

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 AND SALE OF GENERAL OBLIGATION REFUNDING BONDS OF THE TOWN OF PURCELLVILLE, VIRGINIA, PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF, PROVIDING FOR THE REFUNDING OF A PORTION OF THE TOWN’S OUTSTANDING GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013A AND SERIES 2013B, AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH” (the “Resolution”). The Resolution was adopted at a regular meeting of the Town Council of the Town (the “Council”) held on March 24, 2020, by the affirmative roll-call vote of a majority of all members elected to the Council.

2. Such meeting 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:

Member	Attendance (Present/Absent)	Vote (Aye/Nay/Abstain)
Mayor Kwasi Fraser		
Vice Mayor Tip Stinnette		
Chris Bledsoe		
Ryan Cool		
Ted Greenly		
Joel D. Grewe		
Nedim Ogelman		

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 The Resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on the date hereof.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 March, 2020.

(SEAL)

Town Clerk, Town of Purcellville, Virginia

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

RESOLUTION NO. 20-03-03

**PRESENTED: MARCH 24, 2020
ADOPTED: _____**

A RESOLUTION: PROVIDING FOR THE ISSUANCE AND SALE OF GENERAL OBLIGATION REFUNDING BONDS OF THE TOWN OF PURCELLVILLE, VIRGINIA, PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF, PROVIDING FOR THE REFUNDING OF A PORTION OF THE TOWN'S OUTSTANDING GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013A AND SERIES 2013B, AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH

WHEREAS, on October 16, 2013, the Town of Purcellville, Virginia (the "Town"), issued its \$27,155,000 General Obligation Refunding Bonds, Series 2013A (the "2013A Bonds"), and its \$6,535,000 General Obligation Refunding Bonds, Series 2013B (Federally Taxable) (the "2013B Bonds" and together with the 2013A Bonds, the "2013 Bonds");

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 Town Council of the Town (the "Council") that the Town authorize the refunding of portions of the outstanding 2013 Bonds (such refunded portions, the "Refunded Bonds") to achieve debt service savings;

WHEREAS, pursuant to their terms, the first optional redemption date of the Refunded Bonds is February 1, 2023;

WHEREAS, pursuant to the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), the Town may not issue a federally tax-exempt bond to effect the refunding of the Refunded Bonds more than 90 days in advance of the first optional redemption date;

WHEREAS, in light of the foregoing limitation on the redemption of the Refunded Bonds, the Town's administration, in collaboration with the Financial Advisor, has recommended that (a) the Town issue and sell a federally taxable general obligation refunding bond (as hereinafter described, the "2020B Bond") to fund an escrow account to pay the principal of and interest due on the Refunded Bonds to and including the first business day on which the Refunded Bonds can be optionally redeemed (the "Redemption Date"), and (b) the

Town consider, subject to the conditions set forth in this Resolution, entering into a Forward Delivery Agreement (as hereinafter described) pursuant to which the Town may issue on or after February 1, 2023, a general obligation refunding bond, either as a federally tax-exempt bond or as a federally taxable bond (as hereinafter described, the “2023 Bond”), to refund the 2020B Bond;

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 2020B Bond and, if the Town Manager determines to enter into the Forward Delivery Agreement, the purchase of the 2023 Bond (the 2020B Bond and the 2023 Bond are collectively referred to herein as the “Bonds”); and

WHEREAS, the Council has determined to (a) authorize such loan and provide for the issuance and sale of the 2020B Bond and, if applicable, the 2023 Bond and (b) delegate to the Town Manager the authority to negotiate the final terms thereof, subject to the financing parameters set forth in this Resolution;

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

1. Issuance and Sale. Pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991, the Council hereby authorizes (a) the issuance and sale of the 2020B Bond in a principal amount not to exceed \$13,300,000 to refund the Refunded Bonds and to pay the related costs of issuance and refunding. The Council hereby authorizes the Town Manager to determine whether it is in the best interests of the Town to enter into a Forward Delivery Agreement and to issue the 2023 Bond in a principal amount not to exceed \$13,300,000 to refund the 2020B Bond and to pay the related costs of issuance and refunding. The Town Manager is authorized, in collaboration with the Financial Advisor, to determine which bid received from the various commercial banking and other financial institutions offers the best terms to the Town and to award the issuance and sale of the 2020B Bond to such bidder (hereinafter referred to as the “Purchaser”), in accordance with the terms of such bid and subject to the provisions of this Resolution.

2. Approval of Forward Delivery Agreement. The form of the Forward Delivery Bond Purchase Agreement (the “Forward Delivery Agreement”) circulated prior to this meeting is hereby approved. The Mayor and the Town Manager, either of whom may act, are authorized to execute the Forward Delivery 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. Bond Details.

(a) The 2020B Bond (i) shall be issued as a federally taxable bond, (ii) shall be in the form of a single, typewritten bond, designated “General Obligation Refunding Bond, Series 2020B (Federally Taxable),” or such other designation as may be approved by the Town Manager, (iii) shall be in registered form, (iv) shall be dated the date of its delivery and (v) shall

be numbered R-1. The 2020B Bond 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 2020B Bond (w) shall be issued in a principal amount not exceeding the limitations set forth in Section 1, (x) shall bear interest at an annual rate not to exceed 3.00% (subject to adjustment upon an event of default), (y) shall be sold to the Purchaser at a price of 100% of the original principal amount thereof, and (z) shall mature no later than December 31, 2034.

(b) The 2023 Bond, if the Town Manager determines that it is in the best interests of the Town to enter into the Forward Delivery Agreement, (i) shall be issued either as a federally tax-exempt bond or a federally taxable bond, whichever status the Town Manager shall determine to be in the best interests of the Town, (ii) shall be in the form of a single, typewritten bond, designated "General Obligation Refunding Bond, Series 2023," or such other designation as may be approved by the Town Manager, (iii) shall be in registered form, (iv) shall be dated the date of its delivery and (v) shall be numbered RB-1. The 2023 Bond 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 2023 Bond (w) shall be issued in a principal amount not exceeding the limitations set forth in Section 1, (x) shall bear interest at an annual rate not to exceed 3.00% (subject to adjustment upon an event of default or an event of taxability), (y) shall be sold to the Purchaser at a price of 100% of the original principal amount thereof, and (z) shall mature no later than December 31, 2034.

(c) The principal of and interest due on the Bonds shall be payable on dates and in amounts as determined by the Town Manager to be in the best interests of the Town.

(d) Following the determination of the final pricing terms for the 2020B Bond and, if applicable, the 2023 Bond, the Town Manager shall execute a certificate setting forth such final pricing terms and shall file such certificate with the records of the Council. The actions of the Town Manager in selling the 2020B Bond and, if applicable, the 2023 Bond shall be conclusive, and no further action with respect to the issuance and sale of either Bond shall be necessary on the part of the Council.

(e) If the date on which any payment is due with respect to either Bond is not a Business Day (as hereinafter defined), the payment shall be made on the next succeeding Business Day with the same force and effect as if made on the nominal date of payment. "Business Day" shall mean 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.

(f) Principal, premium, if any, and interest shall be payable by the Registrar (as hereinafter defined) 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 date selected by the Town Manager as the record date for the Bond (the "Record Date"); provided, however, that, at the request of the registered owner of the Bond, 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 on the Bonds shall be payable in lawful money of the United States of America.

4. Prepayment of Bonds. The Bonds may be prepaid prior to maturity, at the option of the Town, in accordance with the terms of the bid of the Purchaser or as otherwise approved by the Town Manager, provided that any prepayment premium shall not exceed 2% of the principal amount of the Bonds to be prepaid.

5. Execution and Authentication. The Bonds shall be signed by the manual or facsimile signature of the Mayor of the Town and shall be countersigned by the manual or facsimile signature of the Town Clerk (such term as used in this Resolution to include any Deputy or Assistant Clerk), and the Town's seal shall be affixed thereto or a facsimile thereof printed thereon; provided, however, that no Bond signed by facsimile signatures shall be valid until it has been authenticated by the manual signature of an authorized officer or employee of the Registrar and the date of authentication noted thereon.

6. Bond Forms.

(a) The 2020B Bond shall be in substantially the form of Exhibit A attached hereto, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the officers signing the 2020B Bond, whose approval shall be evidenced conclusively by the execution of the 2020B Bond and delivery thereof to the Purchaser.

(b) The 2023 Bond shall be in substantially the form of Exhibit A-1 or Exhibit A-2 attached to the Forward Delivery Agreement, with such completions, omissions, insertions and changes not inconsistent with this Resolution and the Forward Delivery Agreement as may be approved by the officers signing the 2023 Bond, whose approval shall be evidenced conclusively by the execution of the 2023 Bond and delivery thereof to the Purchaser.

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

8. Registration, Transfer and Owners of Bonds. The Bonds shall be issued in registered form without coupons, payable to the registered holders or registered assigns. The Town Treasurer is appointed paying agent and registrar for the Bonds (the "Registrar"). The Town may, in its sole discretion, at any time appoint a qualified bank or trust company as successor paying agent and registrar of the Bonds. The Registrar shall maintain registration books for the registration and registration of transfers of the Bonds. Upon presentation and surrender of any Bond 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 Section 6, and deliver in exchange, a new Bond or Bonds 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 or entity requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Registrar shall treat the registered owner as the person or entity exclusively entitled to payment of principal and interest and the exercise of all other rights and powers of the owner, except that interest payments shall be made to the person or entity shown as owner on the registration books on the Record Date.

9. Preparation and Delivery of Bonds. The Mayor of the Town and the Town Clerk are authorized and directed to take all proper steps to have the Bonds prepared and executed in accordance with their respective terms and, with respect to the 2023 Bond, the terms of the Forward Delivery Agreement and to deliver the Bonds to the Purchaser upon payment therefor.

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

11. Escrow Deposit Agreement. The Town Manager and the Assistant Town Manager/Director of Finance, either of whom may act, are hereby authorized and directed to execute an escrow deposit agreement in connection with the Refunded Bonds (the “Escrow Agreement”) between the Town and an escrow agent to be appointed by the Town Manager (the “Escrow Agent”). The Escrow Agreement shall be in the form approved by the Town Manager, in collaboration with the Town Attorney and the Town’s bond counsel, the execution thereof by the Town Manager or Director of Finance to constitute conclusive evidence of such officer’s approval of the Escrow Agreement. The Escrow Agreement shall provide for the irrevocable deposit of a portion of the 2020B Bond proceeds (the “Escrowed Refunding Portion”) in an escrow fund that shall be sufficient to provide for payment of the principal of and interest on the Refunded Bonds. If requested by the Town Manager, the Escrow Agent is hereby authorized and directed to execute subscription forms, contracts and other agreements providing for the purchase of noncallable obligations of, or unconditionally guaranteed by, the United States Government, to provide for payment of the principal of and interest on the Refunded Bonds.

12. Deposit of Bond Proceeds.

(a) The Town Treasurer is authorized and directed to (i) provide for the delivery of the Escrowed Refunding Portion to the Escrow Agent for deposit in the Escrow Fund and (ii) deposit the remaining 2020B Bond proceeds in a special account held by the Town or the Escrow Agent to be used to pay the related costs of issuance and refunding. The Town Treasurer is further authorized and directed to take all such further action as may be necessary or desirable in connection with the payment and refunding of the Refunded Bonds.

(b) If applicable, the Town Treasurer is authorized and directed to provide for delivery of any proceeds of the 2023 Bond in such manner as necessary to (i) refund the 2020B Bond at maturity and (ii) pay the related costs of issuance. The Town Treasurer is further authorized and directed to take all such further action as may be necessary or desirable in connection with the payment and refunding of the 2020B Bond.

13. Redemption of Refunded Bonds. The Town Manager is authorized and directed to (a) determine which maturities of the 2013 Bonds shall constitute the Refunded Bonds, (b) take all proper steps to call for redemption the Refunded Bonds and (c) prepare and deliver any such notices and correspondence necessary therefor.

14. Arbitrage Covenants. The Town covenants that, if the 2023 Bond is issued as a federally tax-exempt bond, the Town shall not take or omit to take any action the taking or omission of which will cause the 2023 Bond to be an “arbitrage bond” (within the meaning of Section 148 of the Code), or cause interest on the 2023 Bond to be includable in the gross income for federal income tax purposes of the registered owners thereof under existing law. Without limiting the generality of the foregoing, if the 2023 Bond is issued as a federally tax-exempt bond, the Town shall comply with any provision of law that may require the Town at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds of the 2023 Bond, unless the Town receives an opinion of nationally recognized bond counsel that such compliance is not required to prevent interest on the 2023 Bond from being includable in the gross income for federal income tax purposes of the registered owners thereof under existing law. The Town shall pay any such required rebate from its legally available funds.

15. Tax Compliance Documentation. Such officers of the Town as may be requested by the Town’s bond counsel are authorized and directed to execute an appropriate certificate setting forth (a) the expected uses and investment of the proceeds of the 2023 Bond in order to show that such expected uses and investment will not violate the provisions of Section 148 of the Code and (b) any elections such officers deem desirable regarding rebate of earnings to the United States for purposes of complying with Section 148 of the Code. Such certificate shall be prepared in consultation with the Town’s bond counsel, and such elections shall be made after consultation with bond counsel.

16. Limitation on Private Use. The Town covenants that, if the 2023 Bond is issued as a federally tax-exempt bond, it shall not permit the proceeds of the 2023 Bond or the facilities refinanced therewith to be used in any manner that would result in (a) more than 5% of such proceeds or facilities being used in a trade or business carried on by any person other than a governmental unit, as provided in Section 141(b) of the Code, (b) more than 5% of such proceeds or facilities being used with respect to any output facility (other than a facility for the furnishing of water) (within the meaning of Section 141(b)(4) of the Code), or (c) more than 5% of such proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit, as provided in Section 141(c) of the Code; provided, however, that if the Town receives an opinion of nationally recognized bond counsel that any such covenants need not be complied with to prevent the interest on the 2023 Bond from being includable in the gross income for federal income tax purposes of the registered owners thereof under existing law, the Town need not comply with such covenants.

17. Election to Proceed under Public Finance Act. In accordance with Sections 15.2-2601 and 15.2-2643 of the Code of Virginia of 1950, as amended (the “Virginia Code”), the Council elects to issue the Bonds pursuant to the provisions of the Public Finance Act of 1991, Chapter 26 of Title 15.2 of the Virginia Code, without regard to the provisions of the Town Charter.

18. Other Actions. All other actions of officers of the Town in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bonds and the refunding of the Refunded Bonds are hereby ratified, approved and confirmed. The officers of the Town are 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 Bonds and the refunding of the Refunded Bonds.

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

20. Effective Date. This Resolution shall take effect immediately.

Kwasi A. Fraser
Mayor, Town of Purcellville

ATTEST:

Diana Hays, Town Clerk

EXHIBIT A

FORM OF 2020B Bond

REGISTERED

REGISTERED

No. R-1

[_____, 2020]

UNITED STATES OF AMERICA

COMMONWEALTH OF VIRGINIA

TOWN OF PURCELLVILLE

General Obligation Refunding Bond, Series 2020B (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 sum of [_____] **DOLLARS (\$_____)**], together with interest from the date of this bond on the unpaid principal, at the Interest Rate (as hereinafter defined), calculated on the basis of a 360-day year of twelve 30-day months. Interest shall be payable semi-annually on each _____ and _____, commencing _____, and principal shall be payable annually on _____ in the amounts and years as set forth on Schedule I attached hereto, except for the final installments of interest and principal which shall be payable at final maturity on _____. Principal and interest are payable in lawful money of the United States of America by the Town Treasurer, who has been appointed paying agent and registrar for this bond, or by such bank or trust company as may be appointed by the Town as successor paying agent and registrar (the “Registrar”).

This bond is issued pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991. This bond is issued pursuant to a resolution adopted by the Town Council of the Town (the “Council”) on March 24, 2020, to currently refund certain maturities of the Town’s outstanding General Obligation Refunding Bonds, Series 2013A and Series 2013B, and to pay related costs of issuance and refunding.

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

Definitions

The following defined terms shall have the following meanings in this bond:

“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.

“Default Rate” means a per annum rate equal to ____%, but in no event shall such the Default Rate exceed the maximum rate permitted by law.

“Event of Default” means failure of the Town to pay principal of or interest on this bond when the same becomes due and payable and the continuation of such failure for ____ Business Days after written notice is received from the Bank.

“Interest Rate” means a per annum rate equal to [____]%, unless an Event of Default has occurred and is continuing, in which case the Interest Rate shall equal the Default Rate.

Terms

Upon the occurrence of an Event of Default and for so long as the Event of Default is continuing, the Interest Rate on this bond shall be converted to the Default Rate.

If the date on which any payment is due with respect to this bond is not a Business Day, the payment shall be made on the next succeeding Business Day with the same force and effect as if made on the nominal date of payment.

[Insert Prepayment Provisions]

The Registrar shall treat the registered owner of this bond as the person exclusively entitled to payment of principal of and interest on this bond 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 first day of the month in which each interest payment date occurs.

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 bond have happened, exist and have been performed, and this bond, 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.

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

(SEAL)

Virginia

[Vice] Mayor, Town of Purcellville,

[Deputy] Town Clerk, Town of Purcellville, Virginia

ASSIGNMENT

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

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

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFeree:

: :
: :
: :
: :

the within bond and all rights thereunder, hereby irrevocably constituting and appointing
_____,
Attorney, to transfer said bond 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 bond in every particular,
without alteration or enlargement or any
change whatsoever.

SCHEDULE I

[DEBT SERVICE SCHEDULE TO BE ATTACHED AT CLOSING]