

### **COVERING CERTIFICATE FOR RESOLUTION**

The undersigned Town Clerk of the Town of Purcellville, Virginia (the “Town”), certifies as follows:

1. Attached hereto is a true, correct and complete copy of a resolution entitled “RESOLUTION PROVIDING FOR THE ISSUANCE, SALE AND AWARD BY THE TOWN OF PURCELLVILLE, VIRGINIA, OF A GENERAL OBLIGATION NOTE, HERETOFORE AUTHORIZED, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$3,000,000, AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF” (the “Resolution”), as adopted at a regular meeting of the Town Council of the Town (the “Council”) held on September 8, 2020, by the affirmative roll-call vote of a majority of all members elected to the Council.

2. Such meeting of the Council was held at the time and place established by the Council for its regular meetings.

3. The minutes of such meeting reflect the attendance of the members and their votes on the Resolution as follows:

<b>Member</b>	<b>Attendance</b> (Present/Absent)	<b>Vote</b> (Aye/Nay/Abstain)
Mayor Kwasi A. Fraser		
Vice Mayor Mary Jane Williams		
Tip Stinnette		
Theodore Greenly		
Joel D. Grewe		
Stanley J. Milan, Sr.		
Christopher Bertaut		

4. The Resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on the date hereof.

WITNESS my signature and the seal of the Town of Purcellville, Virginia, this \_\_\_\_ day of September, 2020.

(SEAL)

\_\_\_\_\_  
Diana Hays, Town Clerk, Town of  
Purcellville, Virginia

*Mayor*  
Kwasi A. Fraser



*Town Manager*  
David A. Mekarski

*Council*  
Christopher Bertaut  
Theodore Greenly  
Joel D. Grewe  
Stanley J. Milan, Sr.  
Tip Stinnette  
Mary Jane Williams

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**TOWN OF PURCELLVILLE**  
**IN**  
**LOUDOUN COUNTY, VIRGINIA**

**RESOLUTION NO. 20-09-01**

**PRESENTED: SEPTEMBER 8, 2020**

**ADOPTED:**

**A RESOLUTION:**

**PROVIDING FOR THE ISSUANCE, SALE AND AWARD BY THE TOWN OF PURCELLVILLE, VIRGINIA, OF A GENERAL OBLIGATION NOTE, HERETOFORE AUTHORIZED, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$3,000,000, AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF**

**WHEREAS**, on September 8, 2020, the Town Council (the “Council”) of the Town of Purcellville, Virginia (the “Town”), adopted an ordinance (the “Ordinance”) authorizing the issuance by the Town of general obligation notes in an aggregate principal amount not to exceed \$3,000,000 (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;

**WHEREAS**, the Town’s administration, in collaboration with Davenport & Company LLC, in its capacity as the Town’s financial advisor (the “Financial Advisor”), has recommended to the Council that the Town issue and sell a federally taxable general obligation note (the “Note”) through a direct bank loan with a commercial banking or other financial institution;

**WHEREAS**, on behalf of the Town, the Financial Advisor has solicited and received bids from various commercial banking and other financial institutions to make a loan to the Town to be evidenced by the purchase of the Note;

**WHEREAS**, the Council has determined to approve the issuance of the Note and the award thereof to the commercial banking or financial institution named in Section 1 below (the “Bank”) on the terms set forth in the Bank’s bid and in this Resolution; and

**WHEREAS**, there has been circulated in advance of this meeting a draft of the Note Purchase and Loan Agreement between the Town and the Bank (the “Loan Agreement”), including the form of the Note, pursuant to which the Bank will make the loan to the Town and the Town will deliver the Note as evidence thereof;

**BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF PURCELLVILLE, VIRGINIA:**

**1. Issuance and Award of Note.**

(a) Pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991 and the Town Charter, the Council hereby provides for the issuance and sale of the Note to provide funds, together with other available monies of the Town, to pay (i) the costs of the Project and (ii) the costs of issuing the Note.

(b) The Note is hereby awarded, and shall be sold, to Bank of Charles Town in accordance with the terms of its bid attached hereto as Exhibit A (the “Bid”), this Resolution and the Loan Agreement; provided that the (i) interest rate of the Note shall not exceed 1.81% per year (subject to adjustment upon terms set forth in the Bid) and (ii) the final maturity of the Note shall not extend beyond December 31, 2023.

**2. Approval of Loan Agreement.** The form of the Loan Agreement circulated prior to this meeting is hereby approved. The Mayor, the Vice Mayor and the Town Manager, any of whom may act, are hereby authorized to execute the Loan Agreement in substantially such form, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the officer executing such instrument, whose approval shall be evidenced conclusively by the execution and delivery thereof.

**3. Note Details.**

(a) The Note shall be in the form of a single, typewritten note, designated “General Obligation Note, Series 2020C (Federally Taxable),” shall be in registered form, shall be dated the date of its delivery and shall be numbered RC-1. The Note shall contain such final terms as the Town Manager, in collaboration with the Financial Advisor, shall determine to be in the best interests of the Town; provided, however, that the Note shall (i) provide for the Bank to make principal advances from time to time in an aggregate amount not to exceed \$3,000,000, (ii) bear interest at an annual rate not exceeding the parameter set forth in Section 1(b) above, (iii) be sold to the Bank at a price of 100% of the aggregate principal amount thereof and (iv) mature no later than the date set forth in Section 1(b) above. The principal of and interest due on the Note shall be payable on dates and in amounts as determined by the Town Manager to be in the best interests of the Town. The actions of the Town Manager in selling the Note shall be conclusive, as evidenced by delivery of the final Note, and no further action with respect to the issuance and sale of the Note shall be necessary on the part of the Council.

(b) If the date on which any payment is due with respect to the Note is not a Business Day (as defined in the Loan Agreement), the payment shall be made on the next succeeding Business Day.

(c) Principal of and premium, if any, interest on the Note shall be payable by the Registrar (as defined in the Loan Agreement) by check or draft mailed to the registered owner at the address as it appears on the registration books kept by the Registrar on the dates selected by the Town Manager as the record dates for the Note; provided, however, that, at the request of the registered owner of the Note, payment will be made by wire transfer pursuant to the most recent wire instructions received by the Registrar from such registered owner. Principal, premium, if any, and interest shall be payable in lawful money of the United States of America.

**4. Prepayment Provisions.** The Note may be prepaid prior to maturity, at the option of the Town, in accordance with the terms of the Bid.

**5. Execution and Authentication.** The Note shall be signed by the manual signature of the Mayor or Vice Mayor, and the Town's seal shall be affixed thereto and attested by the manual signature of the Town Clerk (such term as used in this Resolution to include any Deputy or Assistant Clerk). The Note shall be issued as a typewritten note in substantially the form of Exhibit A attached to the Loan Agreement, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the Mayor or Vice Mayor, whose approval shall be evidenced conclusively by the execution of the Note and the delivery thereof to the Bank.

**6. Pledge of Full Faith and Credit.** The full faith and credit of the Town are irrevocably pledged for the payment of 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, 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.

**7. Preparation and Delivery of Note.** Subject to the provisions of Sections 1 and 3, the officers of the Town are hereby authorized and directed to take all proper steps to have the Note prepared and executed in accordance with its terms and to deliver the Note to the Bank upon receipt of the first principal advance thereunder.

**8. SNAP Investment Authorization.** The Council has previously received and reviewed the Information Statement, describing the State Non-Arbitrage Program of the Commonwealth of Virginia ("SNAP") and the Contract Creating the State Non-Arbitrage Program Pool (the "Contract"), and the Council hereby authorizes the Town Treasurer in her discretion to utilize SNAP in connection with the investment of the proceeds of the Note. The Council acknowledges that the Treasury Board of the Commonwealth of Virginia is not, and shall not be, in any way liable to the Town in connection with SNAP, except as otherwise provided in the Contract.

**9. Provision of Financial Information.** The Town Manager or his designee is hereby authorized and directed to provide, for each fiscal year in which the Note remains outstanding, a

copy of the Town's comprehensive annual financial report and annual budget to the registered owner of the Note.

**10. Other Actions.** All other actions of officers of the Town and the Council in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Note are hereby ratified, approved and confirmed. The officers of the Town are hereby authorized and directed to execute and deliver all certificates and instruments and to take all such further action as may be considered necessary or desirable in connection with the issuance, sale and delivery of the Note pursuant to this Resolution and the Loan Agreement.

**11. Repeal of Conflicting Resolutions.** All resolutions or parts of resolutions in conflict herewith are repealed.

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

**PASSED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2020.**

\_\_\_\_\_  
Kwasi Fraser, Mayor  
Town of Purcellville

ATTEST:

\_\_\_\_\_  
Diana Hays, Town Clerk