

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 OF A GENERAL OBLIGATION PUBLIC IMPROVEMENT REFUNDING BOND OF THE TOWN OF PURCELLVILLE, VIRGINIA, PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF, AND PROVIDING FOR THE REFUNDING OF A PORTION OF THE TOWN'S OUTSTANDING GENERAL OBLIGATION PUBLIC IMPROVEMENT AND REFUNDING BOND, SERIES 2012A" (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 The Resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on the date hereof.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. 20-03-04

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

A RESOLUTION: PROVIDING FOR THE ISSUANCE, SALE AND AWARD OF A GENERAL OBLIGATION PUBLIC IMPROVEMENT REFUNDING BOND OF THE TOWN OF PURCELLVILLE, VIRGINIA, PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF, AND PROVIDING FOR THE REFUNDING OF A PORTION OF THE TOWN'S OUTSTANDING GENERAL OBLIGATION PUBLIC IMPROVEMENT AND REFUNDING BOND, SERIES 2012A

WHEREAS, on December 6, 2012, the Town of Purcellville, Virginia (the "Town"), issued its \$5,870,000 General Obligation Public Improvement and Refunding Bond, Series 2012A (the "2012A Bond");

WHEREAS, the Town Council of the Town (the "Council") desires to effect savings by having the Town issue a new general obligation public improvement refunding bond and use the proceeds, together with other available funds, to (a) refund the outstanding principal amount of the 2012A Bond (such refunded portion, the "Refunded Bond") and (b) pay the related costs of issuance and refunding;

WHEREAS, the Town's administration and a representative of Davenport & Company LLC, acting in the role as the Town's financial advisor (the "Financial Advisor"), have recommended to the Council that the Town issue and sell a general obligation public improvement refunding bond directly to 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 a general obligation public improvement refunding bond of the Town (the "2020A Bond" as hereinafter described); and

WHEREAS, the Council has determined to (a) authorize such loan and provide for the issuance and sale of the 2020A 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, Sale and Award. Pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991, the Council hereby

provides for the issuance and sale of the 2020A Bond in a principal amount not to exceed \$4,700,000 to provide funds, together with other available monies of the Town, to (a) refund the Refunded Bond, including funds to pay principal of and interest on the Refunded Bond until redemption, and (b) pay costs incurred in connection with such refunding and the costs of issuing the 2020A Bond. 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 2020A Bond to such bidder (hereinafter referred to as the “2020A Purchaser”), in accordance with the terms of such bid and subject to the provisions of this Resolution.

2. Bond Details. The Council hereby authorizes the Town Manager to determine the final terms of the 2020A Bond, all as he shall deem to be in the best interests of the Town and subject to the following parameters. As such, the Town Manager shall determine the appropriate series designation, the dated date, the numbering for the 2020A Bond, the dates on which principal and interest shall be due on the 2020A Bond and the amounts of the principal installments of the 2020A Bond. In no circumstances shall the 2020A Bond (a) be issued in a principal amount exceeding the limit set forth in Section 1 above, (b) bear interest at an annual rate exceeding 2.0% (subject to adjustment upon an event of taxability or an event of default), or (c) be sold at a price of less than 100% of the original aggregate principal amount thereof or (d) have a final maturity date later than December 31, 2033. Following the determination of the final terms of the 2020A Bond, the Council directs the Town Manager to execute a certificate setting forth such final terms and to file such certificate with the records of the Council. The actions of the Town Manager in selling the 2020A Bond shall be conclusive, and no further action with respect to the issuance, sale and award of the 2020A Bond shall be necessary on the part of the Council.

If the date on which any payment is due with respect to the 2020A 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.

Principal of and premium, if any, and interest on the 2020A Bond 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 2020A Bond (the “Record Date”); provided, however, at the request of the registered owner of the 2020A Bond, payment may 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.

3. Prepayment Provisions. The 2020A Bond may be prepaid prior to maturity, at the option of the Town, in accordance with the terms of the bid of the 2020A Purchaser or as otherwise approved by the Town Manager, provided that any prepayment premium shall not exceed 2% of the principal amount thereof to be prepaid.

4. 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 2020A

Bond. Unless other funds are lawfully available and appropriated for timely payment of the 2020A 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 locally taxable property in the Town sufficient to pay when due the principal of and premium, if any, and interest on the 2020A Bond.

5. Execution, Authentication and Form. The 2020A Bond shall be signed by the manual or facsimile signature of the Mayor or Vice Mayor, and the Town's seal shall be affixed thereto and attested by the manual or facsimile signature of the Town Clerk (such term as used in this Resolution to include any Deputy or Assistant Clerk). If the 2020A Bond bears facsimile signatures, it shall be authenticated by the Town Manager or Town Treasurer prior to delivery to the 2020A Purchaser. The 2020A Bond shall be issued as a typewritten bond 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 Mayor or Vice Mayor, whose approval shall be evidenced conclusively by such officer's execution of the 2020A Bond and delivery thereof to the 2020A Purchaser.

6. Registration, Transfer and Owner of Bond. The 2020A Bond shall be issued in registered form without coupons, payable to the registered holder or its registered assigns. The Council hereby appoints the Town Treasurer to act as the initial paying agent and registrar for the 2020A Bond (in both capacities and together with any successor paying agent and registrar, the "Registrar"); provided, however, the Council may at any time, in its sole discretion, after notice to the registered owner of the 2020A Bond, appoint a qualified bank or trust company to act as successor Registrar for the 2020A Bond. The Registrar shall maintain registration books for the registration and registration of transfers of the 2020A Bond. Upon presentation and surrender of the 2020A 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 5, 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 the name(s) 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 governmental charge required to be paid with respect thereto.

The Registrar shall treat the registered owner as the person exclusively entitled to payment of principal of and premium, if any, and interest on the 2020A Bond 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.

7. Preparation and Delivery of Bond. The officers of the Town are hereby authorized and directed to take all proper steps to have the 2020A Bond prepared and executed in accordance with its terms and to deliver the 2020A Bond to the 2020A Purchaser upon payment therefor.

8. Mutilated, Lost or Destroyed Bond. If the 2020A Bond has been mutilated, lost or destroyed, the Town officers authorized under Section 5 above to execute the original 2020A

Bond shall execute and deliver a new 2020A Bond of like date and tenor in exchange and substitution for, and upon cancellation of, such mutilated 2020A Bond or in lieu of and in substitution for such lost or destroyed 2020A Bond; provided, however, that such Town officers shall so execute and deliver the new 2020A Bond 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 2020A Bond, (a) has filed with the Town evidence satisfactory to such Town officers that such Bond was lost or destroyed and (b) has furnished to the Town satisfactory indemnity.

9. Redemption of the Refunded Bond. The Town Manager is authorized and directed to take all proper steps to call for redemption the Refunded Bond and to prepare and deliver any such notices and correspondence necessary therefor.

10. Arbitrage Covenants. The Town covenants that it shall not take or omit to take any action the taking or omission of which will cause the 2020A Bond to be an “arbitrage bond” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), or otherwise cause interest on the 2020A Bond to be includable in the gross income for federal income tax purposes of the registered owner(s) thereof under existing law. Without limiting the generality of the foregoing, 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 2020A Bond, unless the Town receives an opinion of nationally recognized bond counsel that such compliance is not required to prevent interest on the 2020A Bond from being includable in the gross income for federal income tax purposes of the registered owner(s) thereof under existing law. The Town shall pay any such required rebate from its legally available funds.

11. Non-Arbitrage Certificate and Elections. Such officers of the Town as may be requested by the Town’s bond counsel are hereby authorized and directed to execute an appropriate certificate setting forth (a) the expected use and investment of the proceeds of the 2020A Bond in order to show that such expected use and investment will not violate the provisions of Section 148 of the Code and regulations issued pursuant thereto 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.

12. Limitation on Private Use. The Town covenants that it shall not permit the proceeds of the 2020A Bond or the facilities refinanced therewith to be used in any manner that would result in 5% or more of such proceeds or facilities, as applicable, (a) 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) 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) 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 2020A Bond from being includable in the gross income for federal income tax purposes of the registered owner thereof under existing law, the Town need not comply with such covenants.

13. Qualified Tax-Exempt Obligation. If the Town Manager determines that the Town is able to meet the requirements of Section 265(b)(3) of the Code with respect to the 2020A Bond, including (with certain exceptions) a restriction on the issuance by the Town of more than \$10,000,000 (in the aggregate) of tax-exempt obligations during the current calendar year, the Town Manager is hereby authorized to designate the 2020A Bond as a “qualified tax-exempt obligation” for the purpose of Section 265(b)(3) of the Code or to comply with the provisions under such Section for “deemed designated” status.

14. Provision of Financial Information. The Town Manager or his designee is hereby authorized and directed to provide, for each fiscal year in which the 2020A Bond remains outstanding, a copy of the Town’s comprehensive annual financial report and annual budget to the registered owner of the 2020A Bond.

15. 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 Bond 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.

16. 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 2020A Bond and the refunding of the Refunded Bond are ratified, approved and confirmed. The officers of the Town are hereby authorized and directed to execute and deliver all certificates and instruments, including an interest rate lock agreement or commitment letter, and to take all such further action as may be considered necessary or desirable in connection with the issuance, sale and delivery of the 2020A Bond and the refunding of the Refunded Bond.

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

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

Kwasi A. Fraser
Mayor, Town of Purcellville

ATTEST:

Diana Hays, Town Clerk

EXHIBIT A -- FORM OF BOND

REGISTERED

REGISTERED

No. R[A]-1

_____, 2020

UNITED STATES OF AMERICA

COMMONWEALTH OF VIRGINIA

TOWN OF PURCELLVILLE

**General Obligation Public Improvement Refunding Bond
Series 2020[A]**

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 rate of [_____] % per year, calculated on the basis of a [360-day year of twelve 30-day months], subject to prepayment as hereinafter provided. Installments of interest shall be payable semi-annually on [_____] and [_____] , commencing [_____] , and installments of principal shall be payable annually on [_____] , commencing [_____] , in the amounts set forth on Schedule I attached hereto. If not sooner paid, all principal shall be due and payable on _____. Principal of and premium, if any, and interest on this bond are payable in lawful money of the United States of America.

If the date on which any payment is due with respect to this 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. Principal, premium, if any, and interest are payable by the Town Treasurer, who has been appointed the initial paying agent and registrar for this bond (in both capacities, 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 has been authorized and issued pursuant to a resolution adopted by the Town Council of the Town (the “Council”) on March 24, 2020, to provide funds (a) to refund the outstanding principal amount of the Town’s General Obligation Public Improvement and Refunding Bond, Series 2012A, and (b) to pay the costs of refunding such bond and issuing this bond.

[This bond may be prepaid prior to maturity at the option of the Town in whole or in part at any time at a redemption price equal to 100% of the principal amount of this bond to be redeemed, together with any interest accrued and unpaid to the date fixed for redemption.]

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.

[This refunding bond is deemed a “qualified tax-exempt obligation” for the purpose of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.]

The Registrar shall treat the registered owner of this bond as the person exclusively entitled to the 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 owner on the registration books on [the last Business Day of the month preceding each 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 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 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 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.

TRANSFER OF BOND

Transfer of this bond 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>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

SCHEDULE I

[Attach Amortization Schedule at Closing]