if any,] and interest and the exercise of all other rights and powers of the owner of the Note, except that interest payments shall be made to the person shown as the owner of the Note on the registration books on the Record Date.

7. Mutilated, Lost or Destroyed Note.

If the Note has been mutilated, lost or destroyed, the Town shall execute and deliver a new Note of like date and tenor in exchange and substitution for, and upon cancellation of, the mutilated Note or in lieu of and in substitution for the lost or destroyed Note; provided, however, that the Town shall so execute and deliver the new Note only if the Lender has paid the reasonable expenses and charges of the Town in connection therewith and, in the case of a lost or destroyed Note, (a) has filed with the Town evidence satisfactory to the Town that the Note was lost or destroyed and (b) has furnished to the Town satisfactory indemnity.

8. Conditions Precedent to Making of Loan and Acquisition of Note.

The Lender shall make the loan and acquire the Note only upon delivery to it in form and substance satisfactory to it of the following:

- (a) Executed copies of the Financing Instruments;
- (b) (i) Evidence of the due authorization, execution and delivery of the Financing Instruments by the parties thereto and (ii) certificates or opinions covering litigation and

compliance with all applicable federal, state and local laws, restrictions and requirements, and prior agreements;

(c) An opinion of Bond Counsel satisfactory to the Lender that (i) the Note has been duly authorized, executed and delivered and is a binding obligation of the Town enforceable in accordance with its terms, (ii) the Council is authorized and required by law, unless other funds are lawfully available and appropriated for timely payment of the Note, to levy and collect an annual ad valorem tax on all locally taxable property in the Town, over and above all other taxes authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of and [premium, if any, and] interest on the Note and (iii) the interest on the Note is exempt from income taxation by the Commonwealth of Virginia;

(d) An opinion of the Town Attorney as to (i) the due authorization, execution and delivery of the Financing Instruments by the Town and (ii) pending or threatened litigation as well as compliance with all applicable federal, state and local laws, restrictions and requirements, and prior agreements; and

(e) Such other documentation, certificates and opinions as may be reasonably required by the Lender or Bond Counsel.

9. Application of Note Proceeds.

(a) [On the Closing Date, \$[_____] of the proceeds of the Note shall be advanced to the Town for the payment of costs of issuance of the Note and reimbursement of the Town for payment of the costs of the Project.]

(b) [All other proceeds of the Note shall be advanced to the Town, at the request of the Town, from time to time pursuant to and subject to the terms and conditions of Section 10(b) below. Such proceeds shall be applied solely and exclusively to payment or to reimbursement of the Town for payment of the costs of the Project.]

10. Amounts Payable; Prepayment; Term.

(a) The Town shall make all payments required under the Note as and when the same become due. All payments shall be made in lawful money of the United States by wire transfer in immediately available funds to an account within the United States designated by the Lender or any other place that the Lender may designate in writing to the Town.

(b) [Advances of principal under the Note (each, an “Advance” and collectively, the “Advances”) shall be made by the Lender directly to or for the account of the Town to pay or reimburse the Town for the costs of the Project and the costs of issuing the Note. Before any Advance shall be made under the Note, the Town shall file with the Lender at least two (2) Business Days before the requested date of such Advance a disbursement request, completed and signed by either the Town Manager or the chief financial officer of the Town, substantially in the form attached as Exhibit B. The amount and date of each Advance shall be noted on a ledger maintained by the Lender for such purpose. In the absence of manifest error, all entries made in such ledger shall be prima facie evidence of the existence and amounts of the Advances therein recorded; provided that the failure or delay of the Lender in maintaining or making entries into

such ledger or any error therein shall not in any manner affect the obligation of the Town to repay any portion of the loan in accordance with the terms of this Agreement and the Note. The outstanding principal amount of the Note shall be the sum of all Advances under the Note, less the aggregate amount of all principal payments that have been made thereon (whether by prepayment or otherwise).]]

(c) The outstanding Advances made under the Note shall bear interest at the rate of [_____] % per annum, calculated on the basis of a 360-day year of twelve 30-day months. Interest shall be payable semi-annually on each [_____] and [_____] , commencing [_____] , 2021], and principal shall be payable in full at final maturity on [_____] , 20__].

(d) The Note may be prepaid at the option of the Town [_____].

(e) This Agreement shall terminate upon the prepayment or payment in full of the Note.

11. Covenants.

(a) Performance of Obligations under this Agreement. During the term of this Agreement, the Town will faithfully observe and perform, or cause to be performed, all of its covenants, conditions and agreements contained in this Agreement and promptly pay the principal of and [premium, if any, and] interest on the Note at the place, on the date and in the manner specified in this Agreement and the Note.

(b) Provision of Financial Information. Within 270 days after the applicable fiscal year end, the Town will provide to the Lender or otherwise make available on the Town's website a copy of its comprehensive annual financial report for each fiscal year so long as the Note is outstanding. In no event shall a failure of the Town to provide the financial information described above constitute an event of default under the Note or the Authorizing Resolution, and specific performance of the Town's reporting obligation shall be the only remedy available to the Lender in the event of such a failure by the Town.]

12. Events of Default.

(a) The following shall be "Events of Default" under this Agreement, and the terms "Event of Default" or "Default" shall mean, whenever they are used in this Agreement, any one or more of the following events:

(i) Failure of the Town to pay when due the principal of or interest on this Note, and the continuation thereof for ten (10) days;

(ii) Failure of the Town (A) to pay when due any payment due under this Agreement, other than principal or interest payments due under the Note, or (B) to observe and perform any covenant, condition or agreement on its part to be observed or performed, which failure shall continue for a period of 45 days after notice is given, or in the case of any such default that cannot with due diligence be cured within such 45-day period but can be cured within the succeeding 60 days, failure of the Town to proceed

promptly to cure the same and thereafter prosecute the curing of such default with due diligence;

(iii) Bankruptcy or insolvency of the Town; or

(iv) Any representation or warranty of the Town contained in any Financing Instrument or in any other document, instrument or certificate delivered pursuant hereto or in connection with the issuance and sale of the Note shall have been incorrect, false, misleading or incomplete in any material respect on the date as of which it was made.

(b) The provisions of the foregoing subparagraph (a)(ii)(B) are subject to the limitation that if by reason of “force majeure” the Town is unable in whole or in part to perform any of its covenants, conditions or agreements hereunder, the Town shall not be deemed in default during the continuance of such inability. The term “force majeure” as used herein shall include without limitation: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States of America or the Commonwealth of Virginia or any political subdivision thereof or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; epidemics or pandemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Town. The Town shall remedy with all reasonable dispatch the cause or causes preventing the Town from carrying out its covenants, conditions and agreements, provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Town, and the Town shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of any opposing party when such course is in the judgment of the Town not in its best interests.

13. Remedies.

Whenever any Event of Default shall have happened and is continuing, the Lender may, without further demand or notice, take whatever action at law or in equity may appear necessary or desirable (a) to collect the principal of and interest on the Note then due or (b) to enforce performance and observance of any obligation, agreement or covenant of the Town under this Agreement or the Note, including pursuing any other remedy permitted to the Lender under the Financing Instruments or applicable law.

14. Reinstatement after Event of Default.

Notwithstanding the exercise by the Lender of any remedy granted by Section 13, if all overdue principal, together with any accrued interest thereon and other amounts due and owing under this Agreement, shall have been paid, then the Town’s default under this Agreement shall be waived without further action by the Lender. Upon such payment and waiver, this Agreement shall be fully reinstated and all payments due under the Note will be due and payable in accordance with the terms of the Note.

15. No Remedy Exclusive.

No remedy conferred by this Agreement upon or reserved to the Lender is intended to be exclusive of any other available remedy or remedies, but every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

16. Delay or Omission Not Waiver.

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 or acquiescence therein, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

17. Limitation of Town's Liability.

No covenant, agreement or obligation contained in any Financing Instrument shall be deemed to be a covenant, agreement or obligation of any present or future officer, employee or agent of the Town in his or her individual capacity, and no officer, employee or agent thereof executing any Financing Instrument shall be liable personally on such Financing Instrument or be subject to any personal liability or accountability by reason of the issuance thereof. No officer, employee or agent of the Town shall incur any personal liability with respect to any other action taken by him or her pursuant to the Financing Instruments or any of the transactions contemplated thereby provided he or she acts in good faith.

18. Notices.

All demands, notices, approvals, consents, requests and other communications hereunder shall be in writing and shall be deemed to have been given when delivered in person or mailed by registered or certified mail, postage prepaid and return receipt requested, addressed:

(a) if to the Town, at 221 South Nursery Avenue, Purcellville, Virginia 20132 (Attention: Town Manager); and

(b) if to the Lender, at [] (Attention: []).

The Town and the Lender may, by notice given hereunder, designate any further or different addresses to which subsequent notices, approvals, consents, requests or other communications shall be sent or persons to whose attention the same shall be directed.

Any notice of the Lender demanding any payment hereunder or under the Note shall include a calculation, in reasonable detail, evidencing the basis of the amount so demanded.

19. Counterparts.

This Agreement may be executed in any number of counterparts; each of which shall be an original, and all of which together shall constitute but one and the same instrument.

20. Miscellaneous.

(a) Not more frequently than once per month, the Lender shall furnish to the Town upon request (i) a statement of the amount of principal of the Note outstanding and unpaid as of the date of such request and (ii) such information as may be necessary to complete the annual audit of the Town.

(b) This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties hereto and the subsequent holders of the Note and their respective successors and assigns. The representations, covenants and agreements contained herein shall continue notwithstanding the delivery of the Note to the Lender. The Town shall not assign any Financing Instrument without the prior written consent of the Lender.

(c) If any provision of this Agreement shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof.

(d) This Agreement shall be governed by the applicable laws of the Commonwealth of Virginia. The Financing Instruments express the entire understanding among the parties, and none of such instruments may be modified except in writing signed by the parties thereto. No Financing Instrument may be modified without the prior written consent of the Lender.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their respective names, all as of the date first above written.

TOWN OF PURCELLVILLE, VIRGINIA

By _____
David A. Mekarski, Town Manager

[_____]

By _____
[_____, _____]

FORM OF NOTE

REGISTERED

REGISTERED

No. RC-1

[_____, 2020]

**UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA
TOWN OF PURCELLVILLE**

**General Obligation Note
Series 2020C (Federally Taxable)**

The Town of Purcellville, Virginia (the “Town”), for value received, promises to pay, to [_____] (the “Bank”), or its registered assigns or legal representative, the principal amount equal to the aggregate amount of principal advances hereunder up to [_____] **DOLLARS (\$[_____])**, together with interest on the unpaid principal at the rate of [_____] % per annum, calculated on the basis of a 360-day year of twelve 30-day months, subject to prepayment as hereinafter provided. Interest shall be payable semi-annually on each [_____] and [_____] , commencing [_____, 2021], and principal shall be payable in full at maturity on [_____, 20__]. Principal of and [premium, if any, and] interest on this note are payable in lawful money of the United States of America. If the date on which any payment is due with respect to this note is not a Business Day, the payment shall be made on the next succeeding Business Day.

All capitalized terms used but not otherwise defined herein shall have the meanings given to them in the hereinafter defined Loan Agreement.

The amount and date of each Advance shall be noted on a ledger maintained by the Bank for such purpose. In the absence of manifest error, all entries made in such ledger shall be prima facie evidence of the existence and amounts of the Advances therein recorded; provided that the failure or delay of the Bank in maintaining or making entries into such ledger or any error therein shall not in any manner affect the obligation of the Town to repay the loan in accordance with the terms of the Loan Agreement and this note. The holder of this note shall not be required to present or surrender this note as a condition of receiving any payment due hereunder.

This note is issued pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Town Charter and the Public Finance Act of 1991, and a Note Purchase and Loan Agreement dated as of [_____, 2020] (the “Loan Agreement”), between the Town and the Bank. This note has been authorized and issued pursuant to an ordinance and a resolution, both adopted by the Town Council on September [8], 2020, to provide funds (a) to finance various capital improvements and equipment for general government projects and water

and wastewater system projects (collectively, the “Project”), and (b) to pay related costs of issuance.

[INSERT OPTIONAL REDEMPTION PROVISIONS]

The full faith and credit of the Town are irrevocably pledged for the payment of principal of and [premium, if any, and] interest on this note. Unless other funds are lawfully available and appropriated for timely payment of this note, the Town Council shall levy and collect an annual ad valorem tax on all locally taxable property in the Town, over and above all other taxes authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of and [premium, if any, and] interest on this note.

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

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

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the Town of Purcellville, Virginia, has caused this note to be to be signed by its [Mayor or Vice Mayor], its seal to be affixed hereto and attested by the [Deputy] Town Clerk, and this note to be dated the date first written above.

(SEAL)

Virginia

[Mayor or Vice Mayor], Town of Purcellville,

(ATTEST)

[Deputy] Town Clerk, Town of Purcellville,
Virginia

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

(Please print or type name and address, including zip code, of Transferee)

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFeree:

: :
: :
: :

the within note and all rights thereunder, hereby irrevocably constituting and appointing

Attorney, to transfer said note on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed

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

(Signature of Registered Owner)

NOTICE: The signature above must correspond with the name of the registered owner as it appears on the front of this note in every particular, without alteration or enlargement or any change whatsoever.

TRANSFER OF NOTE

Transfer of this note may be registered by the registered owner or its duly authorized attorney upon presentation hereof to the Registrar who shall make note of such transfer in books kept by the Registrar for that purpose and in the registration blank below.

<u>Date of Registration</u>	<u>Name of Registered Owner</u>	<u>Signature of Registrar</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

FORM OF DISBURSEMENT REQUEST

Pursuant to Section 10(b) of the Note Purchase and Loan Agreement dated as of [_____, 2020] (the "Loan Agreement"), between the Town of Purcellville, Virginia (the "Town"), and [____], as purchaser of the Town's General Obligation Note, Series 2020C (Federally Taxable) (the "Note"), I hereby request disbursement of \$_____ principal amount under the Note to be paid to _____ (vendor or Town) on _____, 20____, and certify as follows:

1. The representations and warranties of the Town that are contained in the Financing Instruments or any document furnished at any time under or in connection herewith or therewith, are true and correct in all material respects on and as of the date of such Advance, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they were true and correct as of such earlier date.

2. No event or condition exists that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default under any Financing Instrument.

3. The Town is not default in the payment of any indebtedness of the Town.

4. The undersigned is an Authorized Town Representative and is authorized to sign this disbursement request on behalf of the Town.

All capitalized terms used but not otherwise defined herein shall have the meanings given them in the Loan Agreement.

TOWN OF PURCELLVILLE, VIRGINIA

By _____
[_____, _____]